



“MACROECONOMIC DETERMINANTS OF
MALAYSIA HOUSING PRICE”

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DECEMBER 2014



**BACHELOR OF BUSINESS ADMINISTRATION
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“DECLARATION OF ORIGINAL WORK”

I, Nur Nabila binti Saparudin, (I/C Number: 910308-01-5448)

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 our information have been specifically acknowledged.

Signature: _____

Date: 7th December 2014

LETTER OF SUBMISSION

7th December 2014

Head of Faculty
Faculty of Business Management
Universiti Teknologi MARA
85009 SEGAMAT
JOHOR DARUL TAKZIM

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**Macroeconomic Determinants of Malaysia Housing Price**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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Bachelor of Business Administration (Hons) Finance

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MALAYSIA HOUSING PRICE**

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**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

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JOHOR**

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ABSTRACT

Owning a house has always been a great dream to everyone thus it will secure one's life and give safeguard to an individual and also the family. Recently, the residential property market in Malaysia has experienced significant price expansion over these past few years. Global Property Guide reported that in first quarter of 2014, Malaysia's nationwide house prices rose by 8%. This worried trend has affected the buyer and seller of the house. This study is attempted to identify the effect of macroeconomic determinants towards Malaysia housing price. The independent variables involved are gross domestic product (GDP), inflation rate proxy as consumer price index (CPI) and base lending rate (BLR). The dependent variable involved is house price index. The design of this study will comprises of 32 time series data of each variables from year 2005 until year 2012 which are in quarterly basis. In the process of findings, there are several types of analysis were tested by using Eviews7, there are Pearson correlation coefficient, multiple regression analysis and unit root test. The expected results indicate that there are not all of the macroeconomic determinants related to house price index. The general finding of this paper is strongly suggests that evidence of housing bubbles does appear greater. This paper is useful to help the investors and buyers to decide for housing investment decision and also a guideline for stabilizing the demand and supply of residential property in Malaysia.