



**THE INFLUENCE OF MACROECONOMIC FACTORS  
TOWARDS HOUSING PRICE IN CHINA**

**NORFARHANA BINTI RAZAK  
2013357509**

**BACHELOR OF BUSINESS ADMINISTRATION  
(HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
SEGAMAT, JOHOR.**

**JUNE 2016**

## **ACKNOWLEDGEMENT**

First and foremost, I wish to count my blessings and thanked Allah S.W.T for providing me with the mental and physical faculties as well as other positive attributes notably perseverance to complete this challenging research paper. Special mention goes to my research advisor, En. Azlan bin Abd Majid for his fully guidance, supervision and support and also to the head of program, En. Syamsyul bin Samsudin. Their constructive comments and suggestions greatly assist in the successful completion of this research paper.

I also want to take this opportunity to prolong my appreciation to all those who have supported me in one way or another in time of completing this research paper. Sincere thanks to all my friends for their understanding, kindness and moral support during the testing time undertook to complete this assignment. Last but not least, my deepest gratitude to my beloved parents for their untiring support, priceless support and sincere blessings.

Thank you.

## ABSTRACT

The volatility of housing price can give impacts to the developer and consumer's potential profit. There were several effects which are gross domestic product (GDP), interest rate and the inflation rate. It is important to make a research regarding to the relationship between those macroeconomic factors since all of the factors are related to the volatility of housing price in China. The objective of this study is to identify the relationship between the macroeconomic factors towards housing price in China. The dependent variable use is housing price which determine by housing price index. While for the independent variables there were three; growth rate is determine by GDP, interest rate is determine by base lending rate (BLR) and inflation rate is determine by consumer price index (CPI). This study based on secondary data from the year 1984 until 2014 (30 years) and this research is using Multiple Linear Regressions method in the way of getting the results.

## LIST OF TABLE & FIGURE

Figure 3.6:	Theoretical Framework.....	14
Table 4.2:	Unit Root Test.....	19
Table 4.3:	Covariance Analysis.....	20
Table 4.4:	Regression Analysis.....	22
Figure 4.5:	Normality Test.....	24
Table 4.6:	Heteroskedasticity Test.....	25
Table 4.7:	Descriptive Analysis.....	26

## TABLE OF CONTENTS

CHAPTER ONE: INTRODUCTION .....	3
1.1 Introduction .....	3
1.2 Background of Study .....	3
1.3 Problem Statement .....	4
1.4 Research Objective .....	5
1.5 Research Question .....	5
1.6 Significance of Study .....	6
1.7 Limitation of Study .....	6
1.8 Summary .....	7
CHAPTER TWO: LITERATURE REVIEW .....	8
2.1 Introduction .....	8
2.2 Literature Review .....	8
CHAPTER THREE: RESEARCH METHODOLOGY .....	11
3.1 Introduction .....	11
3.2 Data Collection Methods .....	11
3.3 Variables .....	12
3.4 Sampling Frame .....	13
3.5 Research Design .....	13