

**UNIVERSITI
TEKNOLOGI
MARA**

**FACTORS AFFECTING HOUSING PRICE VALUE
IN MALAYSIA**

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ABSTRACT

This aim of this research is to analyse the relationship between the independent variables that affect the dependent variables which are housing price value in Malaysia as well as to see or to gain what is the impact of increasing housing price value in Malaysia. The study will add more reference to an analyst or investor in analyzing the housing price value offered to the consumer. The study used 30 years period from 1989 to 2018. The researcher used three independent variables that affect the housing price value, which are Construction Cost (COC), Income Level (IL) and Consumer Price Index (CPI). The primary objective of this study is to justify which factor or independent variable that gives more impact toward the price of housing and as well as the factor that give the least impact toward the price of housing. Data for observation collected from many sources such as World Data Bank, Fred Economic, Bank Negara Malaysia (BNM), Department of Statistics Malaysia Official Portal and many more. Secondary data from reliable sources will be gathered. The statistical test applied in this study which is Descriptive Analysis, Stationary Test, Normality Test, Correlation Analysis and Multi Regression Analysis. The data was measured using Eviews 9 Enterprise Edition. Based on Multiple Regression Test, the results show that the Construction Cost and Income Level were significantly towards the housing price value but vice versa for the Consumer Price. The test also shows that Construction Cost has high positive relationship while Income Level and Consumer Price Index have a slightly negative relationship. Also, the findings of this study supported that the housing price is rising consumption because of a higher cost. Therefore, the findings of this study could provide some guidance to policymakers or developer in controlling the housing price and help in realizing the national economic goals. Similarly, the economists have capabilities to enhance which part will help in improving decision making by knowing the effects of macroeconomic factors on housing price in Malaysia. Some recommendations have created for future research on how to expend more knowledge and reliable result such as use different data structure, research on other countries and add more macroeconomic variables.

Keywords: Housing Price, Construction Cost, Income Level, Consumer Price Index.

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