MACROECONOMIC VARIABLES AND HOUSING PRICE IN FOUR OF ASEAN COUNTRIES

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ABSTRACT

Residential property prices in many countries of developing ASEAN shot up after the global financial crisis but might be declining. Ever since the 1997 Asian financial crisis, property markets have greatly developed through the years. Asian governments have improved the financial stance associated with the structure of housing finance, allowing more access to a diverse range of mortgages products. The general objective is to study impact of macroeconomic variables and housing price in four of ASEAN countries such as Malaysia, Singapore, Thailand and Indonesia. The variable used is house price index as dependent variable and GDP, inflation rate, interest rate, and corruption index as independent variables. The paper deploys STATA Panel Data model of possibly integrated processes. To improve efficiency, the regression analysis which Fixed Effect model, Breusch Pagan Test and Hausman Fixed test is used. The result shows that GDP and corruption index has significant relationship with the dependent variable. However, inflation and interest rate are an insignificant relationship with the dependent variable.

Key word: GDP, Inflation, interest rate, corruption index, housing price, four of ASEAN Countries.

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