FACTORS AFFECTING INVESTORS DEMAND IN A REAL PROPERTY: A CASE OF RESIDENTIAL PROPERTY IN KL AND JB

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

FACULTY OF BUSINESS MANAGEMENT
MARA UNIVERSITY OF TECHNOLOGY
JOHOR

MAY 2008

DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMINISTRATION (HONS)
FINANCE FACULTY OF BUSINESS MANAGEMENT
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"DECLARATION OF ORIGINAL WORK"

I, ERNY MARLIZA BINTI ABD MUHALIP, I/C Number: 850425-14-6322

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and 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: 2 MAY 2008

LETTER OF TRANSMITTAL

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2 MAY 2008

Rabiatul Alawiyah Bt. Zainal Abidin
The Head of Program
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Dear Madam,

**FACTORS AFFECTING INVESTORS DEMAND IN A REAL PROPERTY: A
CASE OF RESIDENTIAL PROPERTY IN KL AND JB**

I'm required to do a project paper on the above topic. I hereby submitted this
report and I really hope that this work will fulfill the requirement for the Bachelor
of Business Administration (Hons) Finance.

Thank you.

Yours sincerely,

ERNY MARLIZA BINTI ABD MUHALIP
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Bachelor of Business Administration (Hons) Finance

ACKNOWLEDGEMENT

ABSTRACT

Real property is a legal term encompassing real estate and ownership interests in real estate (immovable property). It is a type of property differentiated from personal property. This paper attempts to explain the motivations and take a sample of residential real property investors in Kuala Lumpur (KL) and Johor Bahru (JB) in terms of the behavioral assumption of bounded rationality investment. This paper attempts to explain the motivations and the factors influence of residential rental property investors in KL and JB. All the data for residential property are taking from website of Valuation and Property Services Department at NAPIC from Q1 year 2002 until Q4 year 2006. This empirical study was used time series multiple regression method to see the relationship of dependent and independent variables. Investors demand in a real property as a dependent variable while the independent variables are rental income, appreciation of value and inflation rate. Qualitative analysis overlays the quantitative data in this research paper, to enable better exploration of the constraints within which individual investors operate via the real property.

The results that come out from multiple regression tool analyses indicate only appreciation of value influence the investors demand in real property. However, rental income and inflation rate are not significant to influence investor demand in a real property especially in residential.