



اَوْنَبُو سِيْتِي تِي كَو لُو كِي مَارَا  
UNIVERSITI  
TEKNOLOGI  
MARA

## **The Determinants of housing price in Sabah, Malaysia**

**MUHAMMAD ATIQ AIMAN BIN MOHD SEDEK  
2016634538**

**BACHELOR OF BUSINESS ADMINISTRATION  
WITH HONOURS (BUSINESS ECONOMICS)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
SABAH**

**JUNE 2019**

**DECLARATION OF ORIGINAL WORK**



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

I, MUHAMMAD ATIQ AIMAN BIN MOHD SEDEK, (I/C Number : 971127-14-5429)

Hereby, declare that:

- 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.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: *atiqaimans*

Date: 14 June., 19

## TABLE OF CONTENTS

	<b>PAGE</b>
TITLE PAGE	<b>I</b>
DECLARATION OF ORIGINAL WORK	<b>II</b>
LETTER OF TRANSMITTAL	<b>III</b>
ACKNOWLEDGEMENT	<b>IV</b>
TABLE OF CONTENTS	<b>V-VII</b>
LIST OF FIGURES	<b>VIII</b>
LIST OF TABLES	<b>IX</b>
LIST OF ABBREVIATIONS	<b>X</b>
ABSTRACT	<b>XI</b>
<b>CHAPTER ONE: INTRODUCTION</b>	
1.1 Background of study	<b>2-6</b>
1.2 Problem Statement	<b>7-9</b>
1.3 Research Question	<b>9</b>
1.4 Research Objectives	<b>10</b>
1.5 Significant of Study	<b>10-11</b>
1.6 Scope and Limitation of Study	<b>11</b>
1.7 Organizational Proposal	<b>12</b>
1.8 Summary	<b>13</b>
<b>CHAPTER TWO : LITERATURE REVIEW</b>	
2.0 Introduction	<b>14</b>
2.1 Theory Associated to this study	<b>15-16</b>
2.2 Literature Review	<b>16-23</b>
2.3 Summary	<b>23-24</b>
<b>CHAPTER THREE : RESEARCH METHODOLOGY</b>	
3.1 Introduction	<b>25</b>
3.2 Data collection method	<b>26</b>
3.2.1 Descriptive Statistic	<b>27</b>
3.2.2 Variable Definition	<b>28</b>

## LIST OF TABLES

<b>Table:</b>		<b>Page</b>
Table 4.2.1:	Descriptive Statistic of housing price and other variables.	<b>35</b>
Table 4.3.1:	Result of Unit Root Test	<b>36</b>
Table 4.4.1:	Coefficient of correlation	<b>38</b>
Table 4.5.1:	Result of Breusch Pagan Lagrange Test	<b>39</b>
Table 4.6.1	Result of Regression Analysis	<b>40</b>
Table 4.7.1:	Result of Multicollinearity test, Autocorrelation test and Heteroscedasticity test.	<b>40</b>
Table 5.2.1	Summary of Diagnostic Checking	<b>43</b>
Table 5.2.2	Summary of the Results and Theories	<b>44</b>

## **ABSTRACT**

Residential homes are a basic necessity for the community to improve their quality of life as well as economic goods to the nation. This study points to look at the determinants of Housing Price in Sabah from 2000 until 2017. The nonstop increase of housing price in Sabah is becoming one of the hot issues talked about these days. This study applied four basic theories which concern with four major issues which are the population growth, the location and physical attributes, demand and supply and the last one is externalities. Basically, the theories used in this study deal with these four factors which influence the rate of house pricing. Ordinary Least Square (OLS) method is implemented to this study. The findings give benefit to various parties such as investors, housing developers, speculators and home buyers. The results concluded that size floor and population growth have the major effects in determining the housing price.