



**A STUDY OF THE FACTORS AFFECTING  
THE GROWTH IN REAL ESTATE INVESTMENT  
IN MALAYSIA**

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## **ABSTRACT**

Briefly, the Malaysian economy is expected to be resilient and still show significant growth while the global economy gives cause for concern on several fronts. Real estate investment refers as “real estate market” that represents a significant portion of people’s wealth and becomes true for many real estate investors in Malaysia. This plays an important role in providing employment opportunities, improving income distribution, offering shelter to households and reduced poverty. However, the real estate investment in Malaysia continues to drop due to some factors that affect the sector. Malaysia had faces economic headwinds due to natural disaster and some political issues that resulted in the plunging value of ringgit. Hence, foreign investors have a lack of confidence and not much interested to invest in real estate market especially when they have to put themselves at high risk. After the implementation of Good and Services Tax (GST) in the first quarter of year 2015, it causes a slowdown in domestic consumption and lower retail sales that makes the prices increased. The study investigated factors such as GDP Growth, the influence of interest rate, inflation rates and population growth.

## Table of Contents

TITLE PAGE.....	
DECLARATION OF ORIGINAL WORK.....	ii
LETTER OF SUBMISSION.....	iii
ACKNOWLEDGEMENT .....	iv
ABSTRACT .....	v
CHAPTER 1: INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Background of Study.....	2
1.2 Problem Statements.....	4
1.3 Research Objectives .....	6
1.4 Research Questions .....	7
1.5 Significant of Study.....	8
1.6 Scope of Study .....	9
CHAPTER 2: LITERATURE REVIEW .....	10
2.0 Introduction.....	10
2.1 Literature Review on Topic.....	11
2.2 Macroeconomic Variables.....	12
2.2.1 Literature Review on Gross Domestic Product .....	13
2.2.2 Literature Review on Interest Rate.....	15
2.2.3 Literature Review on Inflation Rate.....	16
2.2.4 Literature Review on Population Growth.....	18
CHAPTER 3: RESEARCH METHODOLOGY .....	20
3.0 Introduction.....	20
3.1 Study Area .....	20
3.2 Population.....	20
3.3 Sample .....	20
3.4 Research Design.....	21
3.5 Data Collection Methods.....	21
3.6 Theoretical Framework .....	22
3.7 Hypothesis .....	23
3.7.1 Hypothesis Statement.....	23

## **Chapter 1: Introduction**

### **1.0 Introduction**

In this chapter will be discuss the background of the study, problem statement, research question, research objective, significant of study and scope of study. This research is focuses on relationship between Growth in Real Estate Investment and Macroeconomic Variables that affects the sector. All the macroeconomic indicators are reflecting the performance of growth in real property market. In background of the study, this research paper will discuss about the dependent and independent variables. Dependent variable in this study is performance of Real Estate Investment and the independent variables are GDP growth, Interest rate, Inflation rate and Population growth.

In this paper, the research question will discuss about the question related to the theoretical framework in our research. Thus, the research question is also closed to the independent variables that are important to examine or investigate as basic research in our studies. Research objective also give priority to the important information of the studies for general, researcher or investigator and future researcher. Hence, it will be prove in significant result of study.