



FACTORS AFFECTING HOUSING PRICES IN MALAYSIA

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ABSTRACT

This study examines the relationship between housing price index in Malaysia (HPI) with its determinants of household income (HHI), inflation (INF) and labor force (LF) from the year 2009 to 2016 by using quarterly basis that consists of 30 observations. This paper applies Ordinary Least Square (OLS) methods in order to determine the statistical relationship among the variables involved. There are steps involved in the research which is begin with Ordinary Least Square methods and proceed with Descriptive Analysis, Diagnostic Checking, Unit Root Tests, Multiple Linear Regression and Single Linear Regression.

Besides, some tests done in diagnostic checking in order to check and find out the significant presents of multicollinearity, heteroscedasticity, autocorrelation, the normality of data distribution and model specification.

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