



**THE DETERMINANTS OF HOUSING PRICE INDEX IN
MALAYSIA**

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ABSTRACT

This study is to study the Determinants of the Price Index of Housing in Malaysia. There are four independent variables that have been selected for this study. Independent variables are consumer price index (MCPI), lending rate (MLR), money supply (MMS), and unemployment rate (MUR). This study uses quarterly data from the 1st quarter of 2006 to the 4th quarter of 2017 with 48 observations. Multiple linear regression models are used to study the relationship between the explanatory variables and the variables described. The results show that all the variables MCPI, MLR, MMS and MUR significantly affect MHPI. This study shows the most important variable is the unemployment rate (MUR) because the coefficient value is the largest followed by lending rate (MLR), money supply (MMS) and consumer price index (MCPI).

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