



**DETERMINANTS OF HOUSING PRICE IN MALAYSIA**

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## **ABSTRACT**

The purpose of this study is to determine the significant relationship toward housing price in Malaysia from 1<sup>st</sup> Quarter 2010 to 3<sup>rd</sup> Quarter 2019. The variables that being use in this study is Interest Rates (IR), Inflation Rates (INF), Gross Domestic Product (GDP), and Money Supply (M3) as independent variables while Malaysia Housing Price Index (MHPI) as dependent variable. This paper applies Ordinary Least Square (OLS) methods in order to define the relationship among the variables. Simple Linear Regression and Multiple Linear Regression are using in order to determine the best model between dependent variable and independent variable. Empirical result shows that Multiple Linear Regression has the best model but the diagnostic test result has shows that this model has autocorrelation problem and misspecification problem. Therefore, the researcher has added a lag to the dependent variable in order to solve those problem. The result shows that interest rates, inflation rates and gross domestic product have no relationship towards housing price. Meanwhile, only money supply have positively significant relationship towards housing price.