



THE DETERMINANTS OF HOUSING PRICE IN MALAYSIA.

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ABSTRACT

This study examines the relationships between housing price in Malaysia (HPI) and the determinants of inflation rate (CPI), household income (HI), gross domestic product (GDP) and interest rate (IR) from the year of 1988 to 2017 which contains annual data. Over the past few years, the Malaysia housing price has experienced significant price expansion. In the process of findings in this study there are a few types of analysis were tested using e-Views Version 9.0 such as Multiple Linear Regression analysis. The result of this study show that there is a significant relationship between the housing price (HPI) and the inflation rate (CPI), household income (HI), interest rate (IR) while gross domestic product did not have any significant relationship with the HPI. The recommendation for the future studies is future studies should use other factors instead of macroeconomics factor in order to examine the factors that affecting the housing price movement in Malaysia. The conclusion for the studies shows that the CPI, HI, GDP and IR become the factors that affecting the HPI in Malaysia.

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