



**THE DETERMINANTS OF  
HOUSING PRICE IN MALAYSIA**

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## **DECLARATION OF ORIGINAL WORK**



### **BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (BUSINESS ECONOMICS) FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA "DECLARATION OF ORIGINAL WORK"**

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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 my independent work and investigation, except where otherwise stated.
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## ABSTRACT

The purpose of this study is to find the variables that influence the housing price in Malaysia. Interest rate (INT), gross domestic product (GDP) and population (POP) were chosen as the determinants. The data were collected from 1988 to 2017. In this research, four models were used in order to get a good result. The fourth model is shown in chapter 4. The other first three models are shown in Appendices as reference. In the first three models, there were some problems on Multiple Linear Regression and multicollinearity issue. Unit Root Test was used to test whether the data were stationary or not. Based on the result, population and gross domestic product were stationary at the level while housing price index and interest rate were stationary at the first difference. Multiple regression model was used in this research by using EViews software. Based on the regression, all independent variables were significant with the dependent variable. All of the independent variables had positive relationship with the dependent variable. It means that interest rate, population and gross domestic product influenced the housing price to increase. Moreover, the Jacque-Bera statistics showed that the model was normally distributed. Based on Breusch-Godfrey Test, there was no problem of autocorrelation in this research. There was also no heteroscedasticity issue in this research. But, there was multicollinearity problem in this research based on Variance Inflation Factor (VIF).