



**THE DETERMINANTS OF
MALAYSIAN REAL ESTATE INVESTMENT TRUSTS (M-REIT'S) PRICE MOVEMENT**

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KAMPUS BANDARAYA MELAKA**

JULY 2013

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

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
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JULY 2013

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE) FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA “DECLARATION OF ORIGINAL WORK”

We, Aniq bin Shardin (I/c Number: 88o815-02-5187) and

Intan Nurazimah binti Abdul Malik (I/C Number: 880521-05-5102)

Hereby, 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: _____

Signature: _____

Date: _____

LETTER OF SUBMISSION

Date of Submission

7th July 2013

Head of Program

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

University Teknologi Mara

Kampus Bandaraya Melaka

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75300 Melaka

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**THE DETERMINANTS OF FLUCTUATION MOVEMENTS OF MALAYSIAN REAL ESTATE INVESTMENT TRUSTS (M-REIT)**” to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA.

Thank you.

Yours sincerely

Yours sincerely

ANIQ BIN SHARDIN

INTAN NURAZIMAH BT ABDUL

MALIK

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BBA(Hons) Finance

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ABSTRACT

This paper focuses on how market risk, economic activities, inflation rate, interest rate, and foreign direct investment inflow in term of GDP percentage affects M-REIT's price movement using M-REIT's average price data from 1997 to 2012. Data such as average M-REIT price, interest rate, inflation rate and foreign direct investment are obtained from World Bank and Bursa Malaysia website. The findings suggest that significant relationship affects average M-REIT's price movement. Furthermore, based on the result a negative relationship between REIT with inflation rate, interest rate and foreign direct investment depending on the economic situation is documented. However, there is significant link between REIT with inflation rate, interest rate except foreign direct investment. In term of significant relationship between interest rate and inflation towards REIT is self-managed, or type of property investment in which the REIT specializes. However, a negative correlation exists between the independent variables which are interest rate, inflation rate and foreign direct investment in relation to M-REIT average price movement suggesting that decreased in those macro economics variables will reduced M-REIT's price.