

Thitiporn Pornchaisiri 2011: The Impact of the Government's Real Estate Stimulation Measures on the Real Estate Sector Growth in Thailand. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics. Thesis Advisor: Associate Professor Santiya Eag-ark, Ph.D. 128 pages.

The objectives of this study were to study the development of the real estate sector, the measures to stimulate the real estate in Thailand before the economic crisis in 1997 to June 2010 and the impact of the measures on the real estate sector growth in Thailand. Both descriptive and quantitative analyses were used in this study. For quantitative analysis, the study applied the multiple regression model and used secondary data sets from January 2006 to May 2010.

The results of the descriptive analysis showed that development of real estate was closely correlated to the business cycle. The business slowed down during the economic crisis in 1997. Then, it recovered and peaked between 2003 and 2005, in accordance with the government's constant boosting and supporting measures. Based on the multiple regression model, focusing the economics factors and the government's incentive measures to boost the real estate sector growth in Thailand, the study found that manufacturing production index affected the growth rate of real estate sector positively. The interest rate, the construction material price index, the unemployment rate affected the real estate sector growth negatively. For the government's incentive measures, the result indicated that the implementation of special business tax had an positive impact on the growth rate of real estate sector but the reduction in the transfer and mortgage registration fee and a lower personal income tax had negative effects on the growth rate.

From the result of this study, the suggestions to the government were: to reduce the specific business tax of the real estate can stimulate the real estate sector growth, however to reduce the real estate transfer and mortgage registration fee and personal income tax can't influence the real estate growth yet. Therefore, these measures should be accompanied with mortgage loan lending from financial institutions to support home buyers.

---

Student's signature

Thesis Advisor's signature