

Homes and Loans: Decoding Bangladesh's Housing Finance Sector

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Abstract:

Housing accommodation is a fundamental demand of the people. With the increasing population, urbanization and supply of land being scarce in urban areas, there has been a declining trend of independent housing accommodation in urban areas. This has given impetus to the growth and development of apartment-based housing accommodation. Also, in view of the rising prices of apartment accommodation, and no corresponding rise in the income of potential buyers of housing apartments, the need for a housing loan increased manifold. To meet the needs of housing loans, financial institutions play a vital role providing loans for the construction and purchase of houses at different rates and varying conditions. This study intends to find out the performances of housing finance sector of Bangladesh and address some constraints to the functioning of housing finance markets and possible measure to overcome those obstacles.

Keywords: Housing Accommodation, Housing Finance, Operational and Financial performance, Constraints, Real estate financial market.

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1. Introduction:

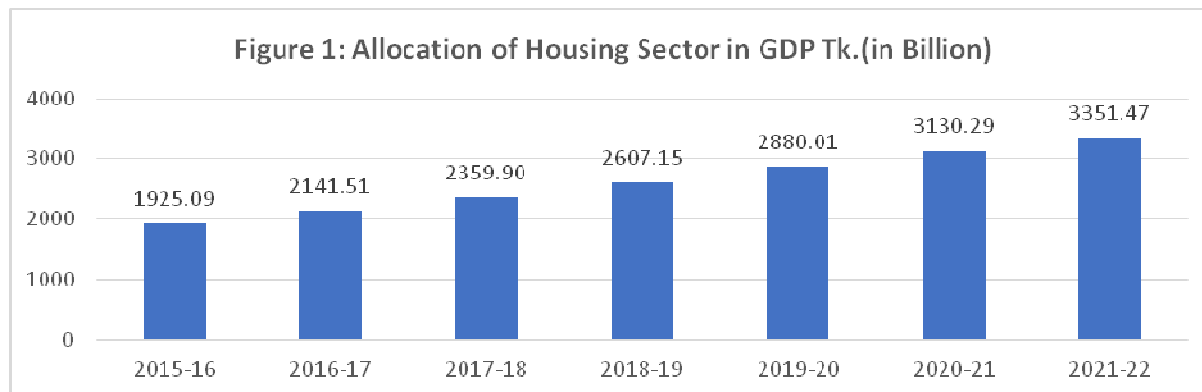
Given purchasing power, house choice is influenced by a set of variables that includes dwelling size, structural quality of dwelling, access to a better quality of a toilet, access to water supply, and access to drinking water. As observed by some experts, most middle- and lower-income demographics in Bangladesh have been experiencing a severe lack of accessible homes, despite the oversupply of luxury homes on the market (Nenova, T, 2010). The number of flats remaining unsold in Bangladesh, according to REHAB source, was 31058 in 2022, and the number of apartments remaining unsold in Dhaka city was 8,125 (REHAB, 2022). In contrast, the demand for small-size apartments rose, and such apartments' supply was much below the market. The BHBFC reports revealed a great demand for houses priced moderately between Taka six lakh to ten lakh. But the supply of such apartments was almost non-existent because of high land prices in metropolitan cities, particularly in Dhaka City (Nenova, T, 2010). The housing shortage's probable reasons include increased urbanization, high-income inequality, and people's displacement by natural disasters and conflict (Nenova, T, 2010). The non-availability of updated, relevant housing data makes it challenging to predict location-wise and income group-wise data on housing. A survey conducted by BIBM reveals that 70% of all urban-dwellers units and 85% of all rural-dwellers units fall under inadequate/deficient categories. They remain outside the area of formal banking and financial institutions (IDLC, 2018).

There was a shortage of about 15 million houses in the urban areas of Bangladesh in 2022. In rural area, the demand for homes was estimated at 4.7 million a year. The market for houses in the urban areas was estimated at six to eight lakhs houses annually (T Bashar, 2022).

It has been assumed that households with more than Tk. 25,000 a month are potential clients for house purchases. Those who belong to the income category of less than Taka 25,000 remains outside the market structure (Nenova, T, 2010). Developers and other intermediaries do not serve the largest chunk of the population in urban and rural areas. The absence of organized forces in the housing market and the lack of supporting activities contributed to creating a wide gap between demand and supply. The housing situation in urban areas is worse than that of the rural areas.

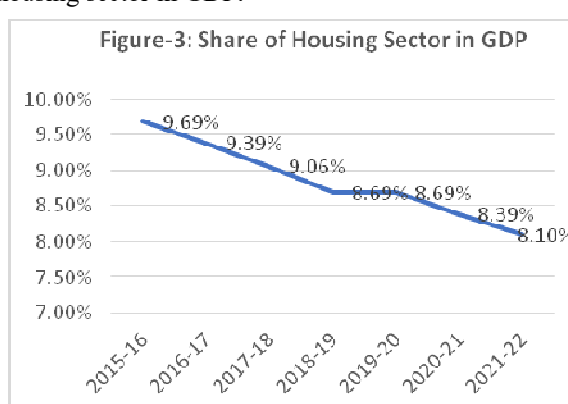
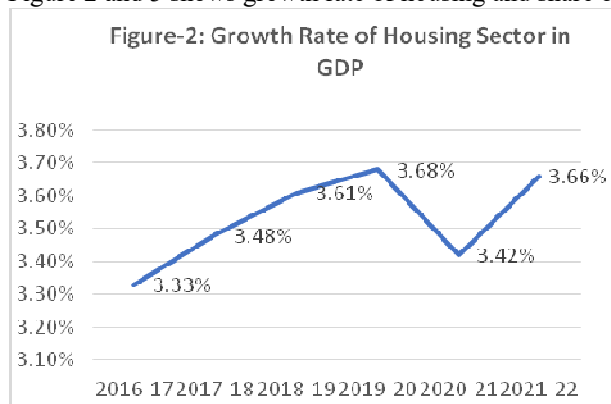
The increase in population and the increase in income have a positive effect on housing sub-sectors. The housing subsector's share in GDP registered an upward trend. The contribution of housing to GDP increased to Tk. 335,147 crore in 2021-22 from Tk. 192,509 crore in 2015-16 (constant price). Figure 1 shows the detailed allocation of the housing sector in GDP (in Billion Taka).

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Source: BBS. Statistical Yearbook Bangladesh 2022, p.448

The share of the housing sector in GDP varied from 8 percent to 9 percent. Between 2015/16 and 2021/22, the housing sector in GDP accounted for approximately 4% of GDP growth. (Bangladesh Bank, 2021-22). Figure 2 and 3 shows growth rate of housing and share of housing sector in GDP.



Source: BBS. Statistical Yearbook Bangladesh 2022, p.448

(Data for FY 2021-22 is provisional)

2. Housing Finance Sector of Bangladesh:

The housing sector's finance sources include builder's and buyers' private assets, savings of expatriates, government loan and allocation, support from international donors, commercial banks, other specialized financial institutes, and private organizations' assets. Depending on financial institutions' status, they may broadly be divided into two categories, viz., formal, and informal financial institutions.

Based on institutions' providing financial services to customers, Bangladesh Bank classified the formal credit institutions into four categories: specialized housing finance providers, banks, non-bank financial institutions, and micro-credit lenders. Specialized housing finance providers include National Housing Finance and Investment Limited, BHBFC (state-owned), and Delta-BRAC Housing Finance. At the same time, banks were classified into three categories: private commercial banks, state-owned commercial banks, and other banks (which include foreign and specialized banks). Another type of institution providing housing finance is non-bank financial institutions. They include microcredit lenders, cooperatives, employers, and life insurance policies (Rahman, 2009). The housing cooperatives constitute one of the significant housing finance providers in the third-tier housing finance market. As revealed in a homeowner survey, housing finance's vital source was household savings (more than one-third). Other sources of housing finance included the sale of land and loans from relatives and friends (Rahman, 2009).

3. Objectives of the Study:

The main objective of the study is to assess the performance of BHBFC, a specialized housing financing institution of Bangladesh. To accomplish the above, the following specific objectives had been covered:

1. To give a brief idea about the housing finance situation in Bangladesh.
2. To assess the performance of housing finance providers of Bangladesh.
3. To address some constraints to the enhancements of housing finance and
4. To provide some possible measures to overcome those constraints.

4. Literature Review:

Nenova (2010), examined housing needs and shortages in South Asia and outlined shortcomings of the home

market mortgages. The book's primary purpose was to pull together housing and housing finance-related information and South Asia countries' data. Particular emphasis was given to innovative solutions for low-income housing. The author also dealt with selected countries of South Asia, including Bangladesh. The book drew attention to regional challenges to efficient and effective housing and housing finance markets and suggested a plan of action.

Kamal and Kamruzzaman (2015), carried on a comparative study on two specialized housing financing institutions. In assessing the influence of selected variables on performance, regression analysis was done. The dependent variable used in the regression analysis was loans disbursed by the financial institutions. Independent variables selected were population, population growth rate, unemployment rate, gross domestic product, per capita GDP, unemployment, inflation rate, and interest rate. Variables used for comparing the performance of BHBFC & BDH included total assets, total loans & advances, market share and growth, ROI, ROA, rural contribution, loan processing, fund deficiency, tenure, cost of fund, non-performing loans, market strength, customer satisfaction, and area covered. As revealed by the study, BDH performed better in most of the indicators than BHBFC. The market share of BHBFC was, however, higher than that of DBH.

Labib et al. (2013) conducted a study to identify the buyers' preferences for location of houses, their size, and the factors considered for selection of the flats at different places in Dhaka city. The research project was based on empirical data. As identified by the authors, the prime factors considered for choosing a flat site were residential environment, budget, and communication in different places. As revealed in the study, the dominant demand for the apartment size was 1200-1600 square feet. The preference of the location by the developers coincides with the buyers emphasize.

Hoek-Smit M. C., (1998) in his paper mentioned that financial intermediation in the housing sector is not found adequate because of high interest rates and limited sources of funds. Bangladesh is still experiencing a weak financial system that hinders savings and investments, hence economic development. The housing sector, which is highly financing dependent, is particularly affected. The ambitious banking system cannot provide wholesale or individual long-term funds at an efficient rate for housing finance to the lower end of the population.

The housing sector is one of the main drivers of national economic development and industrialization of a country. In Bangladesh the housing sector has emerged as a critical sector of our economy. It has a huge multiplier effect on the economic activities and therefore, is a big driver of economic growth. It is one of the largest employment-generating sectors after agriculture and garments (Taufiq M. Seraj, 2015).

The problem of housing low-income populations in developing nations is evolving, and strategies to provide a more sustainable solution. The study focused on how housing may be used as a mechanism to bring about a workable solution to the ongoing housing issue. According to the author, housing sustainability cannot be realized without considering all relevant aspects of other associated urban development sectors (Rahman, 2009).

Bangladesh's housing finance system was extremely small and highly segmented. The constraints identified by them included the absence of housing finance combined with its high cost to various category of income groups. The sources of finance currently available were commercial banks, employee loans, life insurance policies, informal means, and housing co-operatives in the rural sector. Both banking and non-bank financial institutions were in operation, although none of the sources' performance was up to the mark. The study revealed that securitization of assets, one by IPDC of Bangladesh and the other by IDLC of Bangladesh, was introduced recently, and the concept was yet to be popular. The hindrances in developing a secondary mortgage market included rigidities in the legal framework, high stamp duties, and uniformity in underwriting norms (Sarker et al, 2008).

Housing finance was estimated to be hardly 1 percent of the GDP because of no dynamic system of housing finance. As demonstrated by the study, the cumulative shortfall was 7 million housing units, which was predicted to reach 10 million units. As revealed in the survey, problems of housing finance included the lack of clear legal title to land and property, high taxation of property, constraints on institutional investors, lack of access of the poor to institutional finance, time-consuming foreclosure mechanism, and non-integration of HFCs with banks. Some of the policy measures recommended were developing mortgage market, assets securitization, developing secondary mortgage refinancing entity, increasing the resource base of HFIs, reducing funding cost, and integrating housing fiancé with the overall capital markets, and establishing a national housing bank (Khan, 2004).

In Bangladesh, suppliers of housing, sources of housing financing, are the main problems in expanding housing finance in the formal housing sector. It was reiterated in the study that the professional MFIs could expand non-collateralized housing credit through increasing access to funds earmarked for housing. As viewed by the author, there was a need for developing more varied and professional housing finance products (Rahman, 2008).

Until now, there was no noticeable development in the home loan sector. The obstacles to home loans

included the banks' unwillingness to offer house lending, lack of information of the property, and absence of the financial institutions' information service regarding housing finance (Pal and Hossain, 2014).

Dhaka is the prime market for housing finance. Recent estimates indicate that over 70% of the houses are rented in Dhaka and there is an annual requirement of over 60,000 new homes. Financial intermediation in the housing sector is not found adequate because of high interest rates and limited sources of funds (Bhattacharya D., 2003). This is true both for the financing of the developers and the purchasers. To finance their activities, governments, government agencies, financial institutions, and non-financial business enterprises need to obtain funds from the financial markets. These groups can obtain funds in any of a number of places within this broad marketplace. Such as, they may offer participation or ownership shares (equities) for sales in the equity market, they may procure these funds through direct loans or through the issue of debt securities in the bond market, or they may acquire funds through the issue of debt instruments in the money market (Suborna Barua et al, 2010).

There was a shortage of about 15 million houses in the urban areas in 2022 Bangladesh. In the rural area, the demand for homes was estimated at 4.7 million a year. The market for houses in the urban areas was estimated at six to eight lakhs annually (T Bashar, 2022).

5. Methodology:

The sources of data used in the study include only secondary data. The secondary sources of data were collected from annual reports of respective organizations, bulletins/brochures published by them, reports published in the newspapers, research reports/monographs published by individual's, financial institutions and other organizations. Data/information used for analyzing trends, identifying indicators and possible measures. SPSS 23 is used for analyzing data.

6. Analysis and Findings:

Various types of financial institutions offer home loans in various degrees. The types of institutions engaged in offering home loans mainly include specialized financial institutions for home loans, commercial banks, Grameen bank and non-banking financial institutions (NBFI). The specialized financial institution for offering home loan is National housing finance (NHF), Bangladesh house building finance corporation (BHBFC), and Delta Brac Housing (DBH). The categories of concerned financial institutions offering home loans are Private commercial banks (PCBs), Foreign commercial banks (FCBs) and State commercial banks (SCBs). The market shares of the home loan service providers are as shown in Table-01.

Table-01: Category wise market share of home loan providers in last 05 years

SL.	Category	Subcategory	Financial Year wise Outstanding Home Loan (in billion BDT)				
			2017/18	2018/19	2019/20	2020/21	2021/22
1	Specialized Housing Finance Providers	1 BHBFC	31	32.6	34.7	37	39.3
		2 DBHF	37.1	43.9	43.2	43.4	41.37
		3 NHFIL	8	12.1	12.9	13.2	13.6
2	Banks	1 PCBs	473.8	489.1	489.6	532.6	589
		2 SoCBs	176.7	211.2	242.1	238.1	259.3
		3 Other Bank (Foreign & Specialized)	25.2	35.4	40.6	44	45.3
3	Other Financial Institutions	1 Other Financial Institutions	50	68.5	68	65.6	70.14
4	Micro-credit lenders	1 Grameen Bank	0.7	1.1	1	0.8	1.2
Total			802.5	893.9	932.1	974.7	1059.21

(Source: Annual report of Bangladesh Bank)

In analysis of performance in home loan programs reveals that performance of each type of institutions varied from time to time. In 2021/22, the highest amount of home loan given by Private commercial bank (55.61%) followed by State Owned Commercial Bank (24.48%).

Figure 4: The proportion of home loans of each category of institutions for the year 2021/22.

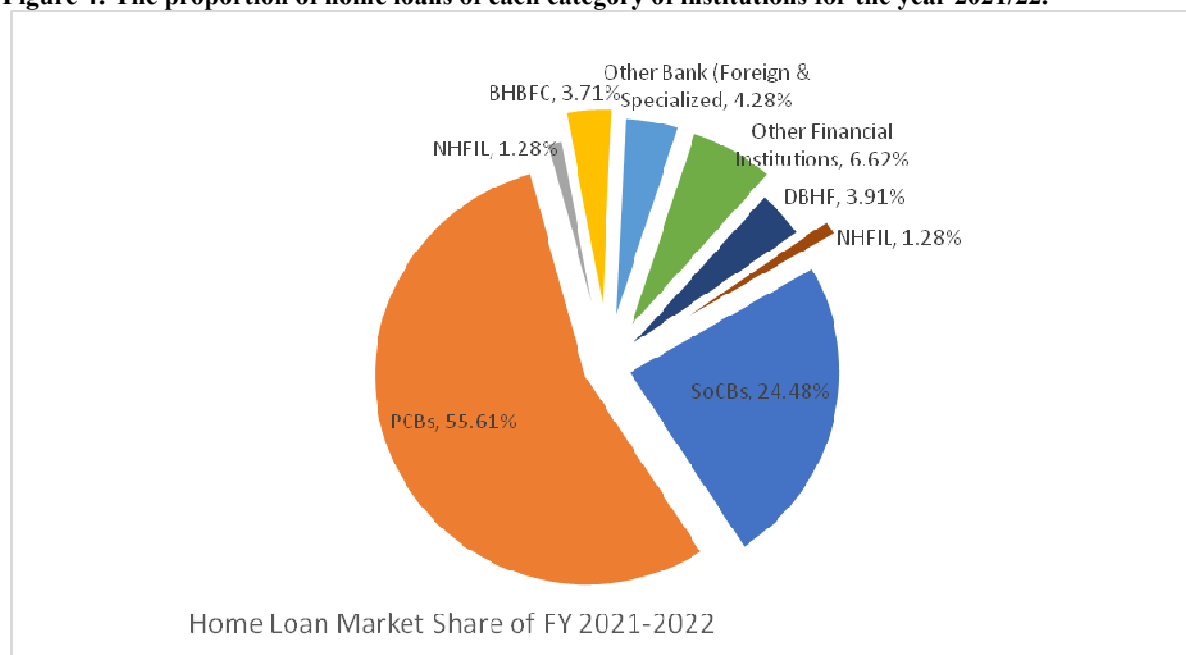


Figure-04: Market share (%) of home loan providers in FY 2021-22

The proportion of home loans provided by BHBFC, DBHF, NHFIL (specialized financial institutions category) are 3.71%, 3.91% and 1.28% respectively. Figure 4 shows the proportion of home loans of each category of institutions. The reason behind the smaller proportion of home loan provided by specialized financial institution was that they concentrated their activities only in the major cities while the operations of commercial banks and other institutions were extended in all areas of Bangladesh.

Table-02: Statistical Analysis by Category wise market share of home loan providers in last 05 years (2017-18 to 2021-22)

Outstanding Home Loan											
Year	2017-18	2018-19	2019-20	2020-21	2021-22	AVERAGE	SD	GROWTH	Regression Eq	(R ²)	sig
BHBFC	31	32.6	34.7	37	39.3	34.92	3.33	6.110%	$y = 2.1x + 28.62$	0.99	0.000
BDBH	37.1	43.9	43.2	43.4	41.37	41.794	2.79	2.761%	$y = 0.804x + 39.382$	0.21	0.441
NHF	8	12.1	12.9	13.2	13.6	11.96	2.28	14.186%	$y = 1.23x + 8.27$	0.73	0.066
PCBs	473.8	489.1	489.6	532.6	589	514.82	46.90	5.592%	$y = 27.39x + 432.65$	0.85	0.025
SCBs	176.7	211.2	242.1	238.1	259.3	225.48	32.26	10.063%	$y = 19.21x + 167.85$	0.89	0.017
Other Bank (Foreign & Specialized)	25.2	35.4	40.6	44	45.3	38.1	8.16	15.791%	$y = 4.88x + 23.46$	0.89	0.015
OTHER FI	50	68.5	68	65.6	70.14	64.448	8.24	8.830%	$y = 3.738x + 53.234$	0.51	0.173
GRAMEEN	0.7	1.1	1	0.8	1.2	0.96	0.21	14.425%	$y = 0.07x + 0.75$	0.28	0.354

(The dependent variable is denoted "y" and the independent variables are denoted by "x". y denotes year wise home loans outstanding; and x denotes year.)

Analysis of the average outstanding home loan provided by different categories of institutions during the period 2017/18-2021/22 reveals that the highest amount of home loan was provided by PCBs was Tk. 514.82 billion followed by SCBs Tk. 225.48 billion also the year-to-year variation measured by standard deviation was estimated at Tk.46.90 billion and Tk.32.26 billion respectively.

Among the specialized housing finance provider, it has been found that the amount of average home loan outstanding was higher in BDBH Tk. 41.794 billion and BHBFC Tk. 34.92 billion and NHF Tk.11.96 billion.

The compounding growth rates of outstanding home loan (table 2) provided by different categories of

institutions during the period 2017/18-2021/22 in table 2 above reveals that the highest growth rate of home loan was observed in Other Bank (Foreign & Specialized) (15.791%) followed by Grameen Bank (Micro Credit lender) was 14.425% and NHF (14.186%). The lowest growth rate was observed in BDBH (2.761%).

In estimating the rate of increase of home loan outstanding in response to change in time, the regression of loan outstanding on time was estimated. Among the specialized housing finance providers, it has been found that the highest rate of increase of home loan outstanding was found in BHBFC and was estimated at Tk.2.1 billion. The explanatory power of the trend equation measured in terms of R^2 was estimated at 0.99, i.e. 99% of the variance in the amount of home loan outstanding was explained by the equation, which is statistically significant at 0.00 level in BHBFC.

Among Banks, the highest rate of increase was found in Private commercial banks (PCBs) and was estimated at Tk.27.39 billion. The explanatory power of the trend equation measured in terms of R^2 was estimated at 0.85, i.e. 85% and the said equation significant at 0.025 level.

The relationship between outstanding home loan of SCBs and time was found statistically significant at 0.017 level. The extent of variances in the dependent variable measured in terms of R^2 was 0.89.

The trend equation of Other Bank (Foreign and Specialized) was found statistically significant at 0.015 level and R^2 reflecting the extent of variances in the dependent variable explained by the equation was 0.89.

The level of significance and the R^2 value of the outstanding home loan of the rest of the financial institution was not significant according to the calculation of the above table.

7. Constraints to Enhancing Home Loans

The financial institution wants to offer home loans, and loan seekers wish to take loans. But matching the demand and supply has not been possible in many cases due to problems inherent in the system. Issues of having access to home loan programs of financial institutions vary from one group of customers to another. Before sanctioning a loan, financial institutions want to ensure the customer's financial soundness or capability to repay. In many cases, deserving loan seekers face problems in meeting the conditionality of loan sanctioning of the financial institutions.

The summary of the findings of the constraints faced by the concerned stakeholders includes the following:

7.1 Lack of Adequate Collateral

In the case of people working in the government or autonomous bodies, the financial institutions can quickly assess the customer's financial soundness to repay because of the job's permanent nature. But there is no system to link the salary of the loan seekers with the loan. As a result, there remains no certainty in the repayment of the loan. On the other hand, in salaried persons in private organizations, the risk of repayment has been more because of the uncertainty of the job's tenure.

Similarly, home loan seekers from small business owners, financial institutions face the problem of assessing the financial soundness of the loan seekers. Moreover, they have to depend on the quality of collateral that most borrowers cannot offer to the financial institutions' satisfaction.

7.2 Lack of Information

Financial institutions do not undertake aggressive promotional programs to popularize the issue because the home loan sector is not a priority sector. In most cases, publicity or advertisement for offering home loans has not been done. The customers fail to understand if the real estate genuinely owns the land used because of the absence of certification authority that may certify the real estate owner genuinely owns the land.

In estimating the probability of default, a lender needs information on the creditworthiness of prospective borrowers. The absence of standardized information of credit histories requires lending institutions to spend considerable resources acquiring information on potential borrowers. The lack of data limits the lenders' loan-creation capabilities, which impacts the housing finance system. Assessment of creditworthiness of the client's needs credit information of the borrower. But data on individual income and repayment behavior of the customers are not readily available.

7.3 Lack of Effective Marketing

A large number of real estate agents have been working in the area of apartment dealing. From time to time, REHAB organizes exhibitions/ fairs for the marketing of their products. One of the barriers to promoting the home loan market is the absence of a database of prospects and past clients of the institutions offering the home loan. Potential customers ordinarily seek recommendations from friends and family while making home purchase decisions. Networking online is an alternative way to promote markets. Social media marketing has not been used to reach the existing network in popularizing the home loan market.

7.4 Absence of Effective Legal Framework

The absence of a legal framework to regulate various dimensions of real estate business affects the concerned stakeholders. First, there is no statutory authority to address the non-compliance of the timely completion of the project. The real estate's failure to complete the project as per schedule involves costs and inconveniences to customers. Until now, there has been no code or rules to compensate the apartment owner for the delay. Secondly, there is no institutional mechanism to ensure justice in the violation of real estate or developers of the contract between apartment owner and developer. Thirdly, there is no law or agency to provide justice to the apartment owner if the developer or real estate charges additional money to the apartment owner beyond the contracted amount before registration. Fourthly, there are also cases where a developer or real estate owner extracts extra money for electricity, gas, or water connection, which are not mentioned in the contract.

7.5 Lack of Professionalism in Apartment Dealing

In the process of marketing apartments, many brokers are in operation. They work as an intermediary between the real estate owner and the apartment owner. Sometimes they also negotiate home loans with financial institutions. In many cases, loan seekers of apartment buyers become the victim of malpractices adopted by brokers. Until now, there has not been any law or body to regulate the functions of brokers. The absence of regulation of the functions of brokers results in many malpractices in dealing in the apartment and loan sanctioning.

7.6 Lack of Auction Market

In the absence of a developed auction market for buying and selling apartments, the financial institutions face the problem of realizing the installment and interest due. Simultaneously, the apartment buyers cannot buy a ready flat with the certainty of ownership.

7.7 Lack of Specialized Adjudication Process

The issue of home loan default is a recurring problem almost everywhere in the world. The significant problems involved in the recovery of loans are the lengthy settlement of the loan repayment dispute. In Bangladesh, the loan repayment disputes are settled through *Artha Rin Adalat Ain-2003* with all other financial disputes. As loan default and loan recovery are interrelated, the lengthy process and the hassles involved in the loan repayment dispute settlement increase time and costs for the financial institutions. The judicial execution of cases may take more than ten years.

7.6 Problems in the Loan Sanctioning Process

The loan sanctioning process is beset with the inherent mindset of the lender to emphasize the collateral's valuation than highlighting the borrower's repayment capacity potential. Failure to assess the repayment capacity of home loan seekers combined with their willingness to repay sometimes causes loan default.

7.7 Lack of Policy Support

Despite the ever-increasing demand for home loans, there has not been any comprehensive policy support. A regulation of Bangladesh Bank regarding the limit of house financing acts as a barrier to enhancing housing finance. As stated in the regulation, at no time the total exposure under house financing should exceed 10 percent of the net consumer advances (Bangladesh Bank, 2004).

7.8 Absence of Clarity in the Terms and Conditions

Terms and conditions of installment payments, including the amount of advance payment for buying an apartment, remain vague in most cases. Specific legal provisions for regulating and preventing fraud and cheating in the real estate sector are absent. There is hardly any provision to protect the interests of homebuyers. The law needs more clarity to benefit homebuyers to register an agreement for sale before paying the booking money. There is no legal protection for the buyers regarding the particulars of the project's development, including the construction of buildings and apartments, along with specifications and details of internal and external development work.

In most cases, developers fail to hand over the flats as mentioned at the time of the contract. The content analysis of selected agreements shows that provisions in the agreement are more flexible for the builders. There is no provision for compensating the apartment buyers if there is a delay in the handover of the flat. The deviation between the agreed delivery time and the actual delivery time might be caused due to the absence of a realistic estimation of the time combined with the lack of capacity to implement the project.

8. Possible Recommendations to overcome above constraints:

Effective mortgaging can help the financial institution offer home loans with more certainty with minimum risk and the concerned borrower to buy an apartment quickly. Furthermore, as the loan processing demands several documents to be submitted, the loan seeker faces additional problems managing all the documents. Bangladesh Bank, however, maintains data on loan defaulters, not on the repayment behavior of other customers. But institutions for credit rating for individual or business firms are yet to develop in Bangladesh. If an institutional mechanism for evaluating the repayment behavior of customers was developed, the same could provide information on the repayment behavior of the customers.

Customers face several problems in the making of the selection of real estate. Ordinarily, the real estate's use brochures pinpointing various aspects of a given project. However, the cases of making potential customers aware of flats available through advertisement are few. Moreover, brokerage firms for facilitating transactions between the buyer and sellers are scanty. The real estate firms may use zip codes, professions, and other demographics to formulate a strategy to reach the target customers.

If the system of developing a uniform contract incorporating all the points mentioned above and quick disposal of grievances were designed, the marketing of apartments would have been more.

The marketing of flats would have been more effective if the system of developing a uniform contract incorporated all the related problems mentioned above and swift resolution of complaints had been developed.

The marketing of flats and efficient financing might be created if the licensing system for regulating the activities of brokers combined with monitoring and control were introduced.

By providing the broker with a license, it could make it easier for purchasers and lenders to guarantee a loan because licensed brokers are expected to thoroughly investigate the borrower's financial standing and any ownership-related issues with the flat. If the auction markets were developed, buyers could purchase apartments with no hassles involved in purchasing.

The problem could be minimized if a special tribunal for settling home loan repayment disputes were set up. The easing of loan repayment dispute adjudication would encourage the financial institution to enhance the volume of home loans. On the other hand, the lengthy process in the loan recovery disputes settlement as reported by real estate owners adversely affects the promotion of home loans.

If the financial institutions give due importance to the borrower's repayment capacity and motivation to repay, default home loans could be reduced substantially.

Some of the incentives that may positively impact home loan promotion include tax concessions, reduced registration fees for transfer, reduced interest rate or institutional support, or refinancing by the central bank. For example, the home loan sector may develop if the government encourages apartment acquisition through refinancing by the central bank with a reduced interest rate. In addition, attempts may be made to mobilize funds from abroad at minimal interest to support the financial institutions for financing home loans through a refinancing facility.

9. Conclusion:

The importance of the housing sector, both in the context of the Bangladesh economy and its role in serving the fundamental human rights of shelter. Despite the country's achievement in different fields, Bangladesh is yet to tackle adequately one of its basic needs-that of housing for all. Compared to the demand for housing, the supply of housing was inadequate. Government intervention might help ease the situation, government may take measures to provide serviced land at reasonable prices, helping create and promote housing financing institutions, increasing affordability for the disadvantaged groups through providing credit, improving the existing housing stock alongside new housing; and as well as ensuring the conservation of the natural environment.

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