

IMPACT OF LAND TENURE SECURITY ON REAL ESTATE INVESTMENT IN BANDARAWELA MUNICIPAL COUNCIL AREA FOR THE DEVELOPMENT OF THE TOURISM INDUSTRY

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Abstract

Tourism has substantial importance on the economy of Sri Lanka. For developing lands to gain more profit from the tourism industry, requires real estate with secure land tenure thus land tenure, in its simplest meaning, implies the way of holding the land. The main objective of the study was to investigate the impact of land tenure security on real estate investment in the Bandarawela municipal council area. The most important types of land tenure were identified and categorized into five levels of tenure security and assigned a score from 1 to 5 for each level, while 5 represents the highest level of security and 1 the lowest. Also, this study envisaged developing an acceptable index ($DI_{Tourism}$) to determine the tendency of each land parcel toward real estate investment in the Bandarawela area. To determine $DI_{Tourism}$, 7 measurable factors were selected based on experts' opinions in the fields of real estate, tourism, and land management through a questionnaire and previous publications. The Analytical Hierarchical Process(AHP) was used to assign weights. To ensure the accuracy of those respective weights, the consistency ratio was checked and it was 0.0550. Then $DI_{Tourism}$ was calculated for all selected land parcels and the Pearson correlation test was performed by IBM SPSS Statistics 25 software between land tenure security level and the values obtained for the $DI_{Tourism}$ for all selected land parcels. Pearson correlation coefficient (r) was 0.119 which shows a low degree of correlation between land tenure security level and the values obtained for the $DI_{Tourism}$. The highest mean value for $DI_{Tourism}$ was achieved by a moderate tenure security level that includes renthold and leasehold tenure types.

Keywords: *Land Tenure, Real Estate Investment, Analytical Hierarchical Process, $DI_{Tourism}$*