



**MACROECONOMIC DETERMINANTS
OF HOUSING PRICES
IN MALAYSIA**

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JANUARY 2015

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
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“DECLARATION OF ORIGINAL WORK”

I, NUR AMALEENA NAJWA BINTI HASAN BASRI, (I/C Number: 911208-08-5152)

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 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

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5th January 2015

EncikRidzuan bin Salleh
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Melaka BandarayaBersejarah.

Dear Sir,

SUBMISSION OF PROJECT PAPER

Enclose herewith is the project paper titled "MACROECONOMIC DETERMINANTS OF HOUSING PRICES IN MALAYSIA" to fulfil the requirement as needed by the Faculty of Business Management, MARA University of Technology.

Thank you.

Yours sincerely,

NUR AMALEENA NAJWA BINTI HASAN BASRI

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Bachelor of Business Administration (Hons) Finance

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ABSTRACT

Over the few years, house price in Malaysia has experienced significant price expansion and it became a worrying trend for lenders. This study is an attempt to identify the macroeconomic determinants of housing prices in Malaysia from year 1984 until year 2013. There are total of four macroeconomics variables which are Gross Domestic Product (GDP), Inflation Rate (I), Population (P) and Interest Rate (R) were taken into study together with Housing Price Index (HPI). The design of this study comprises of 30 secondary data of each variables from year 1984 until year 2013 which are in yearly basis. In the process of findings, the researcher is using EViews7 software to generate all the data for analysis purposes. The result indicates that only three out of four predictors are significantly related to the movement of House Price Index (HPI). The overall study intends to contribute and enhance the speculators, investors, buyers and policy makers in their decision making based on the unpredictable rise of house price in Malaysia.