



اَبُو سَيِّدِي تَيْكُو لُو كِي مَارَا
UNIVERSITI
TEKNOLOGI
MARA

FACTORS AFFECTING THE PRICE OF HOUSING IN MALAYSIA

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

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“DECLARATION OF ORIGINAL WORK”

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- 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 my independent work and investigation, except where otherwise stated.
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1 CHAPTER ONE: INTRODUCTION

1.1 INTRODUCTION

This chapter will discuss the background of study, problem statement in our study, research question, research objective, significant of study and summary in Chapter 1. This research is focused on the factors that are affecting the housing price in Malaysia such as population, Gross Domestic Product (GDP), interest rate (IR) and so on.

In background of study, this research will discuss about dependent and independent variables. Dependent variables in our study are housing price index and independent variables in our study are Malaysian population, gross domestic product (GDP) and interest rate (IR). This paper will discuss the gap of the problem in our research in problem statement.

The research question in this chapter will discuss about the question related to the theoretical framework in our research. There are two (2) types of research question, firstly is main research question and secondly are specific research questions. The main research question is related to the dependent variables that is the important or basic research in our study. The specific research question is the supportive of the main research question.

Research objective divided into two (2). First, the main research objective and second is the specific research objectives. In this chapter, this research will also give

the information about the important of the study for all parties such as government, investors, developer and individual. It will cover in significance of study.

1.2 BACKGROUND OF STUDY

This research focuses on the determinants of Malaysian housing market price. According to (Jarad, 2010)Malaysia has obtained so many benefit by become a developing country through a development of housing industry. Even various construction and restriction, the Malaysian housing development has continued fight (Agus, 1997). The economic growth process in local and international is influence by construction activities (Field, 1988) even at the past construction is only focus on the agriculture and manufacturing sectors. However, (Tiwari, 2001) stated that economic of country can strengthen where the residential housing construction contributes significantly to overall production activities.

The construction industry has to aware as simply providing infrastructure and solutions to problem of shelters and determination in the changing process (Field, 1988). Malaysia offers the lowest average price per square feet for house if compared directly with Asian Neighbouring countries, aside from Indonesia.

The Government of Malaysia recognizes that housing is a basic need for every citizen. It is also an important component of the urban economy. Therefore, housing developments in Malaysia are carried out by both parties, the public sector and the private sector, in terms of low, medium, and high-cost houses. Involvement