



UNIVERSITI TEKNOLOGI MARA

**THE FACTORS INFLUENCING
HOUSE PRICES IN MALAYSIA**

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA Johor, regulating the conduct of my study and research.

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ABSTRACT

This study investigates the factors influencing the house prices in Malaysia. Several issues are highlighted in this study where there is the interest rate in Malaysia is continuing to grow, many people need more houses to live in but the production of housing is slow due to the many laws, regulations and procedures related to building of houses. The purpose of this study is to have a clear view on the relationship between dependent variable housing price in Malaysia and independent variable which are inflation, gross domestic product and interest rate. In Malaysia, lack of affordable options to own property forces many Malaysians into the rental market and informal settlements, which is drastically increasing due to interest rate. The lack of adequate number of affordable housing projects in Malaysia also has been an acute problem for a long time. The lack of adequate number of affordable housing projects in Malaysia also has been an acute problem for a very long time. It is a positive notion that new projects on developing affordable houses are being undertaken in the recent times, but the number of affordable houses is still way low compared to the massive public demand. Property prices are now sky-high and the middle-income wage workers are compelled to go for rental homes. The government also tried to help the lower to middle income class people buy a home by introducing the My First Home loan. All data collected quarterly start from year 2010 until 2017. The data has been analyzed by using E-view 9 to make the unit root test, multiple regression analysis, correlation analysis and test on assumption.

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