UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

FACTORS INFLUENCE Al-AQAR KPJ REAL ESTATE INVESTMENT TRUST PERFORMANCE:

THE FIRST ISLAMIC REIT IN THE WORLD

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JANUARY 2012

LETTER OF TRANSMITTAL

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12 January 2012

The Head of Program

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

Universiti Teknologi MARA, Kelantan Campus

15050 Kota Bharu, Kelantan Darul Naim.

Dear Madam,

SUBMISSION OF PROJECT PAPER (FIN 667)

Attached is the project paper entitled **"Factors Influence Al-Aqar KPJ REIT Performance : The First Islamic REIT in The World"** to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara, Kelantan.

Thank you.

Yours sincerely,

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Bachelor of Business Administration (Hons) Finance.

ACKNOWLEDMENT

Alhamdullilah, thanks to Allah S.W.T for his blessing and giving the opportunity and empowered me to succeed in the completion of this project paper at the given date. It has been the most fruitful experience being able to do this research and without His Grace and Mercifulness, this project paper may not be completed on time.

I would like to take this opportunity to give my most sincere gratitude to the following people. Without you, this journey would have been really lonely.

First and foremost, I would like to express my deepest gratitude toward my advisor, Puan Sabrina Bt Zahari and also 2nd examiner, Dr. Zurina Bt Ismail for their guidance, support, opinion and cooperation from the beginning until this paper successfully submitted. These appreciation also dedicated to my beloved family for their fully support of physically, mentally and encouragement.

Last but not least, I would like to thank to all my friend who had gave their contribution either directly or indirectly in completing this research.

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ABSTRACT

This study examine the factors that influence Al-Aqar KPJ REIT performance. All relevant data are gathered and collected from secondary sources which is through data stream. The data collected from January 2007 until June 2011 on a monthly basis. The main method using in this study are multiple regression analysis. Al-Aqar KPJ REIT performance was proxy to Al-Aqar KPJ stock price whereas interest rate, inflation rate, stock market performance and direct real estate market performance were proxies to base lending rate (BLR), consumer price index (CPI), FBMKLCI and property index. The result indicate that there is significant influence between Al-Aqar stock price with BLR, CPI and FBMKLCI whereas for the property index, there is no significant influence with the Al-Aqar stock price. Thus, there is a significant influence between Al-Aqar KPJ REIT performance with interest rate, inflation rate and stock market performance, whereas for direct real estate market performce, it has no significant influence with Al-Aqar KPJ REIT performance. From the independent variable, interest rate influencing Al-Aqar KPJ REIT performance the most because BLR shows the highest beta value among that four independent variable.