



**FACTORS THAT EFFECT IN INCREASING HOUSE PRICE IN MALAYSIA  
AND THAILAND**

**AHMAD SYAHMI BIN ZAKARIA**

**2013602446**

**BACHELOR IN BUSINESS ADMINISTRATION WITH HONOURS (BUSINESS  
ECONOMICS)**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**KOTA KINABALU, SABAH**

**JUNE 2016**

## **Abstract**

This research focused on the study of factors that affect in increasing the house price in Malaysia and Thailand from 1987 until 2014, which is consists 28 years length for each country. This panel data research combining data from Malaysia and Thailand. All the data such as house price index, unemployment rate, lending interest rate, population growth and gross domestic production per capita growth were collected in World Bank website and data stream. Several type of analysis are perform to determine the relationship between independent variable and dependent variable. first and foremost, unit root test has been done to make sure the variable are stationary. after that, pool ordinary least square model has been choose because the p-value are bigger than 0.05. The study found various factors that can effect house price in Malaysia and Thailand.

### **Acknowledgement**

First and foremost, I would like to thanks to Allah S.W.T for giving me the strength and strong spirit for completing this thesis on time without a lot of barriers of healty. My family also always prays and wishes for the best to me. They also always support me in advice and financial. Not to be forget to my advisor, Madam Sumaffiatee Sulong that always teach and help me when i am having difficulty to finish this research. Hopefully, I hope madam can accept my work and thank you for all the help. To my entire friend that always give many opinions and teach me, thank you for your helping. Lastly, to the future researcher, I hope you can use this research as your reference.

## TABLE OF CONTENT

USE OF THE THESIS	i
ABSTRACT	ii
DECLARATION	iii
ACKNOWLEDGEMENT	iv
CHAPTER	
1 INTRODUCTION	
1.1 Background of study	1
1.2 Problem Statement	4
1.3 Researches Objective	7
1.4 Significant of Research	8
1.5 Scope and Limitation	9
CHAPTER	
2 LITERATURE REVIEWS	10
2.1 Population Growth	10
2.2 Lending Interest Rate	12

	2.3	Unemployment Rate	13
	2.4	GDP Per Capita Growth	14
	2.5	Conceptual Framework	16
CHAPTER			
3		DATA AND METHODOLOGY	17
	3.1	Data	17
	3.2	Research Design	18
	3.3	Hypothesis Development	22
	3.4	Statistical Software	22
CHAPTER			
4		RESULTAND FINDINGS	23
	4.1	Descriptive Analysis	23
	4.2	Findings	26
		4.2.1 Panel Unit Root Test	26
		4.2.2 Panel Data Analysis	28
		4.2.3 Diagnostic Check	31