

DECLARATION OF ORIGINAL WORK



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“DECLARATION OF ORIGINAL WORK”

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- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

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Date: 21st June 2015

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ABSTRACT

Housing prices in Singapore had experienced significant price expansion over the past few years and became a worrying trend for people to have it. The purpose of this study is to examine the housing price in Singapore by macro-economic and financial system variables from year 1980 to 2014. Macro-economic consists of gross domestic product, consumer price index (inflation) and population rate, while the financial system variable consist of lending rate, which taken into this study with the house price index.

The design of this study comprises of 35 secondary data of each variable from year 1980 until 2014 which are in yearly basis. In the process of findings, there are few types of analysis were tested by using Eviews version 7.0, there are stationary test, normality test, correlation analysis, regression analysis and descriptive analysis.

The result indicates that there are not all predictors in this study are significant related to house price, but only gross domestic product and consumer price index (inflation) is significant determinants of the movement of house price index.

Chapter 1: Introduction

1.1 Background of Study

Having a comfortable house is a dream for the every people. In modern times, they are definitely eager to get something and optimistic of ambition or the dream includes owning a house as an asset. Even in the current economic situation, they are supposed to build a strong future life, especially for those who have entered the realm of family and have a good quality of life. Good quality of life is often tied in with a comfortable house. However, to what extent they have had their own house or are still renting. Besides that, to have a house is not an easy thing because for its own housing which require substantial capital investment to get it.

Housing is a critical necessity because of it is the basic of community life, centre of family activities and a reference point for social esteem, and the most important financial asset most households will ever obtain. There are several of factors that would influence the decision to buy a house such as individual income, wealth and the cost to buy a house itself. Usually need a loan to buy a house for finance it. It can be measured by whether the individual who want to get a house to their terms of ability to pay to get a house. The ability to own a house is seen as the ability of households to pay for the loan and have residual income that can be used for other spending. Basically, 1/3 of the revenue is used for the expenses of getting a house.

In cities, the problem of housing shortage has created the property development industry as a profitable activity. The private developers and government agencies have been involved in the development of this property. This has also helped develop the national economy and create job opportunities for the population. Economic growth in a country has increased the demand on housing in the cities. However, the role of the government is important to overcome this problem by providing police and the necessary incentives. The government has provided a variety of strategies to achieve this goal.