

Title : The Effects of Lending Interest Rates on Loans for Housing
By : Miss Jiranya Tuntivararut
Degree : Master of Business Administration
Major Field : Financial Administration
Thesis Advisor : Darawan Virunhaphol

(Dr. Darawan Virunhaphol)

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The model of demand and supply for housing's loan has been developed for this study and assumed to be influenced by lending interest rate. Two equation has been formed. The first one is an equation of investment which are assumed to be function of the amount of housing's loan on investor (I), interest rates (r), quantity of population (POP), and consumer price index (Pi). The second one is an equation of demand for housing's loan which are assumed to be function of the loans for housing, on consumer (D), interest rates (r), price for housing (Ph), size of permit area for building homesteaded (S), gross national profit(Y), quantity of population (POP).

The objective of this study are to find the impact of change in interest rates on the demand and supply for housing's loan, and to study the effects of lending interest rate for the investment of housing project.

The analysis of this study is done from 1986 - 1991 by using the secondary data from the Bank of Thailand and various source.

The results of study indicates that interest rates both deposit and loan rate has an impact to the model but the analysis cannot give explanation to the relationship between lending interest rate and supply on investment for housing's loans and also the relations between lending interest rate and demand for housing. This may be dued to the fact that the analysis is carry on a very short term only 5 year periods. Although this study cannot give the full result, because and limiting data, the model may by useful in the future when the data is enough and surely it will be able to catch up the relationships of the variable indicated above.