



**Internship Report**  
**On**  
**Rupayan Housing Estate Ltd.**

**Submitted To:**

**Mr. Mohammad Rezaur Razzak**  
**Director (In-Charge) BRAC Business School**

**Submitted By:**

**Suman Banik Chayan**  
**Masters of Business Administration (M.B.A)**

**ID: 10364011**

**Date of Submission: 30/08/2013**

## LETTER OF TRANSMITTAL

30<sup>th</sup> August, 2013

Mr. Mohammad Rezaur Razzak  
Director (In-Charge) BRAC Business School  
BRAC University  
66, Mohakhali  
Dhaka-1212

### **Subject: Submission of the Internship Report**

Dear Sir

It gives me immense pleasure in presenting this report, which focuses on “Housing State of Rupayan”.

This report gave me the opportunity to have an insight housing system and the way of managing and maintaining housing opportunity. I have tried my best to fulfill the requirement of the report.

The report is worthy to me as it helped me to gain experience from the practical field and it also gave me the chance to know Housing State of Bangladesh.

I must here that extremely grateful to you for your valuable guidance, tireless effort and constant attention as and when required in accomplishing the report.

I apologize in advance if there is any unintentional mistake made in this report. I shall be pleased to answer any query you think necessary as and when needed.

Thank you

Yours Sincerely

.....

Suman Banik Chayan

ID: 10364011

MBA

BRAC University

## **ACKNOWLEDGEMENT**

I wish to acknowledge the immeasurable grace and profound kindness of the Almighty God, the supreme ruler of the universe, who created me and enables me to make my dream in a reality.

First I specially thanks and appreciation to my honorable supervisor Mr. Mohammad Rezaur Razzak

Director (In-Charge) BRAC Business School, BRAC University Bangladesh.

Very sincerely, my heartfelt thanks go to my supervisor, Mr. Masud Ahmed for his guidance and evocations for this report. This report could not have been completed without his co-operation and valuable guidance.

My cordial thanks go to Md. Humayan Kabir (Assistant Manager, Asset Operations) who gave me the opportunity to do my job.

I am privileged my enjoying assistance and guidance of all the officers and employees of Rupayan Housnig State, for supporting and giving me pleasurable working experiences and helping me prepare this report during my internship period.

Finally I would like to pay my deep gratitude to my reverend persons for their unbound forbearance, continuous encouragement and generous help in sustaining my prolonged studentship.

## **EXECUTIVE SUMMARY**

This report based on the internship program, partial requirement for the Masters of Business Administration in **BRAC University Bangladesh**. The main objective of this report is to know availability, opportunity and development of Housing State of **Rupayan Housing**. Internship in Rupayan Housing was a great practical experience for my carrier life. Rupayan Housing is a first rank real estate company under the Rupayan Group in Bangladesh. Recently it changes it mission, vision and business goals.

The report discusses about all the issues of housing project of Rupayan housing estate. This report is categories in six different chapters. In chapter one introduction, purpose, objective, scope, methodology, limitations are discussed. In chapter two organizational profile of the Rupayan housing estate ltd., Chapter three housing estate activities & findings, Chapter four discussed SWOT of Rupayan housing estate, Chapter five finally recommendations and conclusion are given in this chapter.

## **Table of Content**

	Content	Page No.
	Letter of transmittal	I
	Acknowledgement	IV
	Executive summary	V

Chapter 1 Introduction		
1.1	Introduction	9
1.2	Background of the study	9
1.3	Significance of the study	10
1.4	Scope of the study	10
1.5	Objective of the study	10
1.6	Methodology	11-11
1.7	Limitations of the report	12
Chapter 2 Organizational Profile Part-1		
2.1	Rupayan Real Estate Ltd.	14
2.2	Overview of Rupayan Housing Estate Limited	14-15
2.3	Goal of Rupayan Housing Estate Ltd.	15

2.4	Responsibilities of Executive Body of Rupayan Housing Estate Ltd.	15-16
2.5	Major Activities Undertaken by Rupayan Housing Estate in Bangladesh	15
2.6	Managing housing arrangement for the whole population of Bangladesh by Rupayan Housning Estate	16
2.7	Special Concern on Dhaka City by Rupayan Housing Estate in Bangladesh	17
2.8	Latest project of Rupayan Housing Estate in Bangladesh	17-18
2.9	Collective Development Activities by Rupayan Housnign Estate in Bangladesh	18
2.10	Price offer by Rupayan Hosusing Estate in Bangladesh	18-19
2.11	SWOT Analysis of Rupayan Housing Estate Ltd.	19
<p><b>Chapter 2</b></p> <p><b>Organizational Profile</b></p> <p><b>(Activities Undertaken)</b></p> <p><b>Part-2</b></p>		
2.12.1	Ongoing Projects of Rupayan Housing Estate Limited	22
2.12.3	Upcoming-Projects Rupayan Housing Estate Limited	22
2.12.4	Rupayan's latest project in Narayanganj	22
<p><b>Chapter 3</b></p> <p><b>Major Findings</b></p>		
3.1	Major Findings	24
4.1	Product Development	26

4.2	Targeting the Middle Class Proper Channels for Non Residential Bangladesh (NRB)	26
4.4	LOANS: Should It Be for Individuals or Developers	27
4.5	Other Issues	27

	Conclusion	28
	Bibliography	29
	References	30-31

**CHAPTER-1**  
**INTRODUCTION**



## **1.1 Introduction**

The world is tremendously competitive now. In every sphere of life and business, competition has become more and more furious. Every firm tries to obtain and retain efficient employees to meet the future challenges. In this rivalry, obtaining and retaining the best employees has become very important, as employees are that factors who make a firm alive and proceed to the path of profit.

The course under MBA program designed with an excellent combination of theoretical and practical aspects. After the completion of MBA consisting of theoretical exposure, the students are sent to different organization to obtain some practical exposure in different sectors which would help them in taking up professional career. BRAC University has undertaken three months of internship program for its MBA students, as an important and essential requirement of the MBA program.

I have tried my best to use this opportunity to enrich my knowledge on banking system and also incorporate my knowledge, which I have learned from my classes.

## **1.2 Background of the study**

I worked as an Intern in Rupayan Housing Estate. After completing internship I have to make a Report. This report covers housing crises and meet the solution. This report gives a narrative overview of the accommodation system in Bangladesh. This report does explain the nature and objective of the solution of accommodation system in Bangladesh.

However, since the information of sales and marketing are confidential and sensitive in nature, so that I tried to construct this report with the help of available information.

### **1.3 Significance of the study**

Knowledge and learning become perfect when it is associated with theory and practice. Theoretical knowledge gets its perfection with practical application. As our educational system predominantly text based, inclusion of practical orientation program, as an academic component is an exception to the norm. This Internship Report is an important partial requirement of MBA program. As the parties; educational institution and the organization substantially benefit from such a program, it seems a “win-win situation”. That is why practical orientation is a positive development in professional area. Recognizing the importance of practical experience, BRAC University has introduced a three months practical exposure as a part of the curriculum of MBA program. In such state of affairs the present aiming at analyzing the experience of practical orientation related to an appraisal of the Rupayan Housing Estate Ltd.

### **1.4 Scope of the study**

As I was an intern, my scope was very much limited and restricted. I had maintained some official formality for the collection of data of my report.

### **1.5 Objective of the study**

#### **Major objective:**

- The broad objective of the study is to prepare report on Housing opportunity in Bangladesh

#### **Specific objective:**

- To gather knowledge about the function of housing
- To identify the different housing project
- To identify the problem of Rupayan Housing Estate Ltd.
- To recommend suggestions for the Management

## **1.6 Methodology**

The study requires a systematic procedure from selection of the topic to preparation of the final report. To perform the study, the data sources were to be identified and collected, to be classified, analyzed, interpreted and presented in a systematic manner and key points were to be found out. The overall process of methodology has been given as below.

### **1.6.1 Research Design**

This is an “Exploratory Research”, which briefly reveals the overall activities of Rupayan Housing Estate and also analyzes the housing availability in Bangladesh. Both primary and secondary data have been collected to conduct this report.

I have gathered primary data by personal interview of the Executives of CBL. Mainly I discussed with them verbally. I collected information from them and the annual report, journals, brochures, manuals and several books on Housing to prepare this report.

Some of the information’s are collected from bank, articles, workshop and others are collected from the books as well as the information provided by the competitive banks. In short, the sources of data outlined below

### **1.6.2 Sources of Data**

There are two types of data:

- a) Primary Data
- b) Secondary Data

### **1.6.3 Data Collection Procedure**

#### **a) Primary Data**

- Face to face conversation with the Officers.

#### **b) Secondary Data**

- To furnish the report properly information was mainly taken from Intranet.
- Official records of Rupayan Housing.
- Annual reports of Rupayan Housing.
- File study in the Rupayan Sales & Marketing.

### **1.7 Limitation of the Report**

Although, I have worked at Sales & Marketing, I obtained whole-hearted co-operation from employees of Rupayan Housing, HRD in Head Office. All the day, they were so busy, but they gave me much time to make this report properly. But they were not able to give me many documents that I would require, on the way of my study; I have faced the following problems that may be terms as the limitation of the study.

- **Limitation of time**

The first obstruct is time itself. Due to the time limit (Twelve Weeks), the scope and dimension of the report has been curtailed. I could not spend sufficient time for my report because the time limit given for submitting the report was very short.

- **Data insufficiency**

Since all the officers were very much busy, they were not always able to provide me much time, I received co-operation from the officials. Since Rupayan Housing is a one of the oldest Real Estate; there is not enough data to analyze the proper growth according to market economy. Moreover, all strategic information is not possible to collect.

- **Lack of records**

Insufficient books, publications, Facts and figures narrowed the scope of accurate analyses

- **Fear of disclosure**

Another limitation of this report is Rupayan's policy of not disclosing some data and information for obvious reasons, which could be very much useful.

- As an intern it was not possible for me to collect all the necessary secret information
- I had to complete this report within a very short span of time (Twelve Weeks) that was not sufficient for investigation.
- Because of the limitation of information, some assumptions were made. My perception about some observation may not be correct.

## **CHAPTER-2**

# **ORGANIZATIONAL PROFILE**

## **Rupayan Group**

Founded in 1988, RUPAYAN Group ranks today as one of the largest business conglomerate in Bangladesh. The mother company of this group is "RUPAYAN Art View", the brain child of Mr. Liakat Ali Khan Mukul, the honorable Chairman of this group. RUPAYAN Housing & Real State is the Flag Ship of RUPAYAN Group. But the dream of the Chairman to serve the nation by creating job opportunities for the common people & professionals came true with the diversification of business successfully. Today RUPAYAN Group is contributing to the rise of GDP of Bangladesh by strengthening the economy of the country.

Vision of Chairman and sincerity, dedication and hard work of all employees performed a miracle. Capitalizing the vision of Chairman and qualified management team, 24 companies today are operating successfully under the brand name of RUPAYAN. RUPAYAN has very strong financial support and expertise which helps to materialize the vision and achieve missionsuccessfully.

RUPAYAN has one of the best trained workforces in Bangladesh. Our aim is to create a centre of excellence by recruiting the best talents available and provide them continuous advance training. We train and develop our people to adapt with the business demand in national and international arenas.

### **Rupayan Real Estate Ltd.**

#### **2.1) Introductory thoughts:**

The real estate sector is one of the fastest growing and thrusting sectors in Bangladesh. Infrastructural development is highly important for a country to rise as a develop nation and to ensure housing facilities for the citizen of the country. But compared to that there have been a few studies which are far below the required number on the real estate sector and its accessibility to financing. Consequently, this sector requires an extensive study to find out the future potentiality, problems and solutions of the real estate sector and the availability of financing in this respect. This study may work as the basis of knowing the present scenario and for any future study.

#### **2.2) Overview of Rupayan Housing Estate Limited:**

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 honourable 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, Laxmibazar, Wari, Mohakhali etc. Both Residential and Commercial Projects were undertaken and completed successfully and handed over accordingly and the company is in force with numbers 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. Rupayan believes in the concept of extending housing facilities to the common people of the country keeping in view of their limited income. It is first ever in Bangladesh that Rupayan has undertaken a satellite township project for the low income group at Bhuighar, Narayangonj. Twenty-eight residential buildings along with a market are being completed over there.

### **2.3) Goal of Rupayan Housing Estate Ltd.**

Rupayan Housing Estate Ltd. is first growing Development Company in Bangladesh. They have a number of projects in prime cities in Bangladesh and mostly apartment business. Our attention is focused upon the goals and aspirations of our clients. Because effective realization of clients need begins with understanding, we do all we can to understand our clients perspectives. We study their need. We listen and respond. We strive to become part of every clients needs

### **2.4) Responsibilities of Executive Body of Rupayan Housing Estate Ltd.**

The Board of Directors are responsible for setting business objectives, strategic directions of the group and for overseeing and monitoring the group's business affairs. Day to day management and other activities and the implementation of its strategy are delegated to Managing Directors, Executive directors and senior Executives as head of the company. The manpower of the Group is around 1050. Each one of this group is committed to attain the objectives by honesty, sincerity, dedication and punctuality. Highly qualified and experienced

Executive Directors are proactive in meeting stated goals, the directives of Board of Directors and achieve objectives as Head of the Company. They strive towards continual improvement of company's activities.

### **2.5) Major Activities Undertaken by Rupayan Housing Estate in Bangladesh**

Rupayan Housing Estate, one of the leading realtors in Bangladesh, has come forward with such a housing project that will fulfil the dreams of the middle and lower-middle class people. Rupayan's latest project in Narayanganj, adjacent to Dhaka, is a catalyst to setting up an extended capital city downtown, after Uttara, which is now considered a part of the capital.

“Home! Sweet Home!” Not only a famous song, but it also describes the hopes and dreams of many who aspire to own a home. Such aspirations are more reflected in the hearts of people who reside in rental homes, wishing to own a permanent address. But it is difficult for a member of the middle of lower-middle income group to purchase an abode, owing to high property prices and prolonged payback periods. Uttara is the outcome of an initiative taken by the then government in 1974. The then government also planned that some five downtowns or suburbs will be set up surrounding Dhaka. However, such plans were not re-initiated by the successive governments. “There is not even a hint of such a development in the present Dhaka Metropolitan Development Plan or Detailed Area Plan,” says Sadat Hossain Salim, managing director of Rupayan Housing Estate.

### **2.6) Managing housing arrangement for the whole population of Bangladesh by Rupayan Housing Estate**

Rupayan believes in the concept of extending housing facilities to the common people of the country keeping in view of their limited income. It is first ever in Bangladesh that Rupayan has undertaken a satellite township project for the low income group at Bhuighar, Narayanganj. Twenty-eight residential buildings along with a market are being completed over there. There is a plan that tentative clients will be illegible to avail the apartment in this project after booking and availing Bank Loan facility and thereby the scope of making repayment of bank loan with the amount of House Rent is nearly possible. This opportunity will make the dream true of becoming the apartment owner in case of those categories of



clients. Rupayan has got housing project in nearby Savar region (Ashulia and Hemayetpur areas).

### **2.7) Special Concern on Dhaka City by Rupayan Housing Estate in Bangladesh**

“Dhaka is no longer a live able city. It is one of the most densely populated cities in the world, with around two crore people inhabitants at present,” he says. “People are restricted to this one city for work, residence, shopping needs and entertainment.” “The civic facilities required for a human being to live in a society are limited in Dhaka,” he says. If the city is not decentralized or several downtowns established in and around 50 kilometers of Dhaka, the view of the city will be unimaginable in the days to come, Salim says. “We have set up the satellite town with these concepts in mind, where all housing and social facilities such as shopping malls, schools, mosques, hospitals, playgrounds and community centers are available,” he says. “My goal is to take Dhaka outside Dhaka.” However, he says, the government will have to facilitate the private sector to invest outside Dhaka.

### **2.8) Latest project of Rupayan Housing Estate in Bangladesh**

The project, ‘Rupayan Town’ at Bhuigar, off the Dhaka-Narayanganj link road, stretches over 19 bighas of land. Rupayan is now offering ready flats in different sizes ranging from a minimum of 660 square feet to a maximum of 1,120 square feet at Tk 2,990 a square feet. Customers can avail the key to a flat with an initial down payment of just Tk 4.14 lakh. “We have designed the project for the middle and lower-middle class people, who mostly live in rented flats. They spend a substantial amount on monthly rent,” Salim says. “Following the down payment, buyers can pay the rest of the money through instalments. They can make the payments with the amount they previously spent on rent,” he says. “Besides, we have arrangements with some financiers that will provide loan to our customers,” he says. Delta Brac Housing, IDLC Finance, National Housing, Phoenix Finance, Bay Leasing, Southeast Bank and Pubali Bank are proving housing loans to prospective customers.

Although the real estate and housing sector witnessed a 35 percent drop in sales in the first three months of 2009 as a consequence of the global financial crunch, Rupayan is optimistic about its new township project. It held a single company fair in the first week of this month to showcase the ready flats under the Tk 300 crore Rupayan Town, which comprises 28 eight-

storied buildings with 784 flats in the first phase. The Rupayan Town includes facilities like a full-time generator for electricity backup, and its own water supply and sewerage system. Around 200 flats have been sold so far and many prospective customers are contemplating purchase. Although most buyers are based in Narayanganj, Rupayan is optimistic about selling flats to Dhaka-based customers. A good number of people from Motijheel and its adjacent Basabo and Mugda areas have booked some flats.

### **2.9) Collective Development Activities by Rupayan Housing Estate in Bangladesh**

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 work force. We 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 honourable 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, Laxmibazar, Wari, Mohakhali etc. Both Residential and Commercial Projects were undertaken and completed successfully and handed over accordingly and the company is in force with numbers 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.

### **2.10) Price offer by Rupayan Housing Estate in Bangladesh**

Rupayan Housing Estate Ltd, one of the leading realtors in the country, has completed its satellite town project in Dhaka’s suburb to offer 784 ready flats mainly targeting the middle-income group. The Tk 200-crore mega project titled ‘Rupayan Town’ at Bhuigar off Dhaka-Narayanganj link road is evidence of housing sector’s trend towards spreading to the suburbs.

The company offers flats of four different sizes ranging from a minimum of 660 square feet to a highest of 1,120 sft with a Tk 4, 14,000 booking fee, and fixes Tk 2,990 for each sft. “Obviously it’s a risky venture — developing a housing project outside Dhaka. But we hope people who are spending a huge amount on monthly house rents will be interested in our project,” said Sadat Hossain Salim, managing director of Rupayan Housing Estate, yesterday at a press meet in the capital. He said Rupayan will also arrange loan facilities for the customers through some financial institutions. The company will organise a three-day fair today at Sonargaon Hotel to promote sales of the flats. Southeast Bank, Shahjalal Bank, Prime Bank, Jamuna Bank, Mercantile Bank and Phoenix Leasing were the top financiers of the project under which Rupayan constructed 784 flats in 28 separate buildings in a 19-bigha land. “Given the rising demand for housing, it’s not a big venture,” Salim said, adding that it may encourage others to invest outside Dhaka. Rupayan has already built more than 1,000 flats in different parts of Dhaka city and constructed some commercial buildings in the city.

#### **2.10.1) Facilities providing to the Clients**

There is a plan that tentative clients will be illegible to avail the apartment in this project after booking and availing Bank Loan facility and thereby the scope of making repayment of bank loan with the amount of House Rent is nearly possible. This opportunity will make the dream true of becoming the apartment owner in case of those categories of clients. Rupayan has got housing project in nearby Savar region (Ashulia and Hemayetpur areas).

## **SWOT Analysis**

### **2.11) SWOT Analysis of Rupayan Housing Estate Ltd.**

#### **2.11.1) Strenghts**

- Experienced managemnt and large number of projects around the Bangladesh
- Quaity products and services
- Company reputation and goodwill
- Large number of Branches all over the country
- Expanding market, expanding sales & profitability
- A healthy industry sector with quality business

- Good purchasing power of target customers group
- Government keen interest to solve housing problem with the rapid increase of urban population
- Open market economy, recent housing policy etc. may favor sustainable growth of housing industry
- Dependency of the major housing companies in the market

### **2.11.2) Weakness**

- Lack of adequate marketing (advertising and promotion) effort
- Lack of full scale automation
- Lack of training facilities for the employees
- Strong competition among the existing players of the industry
- Increased price of industrial materials will be difficult to pass on the customers because the agreement in response of the price and construction standard is made 2 to 3 years before the actual handing over of the apartments
- The industry as a whole does not follow any standard business rules, therefore there remains uncertainty practices by some of the developers.

### **2.11.3) 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.

### **2.11.4) Threats**

- Frequent changes of inhabitation rule of Bangladesh Government or RAJUK

- Market pressure for lowering of lending rate
- National and global political unrest
- Lack of land of Bangladesh
- Political instability and unrest directly or indirectly threatens all the business sectors including housing industry
- Bureaucratic complexity imposed by RAJUK, WASA, DESA, and many other Government and semi Government agencies
- Cooperation and rendered by rational board of revenue in relation to the taxation and import facilities (Tax Concession).

## **Part-2 Activities Undertaken**

### **2.12.1) Ongoing Projects of Rupayan Housing Estate Limited:**

- Rupayan Chowdhury Palace at Bashundhara
- Rupayan Oak Vale at Uttara
- Rupayan XANADU at Dhanmondi
- Rupayan LAKE SIDE at Dhanmondi
- Rupayan LAKE SPRING at Dhanmondi
- Rupayan ANGEL at Shantinagar
- Rupayan PRESTIGE at Niketon
- Rupayan ACACIA at Dhanmondi
- Rupayan NILUFAR at Bashundhara
- Rupayan CROWN IMPERIAL at Dhanmondi
- Rupayan CHANDRALEKHA at Bashundhara
- Rupayan APYLLION at Uttara
- Rupayan APYLLION at Uttara

### **2.12.2) Outgoing Projects Rupayan Housing Estate Limited**

- Rupayan KARIM TOWER at Kakrail
- Rupayan SHELFORD at Shemoli
- Rupayan TAIYAB PLAZA at Narayangonj
- Rupayan POINT at Lalmatia
- Rupayan Trade Centre at Bangla Motor, Dhaka

### **2.12.3) Upcoming-Projects Rupayan Housing Estate Limited:**

- Rupayan BHABAN at Gulshan
- Rupayan HUQUE CENTER at Badda

### **2.12.4) Rupayan's latest project in Narayangonj:**

**CHAPTER-3**  
**MAJOR FINDINGS**

### **3.1 Major Findings**

Real estate is used for a number of purpose viz. to provide shelter, comfort, convenience, and privacy, a place of work, recreational facilities and related services. In an estimate real estate represent more than 40% of the national wealth. Therefore, the manner in which the resources of this magnitude are used has an important effect on the well being of our people, the success or failure of business firms and the general prosperity of the country.

The term real estate or apartment as commodity used has two meanings -

- i. It is a name given to the commodity “realty” which include not only land but also all human improvements placed on the land,
- ii. It is the name given to the business engaged in by those persons who conducts commercial transactions in real estate.

The basic component of reality as a commodity is land. It means not only the surface of the earth but also the property rights and interests that attach to ownership of reality, including subsurface minerals. Thus the real estate means acquirement of land and building which is called inherent right. The men who are the owner, user, maker, financier or marketer of the property have some rights to the property.



**CHAPTER-4**  
**RECOMMENDATIONS**

#### **4.0) Recommendations**

##### **4.1) 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. Such groups are engineers, environment analysts, bankers, and media representatives, both from print media and electronic media. An effective combined coordination body may contribute in a synergistic way for the sector's organic growth.

##### **4.2) Targeting the Middle Class**

Studies reveal, only in Dhaka city 5% of the population belongs to the high-income group. Thus 45% of the total population falls into the middle-income group and the rest 50% in the low income groups. Economists and real estate participants see the middle-income group as a huge market for the real estate sector. Builders have started building apartments for middle-income class of 600-900 sftvi. The large unsatisfied middle-income class is expected to be boosting market for the real estate business.

##### **4.3) Proper Channels for Non Residential Bangladesh (NRB)**

Among the potential consumers of the real estate sector, a significant proportion is covered by the Non-Residential Bangladeshis (NRBs). But for being an actual consumer from the potential, they have to face some problems. The major problem is sending the money through proper channels. It is found more expensive to send money from abroad through proper channel compared to the improper/ illegal ways. It is against the money laundering act. So the NRBs face the dilemma in sending money to buy the real estate in Bangladesh. Secondly, even though they are maintaining the proper channel, they send the money to their relatives. A handsome proportion of that money is spent outside the real estate especially to meet the family emergency. In that case the NRBs become reluctant to continue the process of purchasing apartment or flat. To encourage the NRBs, our local banks can open branches in

cities abroad where NRBs are huge in numbers. Payments can be made through these banks to the developers in our country. This will create very easy avenue for the NRBs to buy real estate properties in Bangladesh and pay while staying there.

#### **4.4) LOANS: Should It Be for Individuals or 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 individuals' creditworthiness is far a more complex and time consuming process. Against this trend, a better approach may be lending to the real estate developers or firms rather than individual buyers from which a consumer is interested to purchase a real estate apartment. As an advantage, assessing an institution's creditworthiness is far easier and less time consuming. Buyers will pay the apartment value to the developers inclusive of the value of loan which the developer in turn uses for the repayment of the loaned amount. On the part of the financial institutions, lending institutions have been evidently less risky than individuals.

#### **4.5) Other Issues**

There are hazards which customers face in purchasing lands, which encourages them to buy apartments rather than lands. Construction and maintenance of buildings require spending huge time and energy, which make the people reluctant to build houses on their own. The influence of western culture and housing design is attracting people more to buy apartments. These reasons are contributing to the decision of individuals to buy apartments.

## 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. This indicates a hopeful future for this sector. Rise in house rent, increasing demand for housing, getting easy financing facility, rapid urbanization, inadequacy of land and many other factors are creating huge scope for this sector to grow. As a result aggregate demand for housing and apartments has shown increasing trend and is expected to increase further. Though inadequate, supply of apartments with the number of real estate developers also has shown rising trend and suggests future growth. Regulatory environment has been helpful for the sector to grow except the recent Real Estate Management Ordinance 2008 which is yet to be passed and is likely to be very important for protecting buyers' interest. Financing market for the real estate sector has become easier and more available than ever before. Private sector housing finance is available at competitive interest rate for flexible period but still the amount of loans given is very low compared with loans in other sectors. Strengthening the regulatory and supervisory system for the financial sector and improving and expanding debt markets are of particular concern for the housing finance sector. Cost for apartment has increased varying with different locations and size. Additional cost for additional facilities is required. 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 the increasing housing demand and minimize the supply gap in the country.

## **Bibliography**

- The Rupayan Group [online] < [www.Rupayangroup.bd.com](http://www.Rupayangroup.bd.com) >
- Printing resources from Sales & Marketing Department of Rupayan Housing Estate Ltd.
- Promotional material of Rupayan Housing Estate
- Employee Guideline of Rupayan Housing Estate
- Lecture sheets provided in the class
- <http://www.lawyersnjurists.com/articles-reports-journals/real-estate/rupayan-real-estate/>
- [http://www.slideshare.net/shabbarsuterwala/swot-analysis-13-6-2008-shabbar-suterwala?from\\_search=1](http://www.slideshare.net/shabbarsuterwala/swot-analysis-13-6-2008-shabbar-suterwala?from_search=1)
- <http://www.alleghenyplaces.com/docs/SupportingDocuments/Housing/SWOT%20Analysis%20Final%20Report.pdf>
- <http://issuu.com/zdhnsu/docs/rupayan>
- [https://www.google.com.bd/?gws\\_rd=cr#output=search&sclient=psy-ab&q=whot+analysis+of+rupayan+hosing+in+bd&oq=whot+analysis+of+rupayan+hosing+in+bd&gs\\_l=hp.3...607.11943.0.12678.37.37.0.0.0.1.621.10349.233j2j0j2.37.0....0...1c.1.22.psyab..16.21.5950.Sk965vNEuuQ&pbx=1&bav=on.2,or.r\\_qf.&bvm=bv.49784469,d.bmk&fp=71f041fec2592905&biw=1280&bih=921](https://www.google.com.bd/?gws_rd=cr#output=search&sclient=psy-ab&q=whot+analysis+of+rupayan+hosing+in+bd&oq=whot+analysis+of+rupayan+hosing+in+bd&gs_l=hp.3...607.11943.0.12678.37.37.0.0.0.1.621.10349.233j2j0j2.37.0....0...1c.1.22.psyab..16.21.5950.Sk965vNEuuQ&pbx=1&bav=on.2,or.r_qf.&bvm=bv.49784469,d.bmk&fp=71f041fec2592905&biw=1280&bih=921)
- Reported by the REHAB officials during the direct interview Housing facility is not the same as private housing real estates. Housing facility includes all types of housing available by government and private sector to every class of people of the country.

## References

- Amin S. A. I. M. U., 2002, Weber's Perspective on the City and Culture, Contemporary Urbanization and Bangladesh, Department of Sociology, University of Dhaka.
- Aims of Bangladesh, 1999, Real Estate Sector, AIMS Research Report.
- Amin S., 2008, REHAB in the Development of Society, Paper Presented at the REHAB Week-2008 Seminar,
- Bangladesh China Friendship Conference Centre, Dhaka, November 10. Bangladesh Bank, 2001-1006, Scheduled Banks Statistic.
- Bhattacharya D., 2003, Strengthening the Role of Private Sector Housing in Bangladesh Economy: The Policy Challenges, Center for Policy Dialogue (CPD), November 2003. Fukuoka Conference, 2000, Asian City Development Strategies.
- Hoek-Smit M. C., 1998, Housing Finance in Bangladesh: Improving Access to Housing Finance by Middle and Lower Income Groups, Prepared for the Government of Bangladesh, Ministry of Local Government,
- Rural Development and Co-operatives and UNDP/UNCHS (Habitat), December.
- Islam M. S. and Hossain A., 2008, Operations of Bangladesh Housing Industry: An Uncertain Supply Chain
- Model, The AIUB Journal of Business and Economics (AJBE), Vol.7, No.2, August.
- Karnad R. S., 2004, Housing Finance and the Economy: Regional Trends, South Asia Perspectives, Brussels in 25th World Congress for International Union for Housing Finance, June 23, 2004.
- Khanam S., 2004, Increasing Access to Housing for Low Income People in Bangladesh Through Income and Employment Generation, Access to Services Program of ITDG – Bangladesh, , World Urban Forum, Barcelona, 12, 13, 17 September.
- Real Estate and Housing Association of Bangladesh (REHAB), 2004, Annual Report.
- Real Estate and Housing Association of Bangladesh (REHAB), 2008, Quarterly Swapnil Abasan, Year-2, Issue: 8, REHAB, Dhaka.
- Sarker M. M. R. and Siddiquee M. M., 2008, Real Estate Financing in Bangladesh: Problems, Programs, and Prospects, The AIUB Journal of Business and Economics (AJBE), Vol.7, No.2, August.

Singha D., 2001, Social Intermediation for the Urban Poor in Bangladesh, DFID Regional Livelihoods Workshop: Reaching the Poor in Asia, May 08-10.

Oxford Policy Management, 2004, Rural and Urban Development Case Study- Bangladesh, June.