



A STUDY ON RELATIONSHIP BETWEEN INFLATION RATE, INTEREST RATE AND
POPULATION GROWTH TOWARDS HOUSING PRICE IN MALAYSIA

NURUL AZIRA BINTI AZMIMHAUDDIN

2015145537

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FACULTY OF BUSINESS MANAGEMENT

UNIVERSITY TEKNOLOGI MARA MELAKA

KAMPUS BANDARAYA MELAKA

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ABSTRACT

This study aims to examine the factors affecting Housing Price in Malaysia from 2006 until 2016. The continuous increase of housing price in Malaysia is becoming one of the hot issues discussed these days. Thus, this study would like to investigate the significant relationship among the housing price and independent variables namely Inflation Rate (CPI), Interest Rate (LR), and Population Growth (PG) that affect the housing prices in Malaysia (HPI). Ordinary Least Square (OLS) method is implemented to this study and interactive software package E-views would be used for testing and analyzing the data collected. This study will be done based on quarterly time series data over the period from 2006 Quarter 1 until 2016 Quarter 4 with 44 total observations. The findings benefit various parties such as investors, policy makers, housing developers, speculators and home buyers. The results concluded that Interest Rate (LR), and Population Growth (PG) have the major effects in determining the housing price.