



MACROECONOMIC DETERMINANTS HOUSING PRICE IN MALAYSIA

MUHAMAD SABRIZAL BIN MAHTI

2013386031

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

KOTA BHARU, KELANTAN.

JANUARY 2016

ACKNOWLEDGEMENT



Praise to Allah and may His peace and blessings be upon all his prophets for granting us the chance and ability to successfully complete this assignments. The purpose of this study is the Macroeconomic Determinants Housing Price In Malaysia. I have put a lot of efforts to complete my final year project. However, it would not have been possible without the kind support and help of many individuals. I would like to express my deepest gratitude to my beloved advisor and my second examiner, Miss Wan Asma Hanim Binti Wan Mustapha and Sir Zaihan Bin Usman @ Osman for their invaluable advices and guidance on my preparation and completion of this project. In addition, thanks to my colleagues who have willingly helped us by giving suggestions and etc. Finally, I would like to express my gratitude to my respective parents for their motivation, cooperation and encouragement. The completion of final year project would not have materialized without their support. I felt so grateful and hope Allah S.W.T will bless the good deed they done.

Thank you very much.

TABLE OF CONTENTS

CONTENT	PAGES
DECLARATION OF WORK	i
LETTER OF TRANSMITTAL	ii
ACKNOWLEDGEMENT	iii
TABLE OF CONTENTS	iv-vii
LIST OF TABLES	ix
LIST OF FIGURES	ix
ABSTRACT	x
CHAPTER 1: INTRODUCTION	
1.1 BACKGROUND OF STUDY	1-2
1.2 PROBLEM STATEMENT	3
1.3 RESEARCH OBJECTIVE	3
1.4 RESEARCH QUESTION	4
1.5 HYPOTHESIS	4-5
1.6 SCOPE OF STUDY	6
1.7 SIGNIFICANCE OF THE STUDY	6
1.8 THEREOTICAL FRAMEWORK	7-8
1.9 DEFINITION OF TERM	9-11
1.10 LIMITATION OF STUDY	11

1.10.1 TIME CONSTRAINT	11
1.10.2 FINANCIAL CONSTRAINT	11
1.10.3 DATA ACCESSIBILITY	11
CHAPTER 2: LITERATURE REVIEW	
2.1 HOUSING PRICE INDEX	12
2.2 GROSS DOMESTIC PRODUCT (GDP)	13
2.3 INFLATION RATE	14-15
2.4 INTEREST RATE	15
2.5 MONEY SUPPLY	16
CHAPTER 3: RESEARCH METHODOLOGY	
3.0 INTRODUCTION	17
3.1 RESEARCH DESIGN	17
3.1.1 PURPOSE OF STUDY	17
3.1.2 TYPE OF INVESTIGATION	18
3.1.3 RESEARCHER INTERFERENCE	18
3.1.4 STUDY SETTING	18
3.1.5 UNIT OF ANALYSIS	19
3.1.6 TIME HORIZON	19

ABSTRACT

As land price continue to rise, it also cause the issue of not producing houses fast enough to catch the increasing demand. This due to the scarcity in the amount of land, furthermore some of the house price in urban area are higher than rural area. Thus it made the price of houses keep increasing year by year, that impact to the Malaysian citizen that cannot afford it. The purpose of this study is to investigate whether there is a relationship between the selected factors to the housing price in Malaysia from year 2005 until 2014. The dependent variable is Housing Price Index. The independent variable is Gross Domestic Product (GDP), Inflation Rate, Interest Rate, and Money Supply.

Keywords: *Housing Price Index, Gross Domestic Product (GDP), Inflation Rate, Interest Rate, and Money Supply.*