



THE DETERMINANT OF HOUSING PRICE IN MALAYSIA

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ABSTRACT

Housing price fluctuate has given many concern to most households and developers. Thus, objective of this study is to investigate the factors that influence housing price in Malaysia for the period of quarter one 2006 to quarter four 2017. The independent variables used include population, household income, base lending rate and construction cost. Ordinary Least Squares (OLS) method was used to analyse the data collected from World Bank, Bank Negara Malaysia (BNM) and Department of Statistic Malaysia in order to examine the determinants of housing price in Malaysia. The results revealed that household income has positive and significant influence the housing price in Malaysia. The negative and significant relationship between base lending rate and housing price in Malaysia also been obtained from findings. However, population has negative and insignificant impact to housing price in Malaysia while construction cost has positive but insignificant impact the housing price. The finding of this paper will assist future researcher to obtain a better results by using other variables apart from been used in this study. The future researcher also can wide the range of scope and using other method to analyse the data.