

Swing of Residential Price in Kuala Lumpur: A Case Study

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ABSTRACT

The increasing of residential prices in Malaysia has become the major concern in the housing industry. The continuous increment of residential price especially in urban areas will affect to the potential house buyer in Malaysia. The main purpose of this study is to identify the reason of swinging price of residential in Kuala Lumpur. House prices continuously rises relating to the few factors that are found out through the detailed literature review and information from an interview. The increasing trend of the Malaysia housing prices is related to the changes in population, interest rate, labour, material cost, land price, Mortgage and taxation, public transportation, components, location, foreign investor, and inflation. The statistic date about the Malaysia all house index were obtained from the Valuation and Property Services Department of the Ministry of Finance Malaysia from 2010 to 2013. Data analysis for this study is conducted through interview from all the developers in Kuala Lumpur area. Based on the result and analysis, land cost and material cost are the factors which give major influence to rise of house price. The study also identified the implication of high residential prices to communities in Kuala Lumpur. Based on the analysis result, an increasing of house price in Malaysia may causes unaffordable of people to own a house and rental market will be increased.