A MACROECONOMIC DETERMINANTS OF HOUSING PRICE

IN MALAYSIA

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MALACCA CITY CAMPUS

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THE MACROECONOMIC DETERMINANTS OF HOUSING PRICE
IN MALAYSIA

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Submitted in Partial Fulfilment of the
Requirement for the
Bachelor of Business Administration with Honours (Finance)

FACULTY OF BUSINESS MANAGEMENT
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JANUARY 2018
I, Muhammad Khairul Izhar Bin Rabi’i, (941021-04-5457)

Hereby, declare that:

- This work has not previously been accepted in substance for degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my 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

January 2018

Head of Program

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Dear Sir/Madam,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper title “THE MACROECONOMIC DETERMINANTS OF HOUSING PRICE IN MALAYSIA” to fulfil the requirement needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours Sincerely,

Muhammad Khairul Izhar Bin Rabi’i

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ABSTRACT

The purpose of this study is to determine the significant relationship of macroeconomics toward house price in Malaysia from 3rd Quarter 2006 to 2nd Quarter 2017. The variables that being use in this study is Gross Domestic Product (GDP), Interest Rate (INT) and Money Supply (MS) as independent variables while Malaysia Housing Price Index (MHPI) as dependent variable. This paper applies Ordinary Least Square (OLS) methods in order to define the relationship among the variables. In short run, the results shows gross domestic product have a positive significant relationship and interest rate have a negative significant relationship Malaysia housing price. However, money supply found no significant relationship toward Malaysia housing price.