

**ARE REAL ESTATE AND SECURITIES
MARKETS INTEGRATED**

**NURLIZA BT ABD AZIZ
2005374702**

**Submitted in Partial Fulfillment
Of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TELNOLOGI MARA
JOHOR**

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"DECLARATION OF ORIGINAL WORK"

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
JOHOR**

I, Nurliza Bt Abd. Aziz, (I/C Number: 840529-01-5862)

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: 4 November 07

LETTER OF SUBMISSION

NOVEMBER 2007

The Programme Coordinator
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
85009 Segamat
Johor Darul Takzim

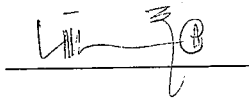
Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "ARE REAL ESTATE AND SECURITIES MARKETS INTEGRATED" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nurliza', is written over a horizontal line. The signature is stylized and includes a circular mark at the end.

NURLIZA BT ABD. AZIZ
2005374702
Bachelor of Business Administration (Hons) Finance

ACKNOWLEDGEMENT

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ABSTRACT

Using the property and equity markets operating in Malaysia, this study examines the question of whether the real estate market and securities market are integrated over a period 1997-2006. In this case, there are only two asset classes that will be used as the variables that are, the general market for financial assets which represent the securities market, and the general market for physical real estate assets which represent the real estate market. Multiple Regression Analysis will be used to examine the relationship between the real estate market and the securities market. The real estate market is represented by the house and apartment index while the securities market is represented by the KLCI and property index. This study will use data from general stock market index (KLCI), property index, house index and apartment index. The overall results show that changes in securities market lead to changes in real estate market. Besides, the results also indicate that there is a positive relationship between KLCI and real estate assets which are house and apartment. However, for property index, the results indicate negative relationship with house and apartment.