



**“ A STUDY ON THE DETERMINANTS OF HOUSING
AFFORDABILITY IN MALAYSIA”**

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- 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 many 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 :

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ABSTRACT

Housing industry in Malaysia has showing an increase in demand every year leading to an uptrend in house prices. Thus, housing affordability has become a concern among Malaysian. There are various factors that can be used to measure the housing affordability. The main objective of this paper is to examine the impact of macroeconomic and demographic variables towards housing affordability Malaysia. Time series data from the year 2000 until 2011 was explored on quarterly basis and multiple regressions were adopted in order to identify the relationships between the selected variables. The finding revealed that mortgage interest rates and lag(house affordability) are significantly correlated with housing affordability while GDP and population was not significantly correlated.

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