

**THE IMPLICATION OF HOUSE PRICE TOWARDS REAL  
ESTATE INVESTMENT TRUST RETURN  
IN MALAYSIA**

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**BACHELOR OF BUSINESS ADMINISTRATION  
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JOHOR**

**MAY 2007**



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TOWARDS REAL ESTATE INVESTMENT TRUST  
IN MALAYSIA**

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

**FACULTY OF BUSINESS MANAGEMENT  
UITM, JOHOR**

**MAY 2007**

DECLARATION OF ORIGINAL WORK



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**“DECLARATION OF ORIGINAL WORK”**

I, Norazlina Bt Samin, (I/C Number: 840815-01-5716)

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:

A handwritten signature in black ink, appearing to be 'Norazlina Bt Samin', written over a horizontal line.

Date: 03 May 2007

## **LETTER OF SUBMISSION**

03 May 2007

Mr Muhammad Sukor B Jaafar  
FIN 660  
Course Tutor  
Faculty of Business Management  
Universiti Teknologi MARA  
85009 Segamat  
Johor.

Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled "THE IMPLICATION OF MALAYSIAN HOUSE PRICE TOWARDS REAL ESTATE INVESTMENT TRUST IN MALAYSIA" to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA

Thank you

Yours sincerely



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## ABSTRACT

The hedging benefits of Real Estate Investment Trust (REIT) during inflation and inflation makes REITs become more favorable and popular among Malaysian investors lately. The implications of real estate towards Real Estate Investment Trust (REITs) return have been argued by past researcher. Thus, the questioned rise whether the increase or decrease of Malaysian House Price has a significant impact towards Real Estate Investment Trust return in Malaysia. The statistical tool used in this study is Correlation and Regression Method. As a proxy to Real Estate Investment Trust (REITs), this study is using REITs return. This study determines the changes in price of terraced house, apartment, detached, semi-detached house and Real Estate Investment Trust return. From the return of REIT and price change of house, the statistical test conducted by SPSS and estimated statistical model to examine the significant. The previous researchers have found that there are positive relationships between both variables and some finding of past research says it don't have a relationship at all. They have a different empirical work such as even study and auto correlation. In a nutshell, this study can be use by the investors as their guideline when making an investment decision to invest in Real Estate Investment Trust.