



**THE IMPACT MACROECONOMIC VARIABLES IN
MALAYSIA TOWARDS HOUSING PRICE INDEX**

AQMALINA SAZWANI BINTI SAMAT

2012540729

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITY TECHNOLOGY OF MARA (UiTM)

JOHOR

JUNE 2015

LETTER OF SUBMISSION

21th June 2015

The Head of Program

Bachelor of Business Administration (Hons) (Finance)

Faculty of Business Management

University Technology Mara (Johor)

Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

With reference to the above matter, I am student BBA (Hons) Finance would like to submit a project paper entitled “**The Impact Macroeconomic Variables In Malaysia Towards Housing Price Index**” to fulfil the requirement as needed by the Faculty of Business Administration and Management, University Technology MARA.

Thank you,

Yours sincerely,

AQMALINA SAZWANI BINTI SAMAT

2012540729

Bachelor of Business Administration with Honours (Finance)

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

I, AQMALINA SAZWANI BINTI SAMAT, (I/C NUMBER: 910513-01-6220)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and 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 extract have been distinguished by quotation marks and sources of my information have been specifically acknowledge.

Signature:

Date:

ACKNOWLEDGEMENT



In the Name of Allāh, the Most Gracious, the Most Merciful

First and foremost, Alhamdulillah, praised to Allah for His blessing in enabling me to undertake this project paper. This project paper was successful within the given time period. I would like to take this opportunity to special thanks my appreciation and gratitude to my helpful advisor, Madam Shashazrina binti Roslan for her valuable guidance and advice as well as suggestion given throughout the preparation and undertaking this study. Besides that, special thanks also to Sir Syamsul as my second examiner for her support to complete this study.

I would like to express my grateful and appreciation to each and every respondent who assists me in providing with valuable information and help me to complete this research. Also for those who are helping in the making this project paper.

Lastly, special acknowledgement to UiTM for giving me the opportunity to pursue study BBA (Hons) Finance. Also thanks to all my friends for the support and information to finish and complete this project paper.

I have been immensely from all of you. May Allah sustain your love and extend it to all creatures in this world and hereafter.

Thank you.

ABSTRACT

Housing price in Malaysia nowadays is become crazily increase from year to year. This study was attempted to identify the factors that influence housing price in Malaysia. Therefore, this research is conducted in order to find out the most influential factors of housing price in Malaysia. The dependent variable in this study is housing price while the independent variables are interest rates, inflation rates and gross domestic product. Data is collected from Bursa Malaysia, Bank Negara Malaysia and also Data Stream. The research methodology uses quarterly time series data which consist of three independent variables and one dependent variable for 14 years since (2000-2013). All data were being process using EVIEWS 8 Software. The findings shows that one independent variables is significant with dependent variables while the others is not significant and all the independent variable moves in same direction which is all independent variable shows positive relationship. It means that all the independent variables have positive relationship with the dependent variable. At the same time, interest rate is the most influence factor in determining the house price fluctuation. For further studies, a wider scope is recommended where more determinant factors can be taken into research in order to obtain good result.

Key words: Housing Price Index, Interest Rate, Inflation Rate, Gross Domestic Product, Macroeconomic