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Embracing Construction Revolution 4.0 (CR4.0): Transforming Malaysia's Built Environment

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WELCOME SPEECH FROM THE CHAIRMAN

RISM 17th International Surveying Conference for Undergraduates (ISCU 2025)

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ السَّلَام

عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

Greetings to all,

It is with great pleasure that I welcome you to the 17th RISM International Surveying Conference for Undergraduates (ISCU 2025), themed “*Embracing Construction Revolution 4.0: Transforming Malaysia’s Built Environment.*” On behalf of the Royal Institution of Surveyors Malaysia (RISM), I also wish to express our sincere appreciation to Universiti Teknologi MARA (UiTM), Perak Campus, for graciously hosting this significant event.

As we navigate the era of the Fourth Industrial Revolution (IR4.0)—or in our context, Construction Revolution 4.0 (CR4.0)—we are witnessing transformative advancements across the global construction sector. Technologies such as Building Information Modelling (BIM), the Internet of Things (IoT), artificial intelligence (AI), robotics, big data analytics, and cloud computing are redefining the way we build, manage, and interact with our built environment. For Malaysia, embracing CR4.0 is a strategic imperative to achieve our socio-economic and environmental goals.

This conference serves as a vital platform to unite surveying undergraduates from various disciplines, fostering critical dialogue on industry challenges, enhancing professional networking, and preparing a new generation of talent for the rapidly evolving construction landscape. It is also an opportunity for employers to engage with and inspire our future professionals.

I would like to extend my heartfelt thanks to all industry speakers, paper presenters, judges, and participants for their time, contributions, and support in making ISCU 2025 a success. I also commend the organising committee for curating a meaningful and dynamic conference experience.

May the knowledge gained, connections formed, and ideas exchanged during this event inspire all participants to lead and innovate in their future endeavours.

Wishing everyone a productive and memorable conference.

Prof. Ts Sr Dr. Adi Irfan Bin Che Ani'

Chairman, Universities' Partnering Committee

RISM Session 2024/2025

May 2025

WELCOME SPEECH FROM CO-CHAIRMAN

RISM 17th International Surveying Conference for Undergraduates (ISCU 2025)

Bismillahirrahmanirrahim.

السلام عليكم ورحمة الله وبركاته and greetings to all.

It is my great pleasure to welcome everyone to the 17th International Surveyor Conference for Undergraduates (ISCU 2025), proudly hosted by Universiti Teknologi MARA (UiTM) Perak Branch in collaboration with the Royal Institution of Surveyors Malaysia (RISM). This event is a meaningful platform for students in the built environment to share ideas, showcase innovations, and build professional networks. We are honoured by your presence and enthusiastic participation, with 135 accepted papers and 78 poster presentations this year.

UiTM Perak, home to the College of Built Environment, has long been a hub for academic excellence in architecture, planning, and surveying. Our commitment remains strong in nurturing competent graduates who meet industry demands and contribute to nation-building.

While you're here, we invite you to experience the heritage and culture of Perak Tengah from the architectural richness of Rumah Kutai to the historical towns of Pasir Salak, Bota, and Kampung Gajah.

To all presenters and winners, congratulations on your achievements. Let your work today be a catalyst for future success and academic growth. We hope this conference will inspire you to explore new ideas, foster collaboration, and make lasting memories.

My deepest thanks to the Royal Institution of Surveyors Malaysia (RISM) and the organising committee for making this event a success.

We hope your experience here will be rewarding and unforgettable.

Thank you. Selamat datang dan selamat berjaya.

Associates Professor Dr. Nur Hisham Ibrahim, *PMP*

Co-Chairman, Universities' Partnering Committee

RISM Session 2024/2025

May 2025

WELCOME SPEECH FROM THE PROJECT DIRECTOR

RISM 17th International Surveying Conference for Undergraduates 2025

Alhamdulillah, all praise to Allah S.W.T. for His guidance and blessings in making the RISM 17th International Surveying Conference for Undergraduates (ISCU) 2025 a reality.

It is with great honour and gratitude that I welcome all participants, guests, academicians, and industry professionals to this prestigious event, proudly organized under the Royal Institution of Surveyors Malaysia (RISM). This 17th edition of ISCU stands as a proud testament to our collective dedication toward academic excellence, professional collaboration, and youth empowerment in the field of surveying.

I extend my heartfelt appreciation to RISM for its unwavering support, to the hardworking ISCU 2025 Organising Committee, and to all 16 partnering universities across Malaysia for their commitment and contributions. Your efforts have shaped this conference into a dynamic platform for knowledge exchange, innovation, and professional growth.

To the academicians and practitioners present, your insights are invaluable in bridging the gap between academic theory and real-world practice. To our undergraduate participants, your passion, curiosity, and commitment are the very foundation of our future. May this conference not only deepen your academic journey but also ignite a spirit of leadership, integrity, and sustainable thinking.

Let this gathering serve as more than an academic milestone. May it foster lifelong networks, inspire transformative ideas, and chart new directions in our shared professional journey.

Wishing everyone a rewarding and inspiring conference experience.

Sr Dr. Nurul Fadzila Zahari

Project Director

RISM 17th ISCU 2025

ASSESSING THE ECONOMIC INDICATORS THAT INFLUENCE THE RESIDENTIAL PROPERTY PRICE IN KUALA LUMPUR

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ABSTRACT

Over the years, the increase in residential property prices has become a concern for nations worldwide. Malaysia is no exception, with residential property prices surpassing homeowners' income levels, resulting in an unaffordability issue. The issue is more concerning in urban areas, such as Kuala Lumpur, where residential prices are rising higher than other states in the country. Although the issue of residential prices is prevalent in the country, a few studies have been conducted on the dynamic of economic indicators and their influence on residential property prices in urban areas over the years. This study aims, therefore, attempts to investigate the causal relationship of the economic indicators influencing residential property prices in Kuala Lumpur. Using the empirical study as a research methodology, the data was collected from a literature review of previous studies, and statistical data was assessed from Bank Negara Malaysia (BNM), the Department of Statistics Malaysia (DOSM), and the National Property Information Centre (NAPIC). The Pearson Correlation in SPSS was used to assess in-depth statistical analysis. The findings revealed that economic indicators like inflation and gross domestic product (GDP) have a positive relationship with residential property prices. On the other hand, unemployment indicators show a negative correlation, while GDP and inflation demonstrate weaker correlations. This study contributes to a better insight into the overall performance of economic indicators, which is crucial for predicting future trends in real estate. The study additionally serves as the groundwork for policymakers and key real estate players to make informed decisions regarding policy considerations and real estate market strategies.

Keywords: Economic Indicators, Residential Property Price, Kuala Lumpur

I. INTRODUCTION

Residential property is a valuable asset in terms of economics. Residential property not only gives shelter and privacy to the owner, but it may also be used to generate revenue through rentals or sales. In Malaysia, the residential sector is the largest sector in the property market. According to the Property Market Report First Quarter 2024, the housing sector has the highest transaction volume (61.3%), followed by agriculture (19.5%) and commercial (10.9%). This demonstrates that residential is a sector that is always in high demand because of its value to people, whether as investors or residents. Not only that, the first quarter of 2024 property market report reveals that the most valued sector is residential, which outperforms other sectors in terms of value share. 46.8% of the RM 105.65 billion in property transaction value comes from the residential sector. Therefore, the residential property market can be concluded as the main sector in Malaysia's property industry.

Many countries, both developed and developing, are experiencing an affordability crisis in the residential property sector on a global scale. According to surveys, 15 cities in the world have average residential property values that are twice as high as the average income (Coupe, 2021). According to Simson's (2024) research, the UK residential property market is experiencing expensive residential property prices. This is mostly due to a

supply-demand imbalance, restrictive government restrictions, and the influence of external investors, where people purchase residential property for investment purposes. As a result, purchasing residential property in the United Kingdom has become unaffordable for the locals. In the U.S., the residential property market has become unstable due to the influence of several economic indicators, such as interest rates, unemployment rates, inflation rates, and real gross domestic product (Rehman et al., 2020). Therefore, the global residential property market is seen as a crisis that requires a solution. Before viable measures can be developed to control residential prices from becoming excessively expensive, research to identify the factors that influence property prices fast must be conducted.

Kuala Lumpur, the capital city of Malaysia, has the highest residential prices among other states in the country. (Intan, 2019). Several factors contributing to expensive housing prices is obvious. As the capital city of Malaysia, Kuala Lumpur has become the primary business hub which attract a lot of investment and economic growth in the city. The development in Kuala Lumpur will attract people to move in for better work opportunities, which increases the demand for housing. Furthermore, due to the land scarcity, most new housing projects in Kuala Lumpur focus on building luxury condominiums or high-end residential properties. This is because the developer prefers to utilize the limited land to build houses that can bring higher profit. However, those housing projects are too expensive for many Malaysians, especially those in the middle- or low-income groups.

The rising cost of residential properties in Kuala Lumpur is becoming more concerning, as the city is recorded to have the most expensive residential property prices in Malaysia. According to Gan (2021), the residential property price in Kuala Lumpur is 40% higher than in other states in Malaysia. Moreover, the property price also has outpaced the growth of salary. This means the average house price in Kuala Lumpur is above the average salary that the people can afford. What is more alarming is that the gap is kept on growing (Nor Suzylah Sohaimi, 2022). Consequently, the rising residential prices will limit people access to homeownership. The current market trends make it difficult for low- and middle-income households to purchase residential property, increasing social inequality. Only those with high income can afford to buy a property, leaving the medium and low-income groups to rent or lease residential properties over the long term. The growing disparity in asset ownership among income groups highlights the urgent need to address the affordability of residential property issues in Kuala Lumpur.

There have been numerous studies showing that economic indicators have an impact on residential prices. For example, Ganeson et al. (2017) studies have shown that gross domestic product, inflation and unemployment rates have an impact on the house price index. While there is evidence that economic indicators influence the housing market, there is a lack of comprehensive research that studies the effects of economic indicators on residential property prices in urban area like Kuala Lumpur. Understanding the relationship between inflation, GDP, and interest rates is critical for developing an effective policy to handle rising housing costs (Zhang, 2024). This study intends to close a research gap by examining how economic indicators influence the rise of residential property prices in the city of Kuala Lumpur. This is because most existing research only examines the issue at the national level or focuses on other factors such as policies, location factors, and environmental factors. The lack of precise and particular research makes it difficult for policymakers to address the core causes of the problem. For example, there is a lack of research into identifying the economic indicators and their impact on residential property prices in Kuala Lumpur, which has the highest residential property price in Malaysia. Therefore, this study intends to help uncover economic indicators that influence the residential property price to make housing in Kuala Lumpur more affordable by focusing on the economic indicators that are giving the issue at hand.

II. LITERATURE REVIEW

Economic indicators are statistical measures that provide insight into the health of the overall economy. The economic indicators are usually published by both the government and non-profit organisations, which help the stakeholders to make informed decisions and develop new policies (Nurain, 2024). The main economic indicators such as interest rates, gross domestic product (GDP), inflation, and unemployment rate are widely studied for their impact on the real estate market. These indicators influence housing affordability, market demand, and purchasing behavior. This section reviews existing literature on each economic indicator to understand its potential effects on residential property prices. Moreover, this section reviews the literature of housing price to measure the housing price movement in Malaysia.

The House Price Index (HPI) is a statistical measure that tracks residential property price changes over time, providing insights into market trends, affordability, and investment potential. The HPI serves as a key tool for measuring property market performance and transaction trends (Kassim et al., 2017). It helps policymakers and investors evaluate market stability and overall economic health. In Malaysia, the National Property Information Centre (NAPIC) publishes the Malaysian House Price Index (MHPI) quarterly, offering insights into property price movements and market trends (Lim et al., 2020). Since its introduction in 1990, the MHPI has been a crucial benchmark for tracking house price changes. However, researchers have debated the need to enhance its modelling framework for greater accuracy and reliability (Mohd Diah et al., 2014)

a) *Gross Domestic Product*

The gross domestic product (GDP) is detailed data on a nation's economic health. GDP measures the market value of all goods and services produced by the economy during a certain period, such as personal consumption, government purchases, private inventories, and foreign trade balance (Nurul et al., 2019). GDP is widely used in studies to show the relationship between economic activity and the residential property price. Research done by Pinjaman & Kogid (2020) using a dataset of 17 years of housing prices and macroeconomic quarterly data from 2000 until 2016 shows that GDP has a significant impact on the housing price in Malaysia. Moreover, studies by Habinshuti & Mulyungi (2020) also show that GDP significantly influences the housing price in Rwanda. In addition, Vaidynathan et al. (2023) identified real GDP as the strongest factor influencing the U.S. housing market. An increasing economy leads to higher household incomes, therefore increasing the demand for housing and rising property prices. However, in Ganeson et al. (2017), past studies with data periods from 1988 to 2010 using the multiple regression method show that GDP is linked to the housing price but not significantly in Malaysia. This suggests that GDP alone may not directly affect the housing market, but it could also be influenced by other economic factors. Other than that, GDP's role in shaping housing markets may vary across different economic environments.

b) *Interest Rate*

Interest rates refer to the cost of borrowing money, usually expressed as a percentage of the loan amount. In Malaysia, the Overnight Policy Rate (OPR), set by Bank Negara Malaysia, serves as a benchmark for interest rates and influences lending rates and borrowing costs (Azhar et al., 2022). A higher OPR raises bank lending rates, making loans more expensive and reducing housing affordability, which limits buyers' ability to secure home financing. Similarly, Ding (2022) found that mortgage rates are negatively correlated with housing price changes, as rising mortgage rates reduce affordability, leading to lower demand and declining property prices. Othman et al. (2024) also found that interest rates have an inverse relationship with house prices. When interest rates rise, borrowing costs increase, making homeownership less affordable and causing house prices to decline. This trend is further influenced by changes in housing supply and inflation, which also affect interest rates and overall market conditions.

c) *Unemployment Rate*

Unemployment refers to individuals who are not working during the survey period but are actively seeking employment (DOSM, 2025). Theoretically, a high unemployment rate reduces household income stability, leading to lower housing demand and eventually affecting property prices. In Malaysia, Ganeson et al. (2017) employed statistical analysis and found that unemployment had a significant impact on house prices, highlighting its effect on affordability and demand. Similarly, Ding (2022), using multiple linear regression on time series data from 191 observations in the U.S., concluded that unemployment had a negative effect on housing prices. However, Vaidynathan et al. (2023) found that unemployment had only a moderate influence on housing prices in the U.S., indicating that its impact may vary depending on market conditions and economic environments.

d) *Inflation Rate*

Inflation is defined as the rise in the price of goods and services over time, which means that the value of money decreases and people can only buy less with the money. Inflation frequently refers to an overall measure, such as the total increase in prices or the rise in the cost of living in a country (Ceyda Oner, 2010). Ganeson et al. (2017) found that inflation significantly affects Malaysian housing prices by increasing the cost of living and property values, making housing less affordable. Similarly, Pinjaman and Kogid (2020) observed that rising inflation reduces household purchasing power, leading to lower housing demand, which subsequently causes house prices

to decline in the long run. Othman et al. (2024) further supported this by stating that higher inflation lowers purchasing power, causing house prices to decrease compared to usual levels. These findings highlight the negative relationship between inflation and house prices, emphasising that rising inflation worsens housing unaffordability and makes homeownership more challenging. This also supports the theory that inflation is an economic indicator that influences the residential property price trends.

III. METHODOLOGY

The study analyses 10 years of housing price trends and economic indicators from 2014 to 2024. Four key economic indicators were selected based on previous research: (i) Gross Domestic Product (GDP), (ii) Interest Rate, (iii) Unemployment Rate, and (iv) Inflation Rate. Data for these indicators were sourced from Bank Negara Malaysia (BNM), the Department of Statistics Malaysia (DOSM), and the National Property Information Centre (NAPIC). The Housing Price Index (HPI) serves as the primary measure of housing price trends. Interest rates are assessed using the Overnight Policy Rate (OPR), while inflation is measured through the Consumer Price Index (CPI). GDP growth rate is used as an indicator of overall economic performance.

The research employs quantitative analysis using Pearson Correlation in SPSS to determine the strength and direction of relationships between economic indicators and housing prices. This approach follows a similar methodology used by Ganesan et al. (2017), who analyzed data from 2002 to 2016 to examine the relationship between macroeconomic variables and the Malaysian housing market. A summary of the key variables and their measurement methods is presented in Table 1 below:

Table 1.0 Measurement of Variables

Variables	Classification	Data Measurement	Unit	Sources
Housing Price	Dependent Variable	House Price Index	Percentage (%)	NAPIC
Gross Domestic Product (GDP)	Independent Variable	GDP Growth Rate	Percentage (%)	DOSM
Interest Rate (IR)	Independent Variable	Overnight Policy	Percentage (%)	BNM
Unemployment Rate (UR)	Independent Variable	Unemployment Rate	Percentage (%)	DOSM
Inflation (Inf)	Independent Variable	Consumer Price Index	Index	DOSM

Table 2 displays annual data from 2014 to 2024, including Housing Price Index (HPI) in Kuala Lumpur state and four economic indicators: GDP growth, inflation, interest rate, and unemployment rate. This dataset is used for correlation analysis in SPSS to examine the relationship between economic factors and residential property prices in Kuala Lumpur.

Table 2.0 Data for each variable

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
HPI (Index Point)	38.6	36.1	38.3	33.8	1.5	1.4	-6.2	-25.8	-6.8	13.9	10.5
GDP (%)	6	5.1	4.4	5.8	4.8	4.4	-5.5	3.3	8.9	3.6	5.1
Inflation (%)	3.1	2.1	2.1	3.9	0.9	9.7	-1.1	2.5	3.4	2.5	1.8
Interest Rate (%)	3.25	3.25	3.25	3	3.25	3	1.75	1.75	2.75	3	3
Unemployment (%)	2.9	3.1	3.4	3.4	3.3	3.3	5.3	4.6	3.9	3.4	3.2

Table 3 shows the expected correlations between economic variables and property prices based on previous research. GDP and inflation are projected to be positively correlated with housing price, but interest rates and unemployment are likely to be negatively correlated.

Table 3.0 Expected Relationship of Variables with HPI

Economic Indicator	Expected Relationship	Justification	Supporting Studies
Gross Domestic Product (GDP) Growth Rate	Positive	Economic growth boosts household income and purchasing power, increasing housing demand and raising property prices.	Pinjaman & Kogid (2020), Vaidyanathan et al. (2023)
Interest Rate (Overnight Policy Rate - OPR)	Negative	Higher borrowing costs reduce affordability and demand, slowing property price growth.	Othman et al. (2024), Ding (2022)
Unemployment Rate	Negative	Higher unemployment reduces household income stability, leading to lower purchasing power which decreases housing demand and prices.	Ganeson et al. (2017), Ding (2022)
Inflation Rate (CPI YoY Growth)	Positive	Rising inflation increases construction costs, raises property demand as a hedge against inflation, and drives up expectations of future price growth.	Ganeson et al. (2017), Pinjaman & Kogid (2020), Othman et al. (2024)

IV. DATA ANALYSIS

This study utilizes Pearson Correlation Analysis in SPSS to assess the strength and direction of relationships between housing prices and economic indicators (Kaffle,2019). Pearson correlation measures the linear association between two variables and determines whether they are significantly related. A positive correlation ($r > 0$) indicates that as one variable increases, the other also increases. A negative correlation ($r < 0$) suggests that as one variable increases, the other decreases. Statistical significance (p -value < 0.05) will be used to determine whether the relationship is meaningful. The results of this analysis will provide insights into which economic factors significantly impact housing price movements in Kuala Lumpur over the 10-year period.

Table 4.0 Regression Coefficient Table

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-6.399	195.369		-.033	.975
	GDP (%)	-2.115	2.273	-.342	-.930	.388
	Inflation (%)	-1.374	2.358	-.166	-.583	.581
	Interest Rate (%)	25.655	32.353	.658	.793	.458
	Unemployment %	-11.470	28.280	-.377	-.406	.699

a. Dependent Variable: HPI(Index Point)

The coefficient results on Table 4 explain the impact of each independent variable on housing prices. The interest rate (%) has the highest positive standardized beta coefficient ($\beta = 0.658$), reinforcing its strong relationship with housing prices. On the other hand, the unemployment rate (%) has a negative standardized beta coefficient ($\beta = -0.377$), aligning with the correlation results. However, GDP and inflation have lower beta values, suggesting a weaker influence on housing price fluctuations. The p -values of all variables exceed 0.05, indicating that none of them are statistically significant predictors in the regression model.

Table 5.0 Pearson Correlation Table

		Correlations				
		HPI(Index Point)	GDP (%)	Inflation (%)	Interest Rate (%)	Unemployment %
HPI(Index Point)	Pearson Correlation	1	.285	.027	.746**	-.687*
	Sig. (2-tailed)		.395	.938	.008	.020
	N	11	11	11	11	11
GDP (%)	Pearson Correlation	.285	1	.448	.649*	-.728*
	Sig. (2-tailed)	.395		.167	.031	.011
	N	11	11	11	11	11
Inflation (%)	Pearson Correlation	.027	.448	1	.293	-.405
	Sig. (2-tailed)	.938	.167		.382	.216
	N	11	11	11	11	11
Interest Rate (%)	Pearson Correlation	.746**	.649*	.293	1	-.950**
	Sig. (2-tailed)	.008	.031	.382		<.001
	N	11	11	11	11	11
Unemployment %	Pearson Correlation	-.687*	-.728*	-.405	-.950**	1
	Sig. (2-tailed)	.020	.011	.216	<.001	
	N	11	11	11	11	11

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The Pearson correlation results on Table 5 indicate that interest rate (%) has the strongest positive correlation with housing prices ($r = 0.746$, $p = 0.008$), suggesting that as interest rates increase, housing prices tend to rise. Conversely, unemployment rate (%) has a significant negative correlation with housing prices ($r = -0.687$, $p = 0.020$), implying that higher unemployment is associated with declining property prices. GDP and inflation, however, exhibit weaker correlations, with no statistically significant relationship to housing prices.

V. FINDINGS

This section presents the findings based on the Pearson correlation analysis between selected economic indicators and residential property prices in Kuala Lumpur. The indicators studied are interest rate, unemployment rate, gross domestic product (GDP), and inflation.

a) Interest Rate and Residential Property Prices

The correlation analysis (Table 4) shows a positive relationship ($r = 0.746$, $p = 0.008$) between interest rates and residential property prices. This result contradicts the conventional expectation that higher interest rates should reduce housing affordability and demand, thereby leading to lower property prices. The coefficient analysis (Table 3) also indicates a positive beta value ($\beta = 0.658$), further supporting this unexpected outcome. A possible explanation is that, despite higher borrowing costs, residential property in Kuala Lumpur is still in high demand due to limited land and housing supply.

b) Unemployment Rate and Residential Property Prices

As expected, the unemployment rate shows a negative correlation ($r = -0.687$, $p = 0.020$) with residential property prices. This finding is consistent with theory from Ganeson et. al (2017) & Ding (2022), which suggests that rising unemployment reduces purchasing power, leading to lower housing demand and subsequently affecting property prices. The coefficient analysis also supports this inverse relationship, with a negative beta value ($\beta = -0.377$).

c) GDP and Residential Property Prices

Contrary to expectations, the correlation between GDP and residential property prices is weak ($r = 0.285$, $p = 0.395$) and not statistically significant. While GDP growth is generally associated with increased income levels and stronger housing demand, the results indicate that overall economic performance may not have had a direct impact on property price movements during the observed period. This suggests that other factors, such as property

market policies, speculative activities, or foreign investments, may have played a more dominant role in influencing price trends. On top of that, this proves the Ganeson et al. findings to be true, which is the GDP relationship is positive with housing prices, but insignificant.

d) *Inflation and Residential Property Prices*

Inflation shows an insignificant correlation with property prices ($r = 0.027$, $p = 0.938$), contradicting the expectation that rising inflation would drive up housing prices by increasing construction costs and encouraging investment in real estate as a hedge against inflation. The lack of significance suggests that inflationary pressures may have been offset by other market forces, such as government interventions, subsidies, or fluctuations in supply and demand.

Limitations of the Study

This study has several limitations. Firstly, it relies on publicly available secondary data, which may be constrained by availability and reporting scope. Secondly, the analysis is limited to a 10-year period and focuses solely on Kuala Lumpur, restricting the generalizability of the findings to other regions. Thirdly, the study employs Pearson correlation analysis, which captures only linear relationships and may not fully account for complex interactions in property price movements. Additionally, the research excludes other influential factors such as foreign direct investment, government policies, and demographic trends, which could enhance the comprehensiveness of the analysis. Lastly, limitations in familiarity with advanced statistical tools may have affected the depth of the statistical analysis conducted.

VI. CONCLUSION

This study assesses the relationship between residential property prices and selected economic indicators in Kuala Lumpur. The results indicate that GDP growth and inflation show a positive relationship with housing prices, consistent with economic theories suggesting that a growing economy and rising costs drive property values higher. However, the unexpected positive correlation between interest rates and housing prices suggests unique market conditions, such as investor confidence or limited house supply, that may counteract the conventional impact of borrowing costs. Meanwhile, the negative correlation between unemployment and housing prices aligns with the expectation that higher job insecurity weakens purchasing power and reduces housing demand. While these findings provide insights into economic influences on property prices, the study acknowledges its limitations, including reliance on secondary data, a limited timeframe, and the exclusion of other potential factors. Future research could employ more advanced statistical methods and expand the scope of analysis to improve accuracy. Nonetheless, this study contributes to the understanding of economic forces shaping Kuala Lumpur's housing market and offers valuable insights for policymakers, investors, and stakeholders.

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