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THE CAUSES OF RISING IN HOUSING PRICES
IN KOTA KINABALU

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ABSTRACT

. This research study is conducted around Kota Kinabalu in order to assess the reasons of escalation of housing prices which affected majority of the middle and lower working classes living in Kota Kinabalu. Over the years, houses value in the area of Kota Kinabalu have been increasing rapidly within a short period of time due to many possible factors illustrated by economists, speculators, surveyors and other parties. Increased asset price is caused by an investor's expectation of a future increase in asset price. This leads to the purchase of an asset in the anticipation that the asset can be resold to other people for a higher price. The people who buy the asset also hold the same beliefs about the asset price. When this happens, the private developers would see this as an opportunity this as to build more houses in that particular area and at the same time set up high values for these houses. However, drastic hike in residential prices has contributed to difficulty of people to purchase or own a home. At the same time, the role of government needs to be look in to. This study is to identify dominant factors which contributed to the rising in housing prices. The 300 respondents are involved in this research as the subject to assess perception of people on the housing affordability issue in the Kota Kinabalu area.

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