



**DETERMINANTS THAT INFLUENCE THE MOVEMENT OF HOUSING PRICE
IN MALAYSIA**

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MALACCA CITY CAMPUS**

JANUARY 2018

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MALAYSIA**

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**Submitted in Partial Fulfilment of the
Requirement for the
Bachelor of Business Administration with Honours (Finance)**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
MALACCA CITY CAMPUS**

JANUARY 2018

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
“DECLARATION OF ORIGINAL WORK”

I, Muhammad Fakhri bin Mohamad Zukri, (951017-05-5475)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information has been specifically acknowledged.

Signature: _____

Date: _____

LETTER OF SUBMISSION

January 2018

Dr. Abdul Rahim bin Ridzuan

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Faculty of Business Management

Kampus Bandaraya Melaka

Universiti Teknologi MARA Melaka

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Dear Sir,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper title "DETERMINANTS THAT INFLUENCE THE MOVEMENT OF HOUSING PRICE IN MALAYSIA" to fulfil the requirement needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You.

Yours Sincerely,

MUHAMMAD FAKHRI BIN MOHAMAD ZUKRI

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Bachelor of Business Administration with Honours (Finance)

ABSTRACT

This study examines the relationships that between housing price in Malaysia (HPI) and the determinants of base lending rate (BLR), inflation rate (CPI), money supply (FD) and economic growth (GDP) from the year of 2005 to 2016 which contains annual data. This paper applies Auto-Regressive Distributed Lag (ARDL) Model in order to define the statistical relationship among the variables. Besides, there are steps involved in the study begin with this method and proceed with Bound Test, Diagnostic Checking, Unit Root tests, and Cointegration Test.

In Diagnostic Checking, some tests done to check the significant presents of autocorrelation, heteroscedasticity, the normality of data distribution and model specification. The result of this study show that there is a significant relationship between the housing price (HPI) and base lending rate (BLR), money supply (FD) and economic growth (GDP), while inflation rate (CPI) did not have any significant relationship with the HPI. The recommendation for the future studies is future studies should use other factors instead of macroeconomics factor in order to examine the factors that affecting the housing price movement in Malaysia. The conclusion for the studies shows that the BLR, FD and GDP become the factors that affecting the HPI in Malaysia.

Keyword: Housing Price, Base Lending Rate, Inflation Rate, Money Supply, Economic Growth, ARDL