



**DETERMINANTS OF HOUSING PRICE IN
MALAYSIA**

**NUR AMMAR MUJAHID BIN ZULKARNAIN
2017485672**

Final Year Project Paper submitted in fulfilment of
the requirements for the degree of
**Bachelor of Business Administration
Investment Management**

Faculty of Business and Management

February 2022

First and foremost, I would like say my gratitude to Allah SWT, as the Most Mercifulness to bless and grant me with healthy mental, physical and keep my motivation to undergo and complete my project paper. Special thanks to Sir Syamsyul Samsudin and Madam Yuslizawati Mohd Yusoff , Senior Lecturer of Faculty of Business Management UITM Johor, passionately encourage me to complete this project paper.

I would also like to take this opportunity to state my appreciation to my mother, lectures and friends that helped to assist me direct or indirectly in completion of this paper. Thus, moral support from all of them and their understanding did encourage me to the completion of the task.

Thank you.

ABSTRACT

This study is aimed to find out determinants of house price in Malaysia. In order to measure the house price in Malaysia, some of determinants are being used to see its influence towards

the house price. Testing and analysing data that have collected can be done by using interactive software E-View. The determinants are inflation rate (IR), lending interest rate (RR), Gross Domestic Production (GDP), and population (PP). The study is being done to investigate and examine the volatility of house price in Malaysia over a year of 2000 till 2020. Most of previous research papers are more focusing in understand the essential of house investing and the government policies. The expected findings for this research will indicated view and determinants that affecting volatility of house price in Malaysia. The variables that have significant relationship with House price index (HPI) are lending interest rate (RR) and Population (PP). While the variables that do not have significant relationship with House price index (HPI) are inflation rate (IR) and Gross domestic product (GDP).

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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

The houses price in Malaysia from 2000 till 2020 keep volatile over the time. The study of this paper will briefly discuss about the background of the study, problem statements, research questions, research objectives, significant of the study, and summary for the introduction of chapter 1. Furthermore, relationship of dependent and its independent variables is well explained in this study. It will help us to discover and understand the relation between variables mentioned. Thus the determinants been examined to see it influence towards the house price in Malaysia.

This research is focusing on how the dependant variable, House Price Index (HPI) are related to its independent variables such as Inflation Rate (IR), Lending Interest Rate (RR), Gross Domestic Production (GDP), and Population (PP). Those selected variables did give an impacted towards the volatility of the houses price. These variables are considered as a major subject of the study in this paper. Next theoretical framework of this study involved the development of research question formulation. There are consists of two types of research questions, main research question and specific research question. The main research question is concentrated on the dependent variable as a title of this project paper. While the specific research questions are being done to support the validity result of the main research question. Therefore, this research paper shows two research objectives, first main research objective and second specific research objective, whereby the significant of the study will be highlight the depth understanding for houses investor and government to understand more about volatility of houses price in Malaysia.

1.2 RESEARCH BACKGROUND