FACTORS AFFECTING THE HOUSING PRICE IN MALAYSIA

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ABSTRACT

This study of "Factors Affecting Housing Price in Malaysia" will concentrated on studying the relationship between Housing Price in Malaysia and the variables selected. This study will examine the significant relationship between dependent and independent variables. The relationship between housing price index (HPI) and the factor which is inflation rate (IF), gross domestic product (GDP) and interest rate (IR). This study involve 30 samples which is annually data from year 1987 until 2016. Besides, there are steps involve in the study which begin with Autoregressive Distributed Lag (ARDL) methods and proceed with descriptive analysis, diagnostic checking, unit root tests, and long run form. In diagnostic checking, some test has been done to check the significant presents of autocorrelation, heterocedasticity, the normality of data distribution and model specification. Thus, the result in study shows that Housing Price (HPI) has a significant relationship with Inflation rate (IF) and interest rate (IR) while it is not significant with gross domestic product (GDP). As conclusion, the factor affecting housing price in this study is inflation rate, gross domestic product and interest rate.

TABLE OF CONTENT

CONTENT	PAGE
DECLARATION OF ORIGINAL WORK	i
LETTER OF SUBMISSION	ii
ACKNOWLEDGEMENT	iii
LIST OF TABLES	x
LIST OF FIGURE	xi
LIST OF ABBREVIATIONS	xii
ABSTRACT	xiii

CHAPTER 1 RESEARCH OVERVIEW

1.0	Introduction	1
1.1	Background of Study	1
1.2	Problem Statement	4
1.3	Research Objectives	7
1.4	Research Questions	8
1.5	Significant of Study	9
1.6	Scope of Study	10
1.7	Limitation of Study	10
1.8	Definition of Term	11
1.9	Conclusion	12

CHAPTER 2 LITERATURE REVIEW

2.0	Introduction	13
2.1	Overview of Housing Price in Malaysia	13
2.2	Relationship of Inflation and Housing Price	16
2.3	Relationship of GDP and Housing Price	20