



**MULTIFACTOR DETERMINANTS OF REITs RETURNS
IN MALAYSIA MARKET**

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ABSTRACT

This research investigates the theoretical and empirical evidence for multifactor determinants of REITs returns in Malaysia. Therefore, a multifactor risk determinant is modeled based on the theoretical perspectives of ICAPM and APT theories. The model is tested using panel regression method on overall sample and sup-sample of REITs in Malaysia's with recent time frame stated from 2011 to 2015. The findings revealed an emerging and practical insights. In particular two of the risk factor considered, namely; market risk and human capital risk proxy are significantly having a positive relationship with REITs returns consistently in all sub-sample tests. This is consistent with theory and empirical evidence. The other three risk factor namely; interest rate, inflation rate, office occupancy and shopping complexes occupancy does not significantly influence REITs returns despite theoretically and practically appealing. Overall, the current result provides recent and useful insights on risk and return relationship of REITs investment in Malaysia context of which research in this area is currently lacking.

Key words: *Malaysian REITs Return, Market risk, Macroeconomic risk, Human Capital risk, Property variables risks.*