

**INFLATION HEDGING CHARACTERISTICS OF
MALAYSIAN RESIDENTIAL PROPERTY: 1997-2006**

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RESIDENTIAL PROPERTY: 1997-2006**

**A research paper submitted to Universiti Teknologi MARA in partial
fulfillment of the requirement for the;**

Bachelor in Business Administration (Hons) Finance

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LETTER OF SUBMISSION

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SUBMISSION OF PROJECT PAPER (FIN 660)

Attached is the project paper titled "**INFLATION HEDGING CHARACTERISTICS OF MALAYSIAN RESIDENTIAL PROPERTY: 1997-2006**" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,



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“DECLARATION OF ORIGINAL WORK”

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Hereby, declare that:

1. 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 degree.
2. This project paper is the result of my independent work and investigation, except where otherwise stated.
3. All verbatim extracts have been distinguished by quotation marks and sources of my information have been specially acknowledged.

Signature: 

Date: 

Abstract

The purpose of this research is to assess the role of inflation rate towards the residential property prices. The study setting is taken from the year 1997 until 2006 and the data will be made on the quarterly basis shows that residential property in Malaysia is affected by the inflation rate, interest rate and gross national income which is found on the previous study that the property is around 20 percent prone (80 percent inflation proof). As for the methodology, the dependent variable of this study is the residential property prices which can be measured by the Malaysian Housing Price Index (MHPI) while the independent variables are the inflation rate which can be measured by the Consumer Price Index (CPI), interest rates represented by the Base Lending Rate (BLR) and the economic growth measured by Gross National Income (GNI). All the data will be collected through secondary sources such as annual reports, Department of Statistics, Bank Negara Malaysia, and some from the DataStream facility. For the data analysis, this study will use the Multiple Linear Regression and Correlation as the statistical tools to run the test in looking for the results.