



اَوْنِيُوْرَسِيْتِي تِي كُونُوْمِي مَارَا
UNIVERSITI
TEKNOLOGI
MARA

THE FACTORS INFLUENCING THE MALAYSIAN HOUSING PRICE INDEX

NORENIE BINTI MD SARIN

2016668622

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA (TERENGGANU)**

DECEMBER 2018

ACKNOWLEDGEMENT

I am indebted to many people for their support and contributions towards the successful and timely completion of this research project.

My first and deep gratitude goes to my supervisor, En. Zaimi Bin Mohamed for his professional support, guidance, encouragement, and commitment through the entire project. His wise counsel, patience and useful suggestions made it possible for me to complete the research project. I also like to thank my second examiner, Pn. Suhaily Maizan Binti Abdul Manaf who give some advice and useful suggestion so that I can enhance my research project. With all the relevant suggestions, I able to amends the mistake that had made and improved my research project.

Besides, I would like to thank project coordinator, Pn. Suhaily Maizan Binti Abdul Manaf and Pn. Salwani Binti Affandi for coordinating everything that related to the research project and inform our batch about any latest information. Next, I heartfelt appreciation goes to our parents whose encouragement and moral support left us stronger every day in the entire duration of our studies.

Lastly, we would like to thank Universiti Technologies MARA Terengganu for providing us with complete and sufficient facilities such as Eikon and online database through UiTM library. This enables me to get the data and information that is important for the research easily. The suggestion and help other friends also allow me to complete the project on time.

ABSTRACT

Nowadays, the housing price becomes a trend topic because of the increasing and decreasing price in certain countries. Because of this, the society used housing price index to measure price movement from time to time. Another reason is to decide when a good time to buy a house. Hence this study used macroeconomic variables as independent variables which are Gross Domestic Product (GDP), money supply (M3), inflation rate (INF) and exchange rate (ECR). The periods in this study are from the first quarter of 2006 until the second quarter of 2018. The results from the analysis show the relationship between exchange rate (ECR) and Malaysian housing price index is positive and significant. However, the money supply (M3), inflation rate (INF) and Gross Domestic Product (GDP) are not significant.

TABLE OF CONTENT

CONTENT	PAGE
Acknowledgement	
List of Table	
List of Figure	
Abstract	
CHAPTER ONE	
Introduction	1 - 3
Background of the Study	3 - 4
Problem Statement	4 - 5
Research Objectives	6
Research Question	6
Scope of the Study	7
Limitation of the Study	7
Significance of the Study	7
Operational Definitions	8 - 9
CHAPTER TWO	
Literature Review	10 - 12
CHAPTER THREE	
Research Methods	13 - 15
Data Collection	15 - 17
Data Analysis and Administration	17 - 18
CHAPTER FOUR	
Descriptive Statistics	19 - 20
Normality Test	21 - 22
Unit Root Test	22 - 23
Correlation Test	23 - 24

LIST OF TABLE

CONTENT	PAGE
TABLE 1: Theoretical Expected Sign	14
TABLE 2: Descriptive Analysis	20
TABLE 3: Normality Test	21
TABLE 4: Augmented Dickey Fuller (ADF)	22
TABLE 5: Correlation Test	24
TABLE 6: Regression Test	25

LIST OF FIGURE

CONTENT	PAGE
Figure 1: Malaysian House Price Index	2
Figure 2: Housing Price Index	3
Figure 3: Framework of Malaysian Housing Price in Index	14
Figure 4: Framework Data Collection Method	16