

UNIVERSITI TEKNOLOGI MARA

**FACTORS THAT AFFECT THE REAL ESTATE IN
MALAYSIA**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

In the recent years, Malaysia has experience unsold property due to appreciation in housing price. It led to distress among Malaysian and developer. The increasing in housing price give a great impact to young generation as the housing price is beyond, their ability to acquire. The objective of this study is to examine the relationship between macroeconomics variables with Housing Price Index in Malaysia. There are four macroeconomic variables which are Gross Domestic Product (GDP), Interest Rate (IR), Inflation Rate (INF) and Unemployment Rate (UR) was taken into study, together with Malaysia Housing Price Index (HPI). The data ranges from 1987 to 2017 on yearly basis which is comprises of 30 observations. This study aims to contribute and enhance the execution on scenario planning that related to unpredictable rise of house price in Malaysia as well as assist government and relevant parties in their decision-making process in conjunction of the continuous increasing of housing price is now a major concern. Ordinary Least Square (OLS) method was chosen in this study in order to determine the significant effect between dependent variable and independent variable. Out of independent variables mentioned above, only three variables were found to be positively significant with dependent variables which are interest rate (IR), inflation rate (INF) and unemployment ate (UR) while gross domestic product (GDP) found to be negatively significant with dependent variables.

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TABLE OF CONTENTS

	Page
AUTHOR’S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS	ix
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Research Background	1
1.3 Problem Statement	3
1.4 Research Questions	3
1.5 Research Objectives	4
1.6 Significance of the Study	4
1.7 Scope of the Study	4
1.8 Limitation of the Study	5
1.9 Definition of Key Terms	5
1.10 Summary	6
CHAPTER TWO LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Housing Price Index	7
2.3 Gross Domestic Product and Housing Price Index	8
2.4 Interest Rates and Housing Price Index	9
2.5 Inflation Rates and Housing Price Index	11
2.6 Unemployment Rates and Housing Price Index	12
2.7 Research Framework	13
2.8 Summary	14