

**Bangabandhu Sheikh Mujibur Rahman Science and  
Technology University, Gopalganj-8100**



***Assignment on:***

**Real Estate Financing in Bangladesh**

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**Submitted to:**

**S.M. Masudur Rahman**

Lecturer

Department of Finance and Banking

Bangabandhu Sheikh Mujibur Rahman Science and Technology University

Gopalganj-8100.

**Submitted by:**

**Rakibul Islam**

Student ID: **19FB025**

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Department of Finance & Banking

Bangabandhu Sheikh Mujibur Rahman Science and Technology University

Gopalganj-8100.

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## **Table of content**

<b>1) Introduction to Real Estate Financing -----</b>	<b>1</b>
<b>2) Types of Real Estate Financing -----</b>	<b>2</b>
<b>3) Current Trends and Market Overview -----</b>	<b>3</b>
<b>4) Challenges in Real Estate Financing -----</b>	<b>4</b>
<b>5) Role of Financial institutions -----</b>	<b>5</b>
<b>6) Emerging Technologies and Innovations -----</b>	<b>6</b>
<b>7) Government Policies and Regulations -----</b>	<b>7</b>
<b>8) Opportunities for Investors -----</b>	<b>8</b>
<b>9) Case Study -----</b>	<b>9</b>
<b>10) Conclusion -----</b>	<b>10</b>
<b>11) Reference -----</b>	<b>11</b>

## ★Introduction to Real Estate Financing

real estate finance is a branch of finance that focuses on how people purchase real estate, whether that be a home, an office building or a plot of land.<sup>1</sup> this area of finance involves the analysis, planning and management of financial resources related to real estate, commercial loans and properties. it also includes financial processes around real estate, such as acquisition, development, construction and operation of commercial and residential properties.

## Significance real estate industry

### ***#1 Development***

Real estate development is a process that involves the purchase of raw land, rezoning, construction and renovation of buildings, and sale or lease of the finished product to end users. Developers earn a profit by adding value to the land (creating buildings or improvements, rezoning, etc.) and taking the risk of financing a project. Development firms create a new product, which can be thought of as the “primary market” or generation of new inventory.

### **#2 Sales and marketing**

Sales and marketing firms work with developers to sell the buildings and units they create. These firms earn a commission for creating all marketing material and using their sales agents to sell the inventory of completed units. These firms typically focus on new units.

### **#3 Brokerage**

A real estate brokerage is a firm that employs a team of real state agents (realtors) who help facilitate a transaction between the buyers and sellers of property. Their job is to represent either party and help them achieve a purchase or sale with the best possible terms.

### **#4 Property management**

Property management firms help real estate owners rent out the units in their buildings. Their jobs include collecting rent, showing units, fixing deficiencies, performing repairs, and managing tenants. They charge a fee, typically a percentage of the rent, to property owners.

## #5 Real estate lending

Lenders play a major role in the industry as virtually all properties and developments use leverage (debt) to finance their business. Lenders can include banks, credit unions, private lenders, and government institutions.

## #6 Professional services

There are a variety of real estate professionals who work in the industry and help make it function. The most common examples (other than the ones listed above) are accountants, lawyers, interior designers, stagers, general contractors, construction workers, and tradespeople.

## The overall economy of Bangladesh

Over the last 40 years, real estate sector played a significant role in shaping the Bangladesh economy. During this time we saw robust urbanization and growth of our population. As a consequence, our country had to provide additional housing solution to them. According to REHAB, in 2014, this sector contributed 12% of the GDP compared to the previous year of 7.04%. Additionally, REHAB data also shows that in 2016, the number of unsold flats came down to around 27,100 from 35,000. This indicates in that period, people had more demand and increase in purchase capacity. This ultimately led to more **purchasing of flats**. As people reinvest the money taken from the market, it boosts the economy and increases the contribution of this sector in the GDP of our country.

### ★ types of real estate financing:

#### Traditional Real Estate Financing Options

##### Conventional Loans

A conventional loan is a traditional mortgage loan offered by banks and credit unions, and other financial institutions.

Conventional loans are a popular financing option because they offer competitive interest rates, flexible loan terms, and lower monthly payments.

##### FHA Loans

FHA loans, or Federal Housing Administration loans, are a type of mortgage loan backed by the U.S. government through the Federal Housing Administration. These loans are designed to make homeownership more accessible, particularly for first-time homebuyers and individuals with lower credit scores.

## **VA loans**

VA loans, or Veterans Affairs loans, are mortgage loans that are guaranteed by the U.S. Department of Veterans Affairs (VA) and are designed to assist eligible veterans, active-duty service members, and certain members of the National Guard and Reserves in purchasing homes.

## **USDA loans**

USDA loans, officially known as USDA Rural Development Guaranteed Housing Loans, are mortgage loans offered by the United States Department of Agriculture (USDA) to help individuals in rural and suburban areas purchase homes with favorable terms. These loans are designed to promote homeownership in rural communities and provide affordable financing options.

## **Non-Traditional Real Estate Financing Options**

### **Hard Money Loans**

A hard money loan is a type of loan provided by private lenders or investors. Hard money loans are typically short-term loans that are secured by real estate.

### **Private Money Loans**

A **private money loan** is a loan provided by individuals or companies rather than traditional financial institutions. Private money loans are usually short-term loans and are secured by real estate.

Private money loans have higher interest rates than traditional loans and require a lower credit score than traditional loans.

### **Seller Financing**

**Seller financing** is a type of financing where the seller of a property provides financing to the buyer. In seller financing, the buyer makes payments to the seller instead of a financial institution.

## Lease-To-Own

Lease-to-own is a type of financing where the buyer leases a property for a specified period before purchasing it.

A portion of the lease payment goes towards the purchase price of the property. Lease-to-own is suitable for buyers who want to purchase a property but do not have the financial capacity to do so immediately.

## Alternative Real Estate Financing Options

### Crowdfunding

Crowdfunding is a method of raising funds for a project, business venture, or cause by soliciting small contributions from a large number of people, typically via the internet or through specialized crowdfunding platforms. It's a way to gather financial support from a crowd of individuals, each contributing a relatively small amount, to collectively reach a funding goal. Crowdfunding can be used for various purposes, including launching new products, supporting creative projects, financing startups, covering medical expenses, and more. It allows entrepreneurs, artists, and individuals to access capital and support for their endeavours without relying solely on traditional sources like banks or investors.

### Real Estate Investment Trusts (REITs)

A **real estate investment trust (REIT)** is a company that owns, operates, or finances income-generating real estate properties.

REITs are publicly traded companies that allow investors to invest in real estate without directly owning a property.

### Home Equity Loans

A **home equity loan** is a type of loan that allows homeowners to borrow money against the equity in their homes.

Home equity loans typically have lower interest rates than other types of loans and have a fixed interest rate and a fixed monthly payment.

### Cash-Out Refinancing

Cash-out refinancing is a type of refinancing where the homeowner refinances their mortgage for more than the current balance and receives the difference in cash.

## **Factors to Consider When Choosing a Real Estate Financing Option**

### **Interest Rates and Fees**

Interest rates and fees are important factors to consider when choosing a real estate financing option. Different financing options have different interest rates and fees, and it is essential to compare these costs to determine which option is the most cost-effective.

### **Loan Terms**

Loan terms refer to the length of time the borrower has to repay the loan. Different financing options have different loan terms, and it is essential to choose a loan term that is suitable for the borrower's financial situation.

### **Down Payment Requirements**

Down payment requirements are the amount of money the borrower needs to put down to secure the loan. Different financing options have different down payment requirements, and it is essential to consider these requirements when choosing a financing option.

### **Credit Score and History**

Credit score and history are important factors that lenders consider when deciding whether to approve a loan application.

### **Property Type and Location**

The type and location of the property can affect the financing options available to the borrower. Different financing options have different property type and location requirements, and it is essential to choose a financing option that matches the property type and location.

### **★ Current Trends and Market Overview:**

The real estate sector in Bangladesh is one of the fastest-growing sectors in the country. The sector has seen tremendous growth in recent years, with the establishment of a number of new real estate firms and the development of new projects. The country's urban population is expanding rapidly, and there is a growing demand for housing, office space, and other commercial property. Apartment complex builders, model town developers, shopping center developers,

major infrastructure builders, and commercial building contractors—all with an eye toward making a tidy profit—fall under the broad category of “real estate” in today’s Bangladesh.

## Real Estate Market Size

The real estate sector in Bangladesh has a market value of 6,000 crores BDT. Medium-sized flats between 1200 and 1400 square feet have seen a 39% increase in the previous five years. Dhaka and Chittagong are the two largest cities in Bangladesh, where the real estate business is booming. Dhaka and Chittagong’s ever-busy urban society has a significant demand for smaller apartments. First, the real estate market in Bangladesh spiked in 2006 and lasted until 2009, and then again in 2015 and lasted till 2018. In the years 2022–2025, we may expect a further increase. The new surge will be based on factors such as changes in generational and cultural trends, coupled with inadequate land, and a revolution in cost-effective housing. Moreover, Bangladesh has seen a dramatic increase in the number of dedicated residential zones in the last decade all around the country, like Bashundhara, Rupayan City, Purbachal, and others.

Related construction businesses including brick, concrete, ready-mix, ceramic, MS bar, sanitary supplies, etc. have also been facilitated by this sector’s growth. All these interconnected industries have a total market value of close to 60,000 crores BDT. Increases in home loans from banks reflect a growing preference among middle-class families for this method of financing. In 2019–20, the demand for home loans was BDT 1496 billion, and BDT 1,544 billion in the fiscal year 2020–2021. Therefore, the real estate industry as a whole account for a larger share of the national GDP than practically any other sector.

## Urbanization

Urbanization in real estate refers to the trend of people moving from rural areas to urban centers, leading to increased demand for housing and commercial properties in cities. This migration drives real estate development and investment in urban areas

as they accommodate the growing population and create opportunities for property development and infrastructure projects.

## Population growth



Population growth can impact real estate financing in several ways. When an area experiences significant population growth, it can lead to increased demand for housing and commercial properties. This heightened demand can drive up property prices and rental rates, potentially making real estate investments more attractive.

Real estate financing options, such as mortgages and loans, may become more accessible and competitive due to increased demand from both homebuyers and property developers. Lenders might offer more favorable terms to capitalize on the growing real estate market. Investors and borrowers should carefully consider the broader economic and market conditions in addition to population growth when making real estate financing decisions.

## Contribution of Real Estate to Bangladesh's Economy

REHAB estimates that the real estate industry and related businesses account for 12% of GDP. The real estate market has generated roughly Tk. 20 billion in sales, as well as about Tk. 2 billion each year in tax revenue for the government. Approximately 2 million people are currently employed in real estate and related industries. This includes architects, engineers,

management officials, and direct and indirect laborers. These businesses have added 12–14% to GDP annually on average over the past five years

After paying the new 2% gain tax (down from 5% in 2007) and 3% stamp duty, a customer must pay registration fees to the government, the city corporation, and the sub-registry office at rates of 2% (down from 2.5% until 2009), 2%, and 0.5 %, respectively, for a grand total of 9.5%. In addition to the 1.5% VAT, the government additionally requires buyers to pay an AIT of up to Tk. 2000 per square meter of living space. Consumer costs have dropped significantly and tax revenue has increased substantially thanks to this policy.

### ★ Challenges in Real Estate Financing:

the real estate financing sector, borrowers and lenders face several challenges, including:

#### 1. High Interest Rates:

- **Borrowers:** High interest rates can lead to increased borrowing costs, making it difficult for borrowers to afford loans and potentially affecting their ability to invest in real estate.

- **Lenders:** While high interest rates can be profitable, they also carry risks of default. Lenders must carefully assess the risk-reward balance in lending at high rates.

## 2. Lack of Transparency:

- **Borrowers:** Lack of transparency in loan terms and conditions can lead to misunderstandings and hidden fees, causing financial strain for borrowers.
- **Lenders:** Lack of transparency in borrowers' financial situations can make it challenging for lenders to accurately assess risk, potentially resulting in bad loans.

## 3. Regulatory Hurdles:

- **Borrowers:** Stringent regulatory requirements can make it difficult for borrowers to access financing, particularly if they don't meet specific criteria.
- **Lenders:** Compliance with complex and evolving regulations adds administrative and legal costs to lenders, impacting profitability.

## 4. Impact of Economic Fluctuations:

- **Borrowers:** Economic downturns can affect property values and rental incomes, making it harder for borrowers to meet loan obligations and potentially leading to foreclosures.
- **Lenders:** Economic fluctuations can increase default rates and decrease the value of collateral, impacting lenders' loan portfolios and profitability.

To address these challenges, both borrowers and lenders need to closely monitor market conditions, adapt to regulatory changes, and maintain open communication to ensure mutually beneficial real estate financing transactions.

## ★Role of Financial Institutions:

### 1 – Regulation of Monetary Supply

like the Central Bank help regulate the money supply in the economy to maintain stability and control inflation. For example, the Central Bank applies various measures like increasing or decreasing repo rate, cash reserve ratio, and open market operations, i.e., buying and selling government securities, to regulate liquidity in the economy.

### 2 – Banking Services

Financial institutions, like commercial banks, help their customers by providing savings and deposit services. In addition, they offer credit facilities like overdraft facilities to the customers to cater to the need for short-term funds. Commercial banks also extend

loans like personal loans, education loans, mortgages, or home loans to their customers.

### **3 – Insurance Services**

Financial institutions, like insurance companies, help to mobilize savings and investment in productive activities. In return, they assure investors against their life or some particular asset at the time of need. In other words, they transfer their customer's risk of loss to themselves.

### **4 – Capital Formation**

Financial institutions help in capital formation, i.e., increase in capital stock like the plant, machinery, tools and equipment, buildings, transport, communication, etc. Moreover, they mobilize the idle savings from individuals in the economy to the investor through various monetary services.

### **5 – Investment Advice**

There are many investment options available at the disposal of individuals and businesses. But it is not easy to choose the best option in the current swiftly changing environment. Almost all financial institutions (banking or non-banking) have an investment advisory desk that helps customers, investors, and businesses to select the best investment option available in the market according to their risk appetite and other factors.

### **6 – Brokerage Services**

These institutions provide their investors access to several investment options available in the market, ranging from stock bonds (common investment alternative) to hedge funds and private equity investment (lesser-known alternative).

### **7 – Pension Fund Services**

Through their various kinds of investment plans, financial institutions help individuals plan their retirement. One such investment option is a pension fund. The individual contributes to the investment pool by employers, banks, or other organizations and gets the lump sum or monthly income after retirement.

### **8 – Trust Fund Services**

Some financial organizations provide trust fund services to their clients. They manage the client's assets, invest them in the best option available in the market, and take care of its safekeeping.

## **9 – Financing the Small and Medium Scale Enterprises**

Financial institutions help small and medium-scale enterprises set up themselves in their initial business days. They provide long-term as well as short-term funds to these companies. The long-term fund helps them form capital, and short-term funds fulfill their day-to-day working capital needs.

## **10 – Act as A Government Agent for Economic Growth**

The government regulates financial institutions on a national level. They act as a government agent and help grow the nation's economy. For example, to help out an ailing sector, financial institutions, as per the guidelines from the government, issue a selective credit line with lower interest rates to help the industry overcome the issues it is facing.

### **Banks and non-banking financial institutions**

#### **Banking Financial institutions**

Banking financial institutions are in the business of taking deposits from the public and making loans. In addition, they provide other services such as investment banking, foreign exchange, and safe deposit boxes. These institutions are heavily regulated by governments to protect consumers and ensure that the banking system is stable.

#### **Types of Banking Financial Institutions**

There are two types of banking financial institutions: depository and non-depository.

- Depository institutions include banks, savings and loans associations, credit unions, and mutual savings banks
- Non-depository institutions include finance companies, insurance companies, and pension funds

#### **Non-banking Financial institutions**

Non-banking financial institutions (NBFCs) are companies that provide financial services such as lending, insurance, and investment banking but that are not regulated as banks. This means that they have a different set of rules and regulations to follow.

## Types of Non-Banking Financial Institutions

There are a few different types of non-banking financial institutions, which include:

1. Insurance companies: These companies sell insurance policies to individuals and businesses. The policies can provide coverage for things like car accidents, medical expenses, or property damage.
2. Investment banks: These banks help companies raise money by issuing and selling securities. They also provide advice on mergers and acquisitions, and they trade stocks and bonds.
3. Pension funds: These funds provide retirement income for workers. The money is invested in stocks, bonds, and other assets.
4. Mutual funds: These funds pool money from investors and invest it in a portfolio of stocks, bonds, and other assets.
5. Hedge funds: These funds are private investment partnerships that use a variety of investment strategies to make money.
6. Private equity firms: These firms invest in private companies and help them grow. They may also take the companies public.
7. Venture capital firms: These firms invest in early-stage companies with high growth potential.

Each of these non-banking financial institutions serves a different purpose, but they all work towards the ultimate goal of providing funding for businesses and individuals.

### **Discuss their lending criteria, loan terms, and the impact of regulatory policies on real estate financing**

**Lending Criteria:** Lending criteria for real estate financing typically involve evaluating the borrower's creditworthiness, income, and the property itself. Lenders consider factors like credit score, employment history, debt-to-income ratio, and down payment. They want to ensure that borrowers have the financial capacity to repay the loan.

**Loan Terms:** Loan terms for real estate financing vary but commonly include:

1. Interest Rate: The annual interest rate applied to the loan balance.
2. Loan Amount: The total amount borrowed.
3. Loan Type: Fixed-rate or adjustable-rate mortgage.
4. Repayment Period: The duration of the loan, commonly 15, 20, or 30 years.
5. Down Payment: The initial payment made by the borrower.

6. Amortization Schedule: The payment plan outlining how principal and interest are paid over time.
7. Prepayment Penalties: Fees for paying off the loan early.

Impact of Regulatory Policies: Regulatory policies significantly influence real estate financing. Here's a brief overview of their impact:

1. Interest Rates: Central banks' policies can affect interest rates, influencing mortgage rates. Lower rates can make borrowing cheaper, stimulating real estate activity.
2. Credit Standards: Regulations such as the Dodd-Frank Act have tightened lending standards, aiming to prevent risky lending practices that led to the 2008 financial crisis.
3. Down Payment Requirements: Some regulations mandate minimum down payments, which can affect accessibility to homeownership.
4. Mortgage Insurance: Policies like the FHA and PMI are influenced by regulations, making it possible for borrowers with smaller down payments to obtain loans.
5. Consumer Protection: Regulations protect borrowers from predatory lending practices, ensuring transparency in loan terms.
6. Property Appraisal: Regulations govern property appraisal standards, preventing overvaluation or undervaluation of properties.
7. Risk Assessment: Regulatory stress tests require financial institutions to evaluate their resilience to economic downturns, impacting their willingness to offer loans.

In summary, lending criteria assess borrower qualifications, loan terms outline the specifics of the mortgage, and regulatory policies shape the lending environment by influencing interest rates, credit standards, and borrower protections. These factors collectively impact the availability and affordability of real estate financing

## ★Emerging Technologies and Innovations:

Technology is indeed transforming the real estate financing landscape in Bangladesh in several ways, bringing efficiency and transparency to the market. Here are some key innovations:

1. **Online Property Listing Platforms:** Online property listing platforms have gained popularity in Bangladesh. Websites and apps like Bproperty, Lamudi, and others allow property owners to list their properties online. This has expanded the reach of property listings, making it easier for buyers and sellers to connect. It also provides detailed property information and images, helping potential buyers make informed decisions.

2. **Digital Mortgage Application Processes:** Traditional mortgage applications in Bangladesh used to be paper-intensive and time-consuming. However, technology has streamlined this process. Banks and financial institutions now offer digital mortgage application processes, allowing applicants to submit their documents electronically, check eligibility, and receive quicker approvals. This not only saves time but also reduces the chances of errors.
3. **Blockchain-Based Property Transactions:** Blockchain technology is being explored for property transactions in Bangladesh. It can provide a secure and immutable ledger of property ownership, reducing the risk of fraud and disputes. Smart contracts can automate various aspects of the transaction, including transferring ownership and disbursing funds once conditions are met.
4. **Online Property Valuation Tools:** Property valuation is a crucial aspect of real estate financing. Online tools and platforms offer property valuation services based on various factors, including location, size, and market trends. This helps both buyers and sellers assess property values more accurately.
5. **Real Estate Crowdfunding:** Crowdfunding platforms have emerged, allowing multiple investors to collectively fund real estate projects. This democratizes real estate investment, making it accessible to a broader range of people. These platforms often leverage technology to manage investments, track returns, and distribute profits.
6. **Data Analytics and AI:** Real estate financing in Bangladesh benefits from data analytics and artificial intelligence (AI) tools. These technologies analyze market trends, pricing data, and buyer preferences to provide insights for investors, developers, and lenders. AI can also assist in credit scoring and risk assessment for mortgage applicants.
7. **Online Property Registration:** Some regions in Bangladesh have introduced online property registration systems. This reduces the need for physical presence at government offices, making property registration more convenient and efficient.

While these technological advancements are transforming the real estate financing landscape in Bangladesh, challenges such as internet connectivity, data security, and regulatory frameworks need to be addressed to fully realize the potential of these innovations. Nonetheless, these developments hold promise for improving access to real estate information, increasing transparency, and enhancing the overall efficiency of the market.

## ★Government Policies and Regulations:

Government policies and regulations play a significant role in shaping the real estate financing sector. These policies can impact everything from mortgage rates and

lending standards to the overall health of the real estate market. Here are some key aspects to consider:

1. **Interest Rates and Monetary Policy:** Central banks, like the Federal Reserve in the United States, influence real estate financing through their control of interest rates. Lower rates generally stimulate borrowing for real estate purchases, while higher rates can deter it.
2. **Mortgage Regulations:** Governments often implement regulations to ensure responsible lending practices. For example, the Dodd-Frank Act in the U.S. introduced stricter lending standards and created the Consumer Financial Protection Bureau (CFPB) to oversee mortgage lending.
3. **Tax Incentives:** Tax policies can encourage real estate investment. Governments may offer tax deductions for mortgage interest payments or provide incentives for developers to invest in certain areas through tax credits.
4. **Government-Sponsored Entities (GSEs):** Entities like Fannie Mae and Freddie Mac in the U.S. play a crucial role in the real estate market by guaranteeing mortgages, which can influence the availability and cost of financing.
5. **Affordable Housing Initiatives:** Governments may implement programs to promote affordable housing through subsidies, low-income housing tax credits, or grants to developers.
6. **Zoning and Land Use Regulations:** Local zoning laws and land use regulations can significantly impact real estate values and development opportunities.

Recent initiatives and regulatory changes that have influenced the real estate financing sector include:

1. **COVID-19 Response:** During the COVID-19 pandemic, many governments introduced measures to support homeowners and renters, such as mortgage forbearance programs and eviction moratoriums. These had a significant short-term impact on real estate financing.
2. **Infrastructure Investment:** Infrastructure spending plans, such as the American Jobs Plan in the U.S., can stimulate the real estate sector by creating demand for construction and development projects.
3. **Green Financing Initiatives:** Some governments are promoting sustainable real estate practices through green financing programs, offering incentives for energy-efficient building upgrades and green mortgages.
4. **Changes in Tax Codes:** Changes in tax codes can affect real estate investment. For instance, adjustments to capital gains tax rates can impact real estate transactions.



5. **Fintech and Digital Transformation:** Regulatory changes related to financial technology and digital lending platforms are reshaping the mortgage industry, making it more accessible and efficient.

It's essential for individuals and businesses involved in real estate financing to stay informed about these policies and regulatory changes, as they can significantly affect investment decisions and market conditions. Moreover, the impact of government policies can vary from one region or country to another, so it's crucial to consider the local regulatory landscape when analyzing the real estate financing sector.

### ★Opportunities for Investors :

#### Opportunities for individuals and institutional investors to participate in real estate financing in Bangladesh:

1. **Residential Real Estate:** Individuals can invest in residential properties such as apartments or houses for rental income or capital appreciation. Institutional investors can engage in large-scale residential projects.
2. **Commercial Real Estate:** Investing in commercial properties like office spaces or retail outlets can provide rental income. Institutional investors may fund large commercial developments.
3. **Real Estate Crowdfunding:** Both individuals and institutions can participate in crowdfunding platforms that pool funds for real estate projects, reducing the financial burden.
4. **Real Estate Investment Trusts (REITs):** Bangladesh introduced REITs to the market, allowing investors to buy shares in a professionally managed real estate portfolio.
5. **Real Estate Development:** Institutional investors can partner with local developers to finance and participate in real estate development projects.

#### Discuss potential benefits, risks and returns associated with different investment option :

##### Benefits:

1. **Diversification:** Real estate offers diversification from traditional investment assets like stocks and bonds.
2. **Rental Income:** Investors can earn a steady stream of rental income from real estate properties.
3. **Capital Appreciation:** Properties can appreciate in value over time, providing potential capital gains.

4. **Tax Benefits:** Bangladesh may offer tax incentives for real estate investments.

#### Risks:

1. **Market Risk:** Real estate markets can be volatile, and property values may fluctuate.
2. **Liquidity Risk:** Real estate investments are less liquid compared to stocks or bonds.
3. **Regulatory Risks:** Changes in government regulations or policies can impact real estate investments.
4. **Maintenance Costs:** Property upkeep and maintenance can eat into returns.

#### Returns:

1. **Rental Income:** Returns from rental income can be steady, providing a regular cash flow.
2. **Capital Appreciation:** Properties may appreciate over time, leading to potential capital gains upon sale.
3. **REIT Dividends:** REIT investors receive dividends from the income generated by the trust's properties.
4. **Crowdfunding Returns:** Returns from real estate crowdfunding depend on the success of the specific project.

It's crucial to conduct thorough research, due diligence, and work with local experts to navigate the Bangladeshi real estate market successfully. Additionally, consider your investment horizon, risk tolerance, and financial goals when choosing the most suitable investment option.

## ★Case study :

### Project Background

Rupayan Housing Estate Limited feels social responsibilities to serve the people with quality and commitment. With this end in view the company is working with a dynamic set of management personnel and skilled workforce. They look forward to see a better future. Rupayan Housing Estate Limited has come into being in 1999 with a pledge to fulfill the housing need of this populous city of Dhaka. The first Residential Project named Rupayan Easel Dream comprising 108 Apartments in four eight storied building was successfully completed and handed over to the honorable clients with their entire satisfaction. Since then, the company continued its advancement in development works and expanded the projects in all prime locations like Uttara, Gulshan, Banani, Niketon, Eskaton, Paltan, Shantinagar, Moghbazar, Dhanmondi, Laxmi bazar, Wari, Mohakhali etc. Both Residential and Commercial Projects were undertaken and completed successfully and handed over accordingly and the company is in force with number

s of ongoing projects. The company is operating its business in its own high rise Corporate Office at Rupayan Centre, Mohakhali C/A, Dhaka. The prestigious commercial building like Faruque Rupayan Tower at Banani, Rupayan Golden Age at Gulshan Avenue and well decorated and magnificent residential building with panoramic views at Gulshan, Dhanmondi and other prime locations of the Dhaka City earned name and fame for the company.

### **Facilities providing to the Clients**

1. Rupayan Housing Limited provides comprehensive facilities to its clients. This are-
2. Rupayan provides installment payment facilities to the purchasers.
3. Rupayan assists its client to get home loan.
4. Rupayan ensures best qualities on its products.
5. Rupayan ensures healthy environment on their project.
6. Rupayan provides all types of modern facilities and ensures security.

### **Latest Projects of Rupayan Housing limited**

1. Rupayan Huzaifa at Narayanganj
2. Rupayan Jusna Villa at Uttara
3. Rupayan Khan Tower at Rampura
4. Rupayan Navida's Garden at Bashundhara
5. Rupayan Paradise at Wari
6. Rupayan Proshanti at Dhanmondi

### **Opportunities**

Regulatory environment favoring private sector Development  
Value addition in products and services

Increasing purchasing power of people

Increasing trend in international business

Increasing the population of Bangladesh

A high profitable investment opportunity for individuals as well as financial institutions  
A very wide scope is prevailing for foreign investor also

Urban population is developing favorable attitudes towards apartment living, although the present market of apartment business is limited within high income groups of the society, there exists opportunity for middle and lower level income groups.

### **Product Development**

In order to get a better response from the potential consumers of real estate sectors, appropriate policies should be taken immediately. As severe housing inadequacy has become severe for Bangladesh, especially in the big cities like Dhaka, policy generation as well as policy implementation requires integration of all socially responsible groups and/or individuals.

### **Proper Loan Arrangement for Real Estate Developers**

The practice by the financial institutions that finance this sector does not seem to be proper. The FIs are more interested to lend to individuals under the personal loan schemes to individual apartment buyers. This type of loans related to an individual's personal wealth (as collateral), certainly bears the default risk. Moreover, verifying the individual's creditworthiness is far more complex and time-consuming process. As an advantage, assessing an individual's creditworthiness is far easier and less time consuming.

### **Government Intervention**

Government can play an important role to develop the real estate business. Government can provide tax exemption to subsidize this sector. It can develop proper guideline to control this business. Recently we see some dishonest company deceives people by providing unauthorized property and diminishes the market reputation of this field. They also provide false information to the customer. As a result customers face huge financial losses. Government in this case may introduce and implement laws to protect the customer.

### **In conclusion**

The real estate sector is growing and shows tendency of future growth. The GDP share and growth of real estate and construction is growing. On the whole, this study finds a very promising and positive tone of growth, provided this sector is given proper attention and facilities. It has certainly become very necessary to satisfy.

### **CONCLUSION:**

The Real Estate sector contributes to the need for housing- one of the five requirements of human life but at the same time is playing a significant role in economic development of the country. The operation of the real estate business in Bangladesh is unique to the world. It is a blend of different housing cultures from different nations experienced by professionals whose construction companies had gathered expertise from working in other countries. At present, real estate sector is playing the leading role in case of providing dwelling units, but still, this sector has enormous scope to flourish in the housing market of Dhaka city. Proper implementation of planning policies can create great prospect for this sector shortly. To sum up, real estate sector can contribute a lot to reshape the future of urban living in Dhaka city.

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