

Achara Prathanthip 2007: The Effect of Commercial Banks' Real Estate Loans on the Real Estate Sector Growth in Thailand. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Assistant Professor Santiya Eag-arkara, Ph.D. 119 pages.

The purposes of this study are: (1) to study the real estate sector growth which classify by region, (2) to study the effect of real estate loans of commercial banks and government's bank for special purpose on the real estate sector growth in each region of Thailand. This study uses both descriptive and quantitative analyses. In quantitative analysis, the study applies the Shift and Share Model and the multiple regression model. The data sets used here is secondary data from year 1991 to year 2006.

The results of the Shift and Share analysis showed that in the North and the South region, real estate loans from commercial banks and the gross domestic products in real estate sector were positively correlated. On the contrary, in the North East and the Central region, real estate loans from commercial banks and the gross domestic products in real estate sector were negatively correlated. The results from multiple regression model which emphasized the effect of the commercial banks' real estate loans and government's bank for special purpose on the real estate sector growth in Thailand found that by increasing in real estate loans in the North and the South regions and real estate loans of the Government Housing Bank, the gross domestic products of real estate sector growth was also increase. Furthermore, by increasing in real estate loans in the North East and the Central regions as well as real estate loans of the Government Savings Bank, the gross domestic products of real estate sector growth was decline.

From the results, the suggestions of this study are: Thai government and Bank of Thailand should stimulate the real estate loans policy in the North and the South region as well as should improve the real estate loans requirements in the North East and the Central region by encouraging the commercial banks to carefully analyze real estate project feasibility. In addition, the government should stimulate the real estate loans policy via the Government Housing Bank instead of the Government Savings Bank because it will generate positive effect on real estate sector growth in Thailand.

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