



**THE IMPACT OF ECONOMIC FACTORS UPON
HOUSING PRICES IN MALAYSIA MARKET**

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JOHOR**

JUNE 2007

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**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UITM, JOHOR**

JUNE 2007

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
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“DECLARATION OF ORIGINAL WORK”

I, NURUL AMIRA BINTI ZULKIFLI, (I/C Number: 841101-01-6156)

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 have been specifically acknowledged.

Signature: 

Date: 11 May 2007

LETTER OF TRANSMITTAL

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Encik Muhamad Sukor Bin Jaafar
Faculty of Business Management
Universiti Teknologi MARA
Kampus Johor
85009 Segamat
Johor Darul Takzim

Dear Encik Muhamad Sukor Bin Jaafar

THE EFFECT OF ECONOMIC FACTORS UPON HOUSING PRICE IN MALAYSIA
MARKET

On January 2007, I was required to do a project paper on The Effect of Economic Factors upon Housing Price in Malaysia Market.

2. I was informed to submit this report on date of submission, as a part of the course requirement for bachelor in Business Administration (Honors) Finance 06. I hereby submit this report and hope that you will find everything satisfactory.

Thank you.

Yours truly,

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(NURUL AMIRA BINTI ZULKIFLI)

2005655729

B.B.A (HONS) FINANCE 06

ABSTRACT

This project paper was designed to examine the impact of macroeconomic factors upon housing prices in Malaysia's market. It is difficult to predict how much housing prices would change due to the macroeconomic factors. This information is important to every income levels. The purpose of this study is to determine the relationship between macroeconomic factors and housing prices in Malaysia's market. This study also will provide the impact of macroeconomic factors on housing prices from 1996 to 2005 by using quarterly basis. In this study, the macroeconomic factors refer to interest rates, inflation rates and growth rate will be defined as independent variables. While the dependent variable is housing price index in Malaysia's market. This study will use Correlation Model and Multiple Regression Model as a statistical tool. To demonstrate the impact of macroeconomic factors upon housing prices in Malaysia's market, the data collected will be analyzed by the SPSS model. The finding shows there is a negative relationship between house price with inflation and interest rate. While the relationship between houses price in Malaysia is positive correlation.