



Impact of Financial Leasing on Lessee's Housing Condition and Housing Equipment in Jaffna District of Sri Lanka.

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ABSTRACT

This study investigates the impact of financial leasing on the investment in transportation, agriculture and manufacturing sectors on the lessee's housing condition and housing equipment in the Jaffna district. For this study, 331 financial leasing clients were randomly selected. A multiple regression model was estimated to examine the effect of leasing on the lessee's housing equipment, and a probit model was estimated to assess the impact of leasing on the lessee's housing condition. The study shows that financial leasing positively influences the probability of improving housing conditions, but the leasing rate negatively influences the improvement. The probability of improving housing conditions increased with starting a new business than expanding their existing business. The probability for improving housing conditions increased with using lease facility in own business than renting out the lease facility to another's business. The financial leasing and lessee's asset increase the household equipment, but the leasing rate averagely decreases the household equipment. Therefore, old household head spends less money on equipment than young household head does. This study would be helpful to the government authority to develop the policy related to financial leasing for the socioeconomic development of this district.

Keywords: Financial Leasing, Housing Condition, Housing Equipment