SUMMARY

Even though Indonesia has established Batam as a favoured destination for investments, very few studies have been done on the housing market. This study is, therefore, dedicated to explore the variables of the macroeconomics and the housing market related in Batam by adopting multiple regression technique as one of the main statistical tools.

This study found that within the observation period from 1990 to 1999, the Batam economy has generally outperformed the national average even during the period when the financial and economic crisis hit the country between 1997 and 1998. The housing demand and supply increased significantly with a respectable return performance. Furthermore, this study also suggests that the total workforce, household incomes, inflation rates and the amount of the housing loans approved were statistically proven to affect the housing market in the island. However, this study is limited by many constraints mainly due to the non-availability of data.

Keywords

Bounded-zone
Free-trade-zone
Housing Price Index
Housing Related Variables
Macroeconomic Variables
Regression Model