



**RELATIONSHIP BETWEEN ECONOMIC GROWTH, CONSUMER PRICE INDEX AND
HOUSING LOAN RATE ON HOUSING PRICE IN MALAYSIA**

NOORHAZIRAH BINTI MOHD ZAHARI

2014547371

Submitted In Partial Fulfillment Of The

Requirement For The

Bachelor of Business Administration With Honours (Finance)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

KAMPUS BANDARAYA MELAKA

DECEMBER 2016

LETTER OF SUBMISSION

30 December 2016

Madam Nor Aizan Binti Mohamed

Lecturer

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

Universiti Teknologi MARA

70450 Malacca.

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**Relationship between Economic Growth, Consumer Price Index and Housing Loan Rate on Housing Price in Malaysia**” to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

.....

NOORHAZIRAH BINTI MOHD ZAHARI

2014547371

Bachelor of Business Administration (Hons) Finance

ACKNOWLEDGEMENT

In the name of Allah S.W.T, the Most Compassionate, the Most Merciful, the Most Gracious. All praise goes to Allah S.W.T for giving me strength, patience and making things possible for me to complete this project paper according to the time given.

First and foremost, I would like to shows my gratitude to my advisor, Madam Nor Aizan Binti Mohamed for her continuous guidance, support and favourable comment along the way in completion of this project paper.

I would also like to take this opportunity to express my thankfulness to my beloved parents for the supports and guidance not only in completing this project paper, but also finishing my study.

Lastly, my appreciation goes to all of my friends for sharing information and guidance, contribute directly and indirectly in completing this project paper. May Allah S.W.T shower His blessing upon all of you.

ABSTRACT

Over the past few years, Malaysia has experienced foremost changes of house price. The significant changes will distress the people among the current lenders. The objective of this study is to investigate the relationship between Economic Growth, Consumer Price Index and Housing Loan Rate on Housing Price in Malaysia. The design of this study consists of 30 observations secondary data of each variable from 1986 until 2015 which are on a yearly basis. There are few types of analysis tested by using EViews Version 9 and by applying structural time-series methodology. Those data were analysed using the Single Linear Regression and Multiple Linear Regression model meanwhile the variables analysed using the t-test, f-test and others to ensure the relationship between all the variables. The result indicates that not all of predictors are significantly related to house price, only Consumer Price Index and Housing Loan Rate are positive relationship with the movement of house price index while the Economic Growth is negative relationship with the Housing Price. The study intends to contribute and enhance the execution on scenario planning that related to unpredictable house price rising. This study will help investors and government excellently and to facilitate buyers to assess the timing from macroeconomic factor.

TABLE OF CONTENTS

	Pages
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v-ix
LIST OF TABLES	x-xi
LIST OF FIGURES	xii
LIST OF ABBREVIATIONS	xiii
ABSTRACT	xiv
CHAPTER 1 RESEARCH OVERVIEW	
1.0 Introduction	1-3
1.1 Problem Statement	4-5
1.2 Research Objective	6
1.2.1 General Objective	6
1.2.2 Specific Objectives	6
1.3 Research Questions	7
1.4 Hypotheses of the Study	8