



**FACTOR THAT INFLUENCES HOUSING PRICE IN MALAYSIA: EVIDENCES IN SIX-
STATE (KUALA LUMPUR, SELANGOR, JOHOR, PULAU PINANG, NEGERI SEMBILAN
AND PERAK)**

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ABSTRACT

Housing price has been major concern issues in Malaysia. According to Maslow hierarchy theory of need or known as the theory of human motivation, the first steps are physiological needs or basic needs. This includes the needs of living which is a house. The purchase of a "dream home" is one of the life achievements that top almost everyone's bucket list. Searching for homes comes with different consolidation especially the price of the house. Therefore, this study aimed to determine the factor that influences housing price in Malaysia: evidence in six states (Kuala Lumpur, Selangor Johor, Negeri Sembilan, Pulau Pinang, and Perak) and to determine whether all the variable used are significant to the housing price. There are four independent variables used in the study which is Interest Rate (INTR), Inflation Rate (IR), Population (POP) and Gross domestic Products Growth (GDPG). For this study, the Pooled Generalized Least Square (PGLS) method is implemented. This study will be carried out on the basis of annual panel data from 2010 to 2016, with 42 observations. The results are beneficial to different parties, such as investors and home buyers. The results conclude that inflation rate and population have the major effect in determining the housing price.

Keywords: housing price, Interest Rate (INTR), Inflation Rate (IR), Population (POP), Gross Domestic Products Growth (GDPG)