



**THE DETERMINANT FACTORS THAT AFFECT THE  
PRICE OF HOUSING IN MALAYSIA**

**MOHAMAD AZMAN BIN MOHD ARIFF**

**2012712079**

**BACHELOR OF BUSINESS ADMINISTRATION**

**(HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**SEGAMAT, JOHOR.**

**DECEMBER 2014**



**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**SEGAMAT, JOHOR**

**“DECLARATION OF ORIGINAL WORK”**

Me, Mohamad Azman Bin Mohd Ariff (I/C Number: 910811-01-5613), here by, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of our independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **LETTER OF SUBMISSION**

December 2014

The Head of Program  
Bachelor of Business Administration (Hons) Finance  
Faculty of Business Management  
Universiti Teknologi MARA  
85000 SEGAMAT  
JOHOR DARUL TAKZIM

Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “THE DETERMINANT FACTORS THAT AFFECT THE PRICE OF HOUSING IN MALAYSIA” to fulfil the Requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

.....  
MOHAMAD AZMAN BIN MOHD ARIFF  
2012712079  
Bachelor of Business Administration (Hons) Finance

## **ACKNOWLEDGEMENT**

Assalamualaikum WBT,

All praise to Almighty Allah S.W.T, the most beautiful, merciful and the most benevolent for giving the strength, healthy and patience in order to complete this project paper on time and fulfill the requirement by Faculty of Business Management. I would like to express our highest appreciation and thankfulness to my advisor for this research, Puan Zaibedah Bt Zaharum and others lecturer for excellent guidance, caring, patience and providing us with an excellent atmosphere during our research. Big thank to our JBM 242 5D members who always shared opinions and experience among us. I also would like to acknowledge to the parties that helping us in preparing this research either directly or indirectly. Last but not least, special thank for our parents and family who always support and advices in completing this research paper.

## **Abstract**

The main purpose of this study is to measure the relationship between macroeconomic variables and the housing price. This paper examines empirically whether the increasing trend in the Malaysian housing price is related to changes in the interest rate, consumer price index and stock price KLCI. The empirical data were collected from data stream using monthly basis from 2003 to 2013. The paper provides empirical results that the interest rate, consumer price index and stock price KLCI are the key determinants of housing prices. The general finding of this paper strongly suggests that housing bubbles in the Malaysian residential property market are becoming bigger and stronger. The paper is useful for researcher, investors (buyer), and organization to know which factors to account for in housing investment decision. This paper can serve as a guide for the government in stabilizing the residential housing price in Malaysia.