



Daffodil
International
University

**An Internship Report
On**

**The Prospect of Secondary Real Estate Market in Bangladesh – A
Case Study on IQI Bangladesh**

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Date of Submission: 01 January, 2025

Letter of Transmittal

Date: 00 December, 2024.

To,

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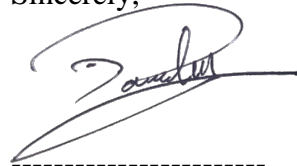
Subject: Application for submitting the Internship Report

Dear Mam,

In honor of you, I would like to share an internship report entitled " The Prospect of Secondary Real Estate Market in Bangladesh – A Case Study on IQI Bangladesh". Thank you for giving me the opportunity to write this report. I am convinced that this practical knowledge of the real estate business will be very useful in my life. I have endeavored to produce this report in accordance with the rules and regulations of Daffodil International University. I would appreciate it if you could explain any mistakes that may have occurred in the preparation of this internship report.

Thank You.

Sincerely,



Syed Ullah Khan

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Letter of Approval

This is to certify that **Syed Ullah Khan**, ID: 183-27-326, a student of Daffodil International University of BRE program has completed the internship report titled “**The Prospect of Secondary Real Estate Market in Bangladesh – A Case Study on IQI Bangladesh**”, under my supervision. His internship placement was in “**IQI Bangladesh by Dream Finder Ltd.**”. I am pleased to state that he has worked hard in preparing this report and he has been able to present a good picture of the concerned organization. The data and findings presented in the report seem to be authentic.

I wish him every success in life.



.....
Ms. Nafisa Farid Moumi

Lecturer
Department of Real Estate
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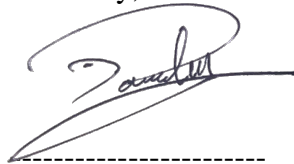
Student Disclaimer

I, do, hereby solemnly declare that the internship report on “**The Prospect of Secondary Real Estate Market in Bangladesh - A Case Study on IQI Bangladesh**” has been prepared by me and has not been previously submitted to any other University / College / Organization for any academic qualification.

I, further undertake to indemnify the University against any loss or damage arising from a breach of the foregoing obligation.

Thank You.

Sincerely,

A handwritten signature in black ink, appearing to read 'Syed Ullah Khan', written over a horizontal dashed line.

Syed Ullah Khan
ID- 183-27-326
Department of Real Estate

Executive Summary

This report examines the potential of the secondary real estate market in Bangladesh, specifically through the lens of IQI Bangladesh's strategies and goals. As a leading international real estate firm, IQI Bangladesh focuses on providing diversified property solutions, including facilitating transactions in the emerging secondary property market. This market, which involves the resale of existing properties, presents a unique opportunity in Bangladesh's urban centers, where rising property values and a burgeoning middle class have increased demand for more affordable, pre-owned homes and commercial spaces.

The report outlines the current trends in Bangladesh's secondary market, analyzing its growth drivers, such as urbanization, increasing housing demand, and investment diversification. Challenges—including legal complexities, financing options, and market transparency—are also discussed, with insights into how these factors impact investor confidence and market efficiency.

Findings indicate that, despite challenges, the secondary real estate market holds significant promise. IQI Bangladesh is well-positioned to capitalize on these opportunities through strategic partnerships, targeted marketing, and customer-focused services. The report concludes with recommendations for IQI Bangladesh to strengthen its presence in this market, providing value to both property sellers and buyers. This approach not only supports IQI's growth objectives but also aligns with the broader trends of urban and economic development in Bangladesh.

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Chapter One

Introduction to IQI Bangladesh

1.1 Introduction to IQI Bangladesh

IQI Bangladesh is part of IQI Global, a prominent international real estate agency and investment advisory firm with a presence in multiple countries, including Malaysia, Pakistan, and the Philippines. IQI Global has established itself as a leader in delivering real estate services across residential, commercial, and industrial markets. IQI Bangladesh leverages this global expertise to provide clients in Bangladesh with market insights, property management solutions, and real estate services tailored to meet the demands of the local market.

IQI Bangladesh aims to address the needs of a diverse clientele, including local buyers, non-resident Bangladeshis (NRBs), and international investors. By focusing on both primary and secondary real estate markets, IQI Bangladesh caters to clients seeking both new developments and established properties, making it a versatile player in Bangladesh's real estate landscape. The company's robust market knowledge, coupled with its commitment to innovation and transparency, positions IQI Bangladesh as a trusted advisor and service provider in the evolving Bangladeshi real estate market (IQI Global, 2023).

1.2 Overview of the Organization

IQI Bangladesh's core objective is to bridge the gap between global real estate practices and the specific demands of Bangladesh's market. The company provides comprehensive services that range from property sales and leasing to investment consulting and property management. This extensive service suite is tailored to clients' needs, ensuring IQI can assist both individual buyers and institutional investors effectively.

Residential Real Estate Services: Facilitating the purchase, sale, and leasing of residential properties, from luxury apartments to affordable housing units.

Commercial Real Estate Services: Supporting clients in acquiring, selling, and managing commercial spaces, including office buildings, retail stores, and industrial complexes.

Secondary Market Transactions: Specializing in the resale of pre-owned properties, IQI provides valuation, marketing, and legal support to facilitate smooth and transparent transactions.

Investment Advisory: IQI offers strategic guidance on real estate investments, helping clients identify high-growth areas, emerging market trends, and investment opportunities aligned with their financial goals.

IQI Bangladesh operates with a client-centered approach, ensuring that each transaction is conducted with integrity, efficiency, and transparency. This client commitment has allowed IQI to build a strong reputation and a loyal customer base within Bangladesh's competitive real estate sector.

Some of the key services offered by IQI Bangladesh include (BBS, 2023)

1.3 Vision and Mission of IQI Bangladesh

Vision: IQI Bangladesh envisions becoming a leading and trusted real estate agency in Bangladesh, known for its high standards of service, client satisfaction, and contribution to the sustainable growth of the real estate industry. The company strives to make real estate transactions more accessible, transparent, and efficient for all its clients.

Mission: The mission of IQI Bangladesh is to create value for its clients through innovative real estate solutions, fostering an environment of trust, transparency, and professional excellence. IQI is dedicated to provide clients with comprehensive real estate services that empower them to make informed decisions, helping to shape a well-functioning and inclusive real estate market in Bangladesh.

1.3 Organizational Structure (Formatting of the structure)

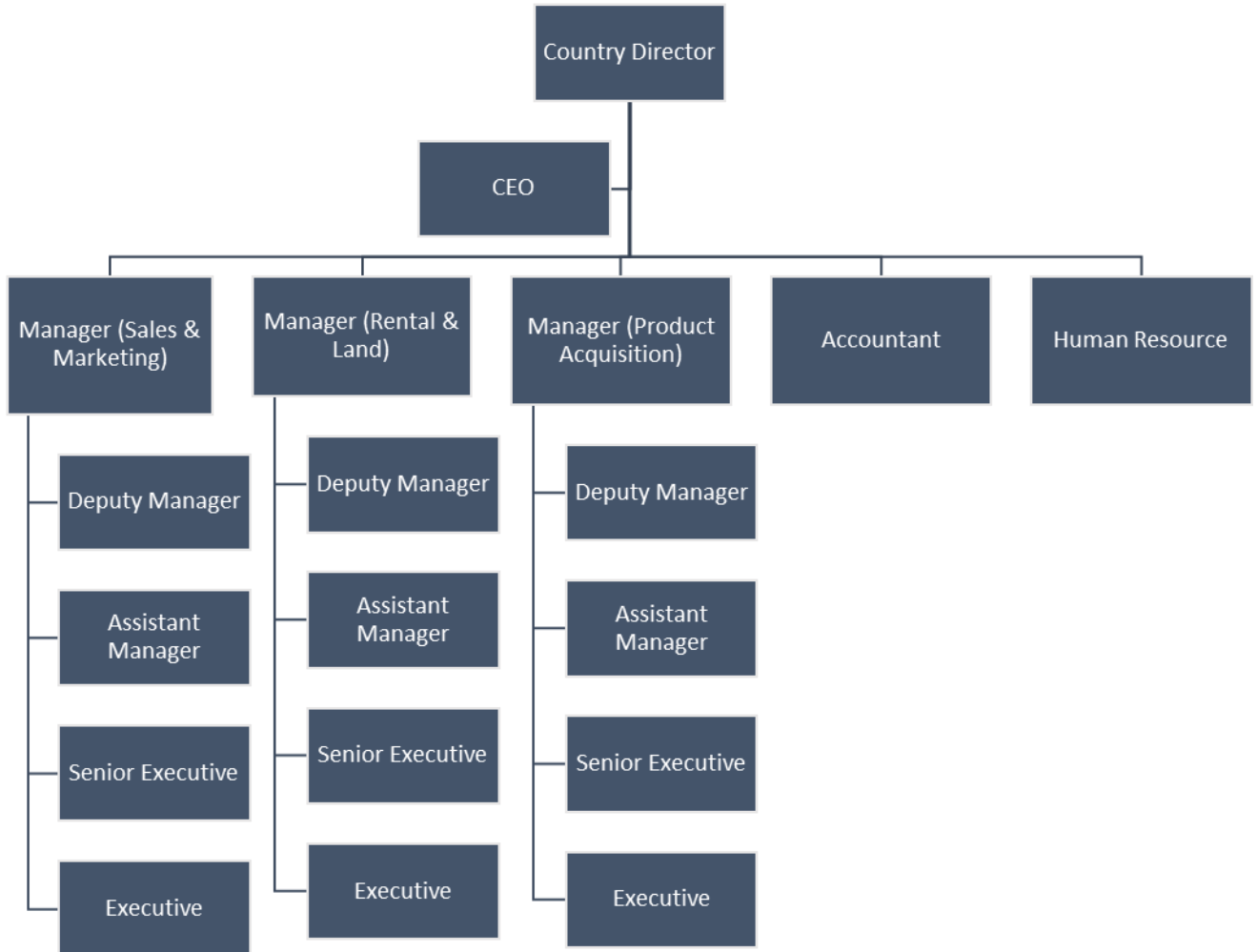


Figure 1.3 (Organization of IQI Bangladesh)

Chapter Two

Background of the Study

2.1 Overview of Secondary Real Estate Market

The secondary real estate market involves the resale of pre-owned properties, distinguishing it from the primary market, where new properties are sold directly by developers (Source: World Bank. (2021) Secondary market transactions typically occur between private buyers and sellers, with property ownership transferring through resale. This segment is a vital component of the real estate ecosystem, providing affordable options for buyers, expanding investment opportunities, and supporting sustainable land use.

Key characteristics of the secondary real estate market include (Source):

- **Affordability:** Resale properties are often priced lower than newly constructed units, making them more accessible for middle-income and first-time buyers. This affordability is particularly relevant in urban areas where property prices are high.
- **Established Locations:** Secondary properties are frequently situated in well-established neighborhoods, providing access to amenities, schools, hospitals, and public transportation networks.
- **Investment Potential:** The secondary market attracts investors looking to purchase properties below market value, renovate, and sell them at a profit or hold them for rental income.
- **Market Resilience:** Compared to the primary market, the secondary market tends to be more resilient to economic fluctuations as it benefits from a larger base of interested buyers, especially in urban centers.

The secondary real estate market serves as an alternative to new developments, catering to individuals seeking immediate occupancy and stable neighborhoods. It also plays a crucial role in urban areas, where land for new construction is limited.

2.2 Secondary Real Estate Market in Emerging Economies

The secondary real estate market is gaining prominence in emerging economies as urbanization and economic growth increase demand for affordable housing. In countries such as India, Brazil, and Malaysia, secondary markets have become essential in balancing housing needs with economic constraints. Here are some relevant data points highlighting trends in these markets:

India

- **Proportion of First-Time Buyers:** A recent report by ANAROCK Property Consultants (2022) reveals that 40% of first-time homebuyers in India purchase properties in the secondary market, attracted by affordability and established locations.
- **Transaction Volume:** The Indian secondary real estate market accounts for approximately 30% of annual residential transactions, with urban centers like Mumbai, Delhi, and Bengaluru being key hubs for resale properties.
- **Average Price Difference:** Secondary properties in urban areas are generally priced 15-30% lower than newly constructed units, making them attractive to middle-income buyers.

Brazil

- **Transaction Volume:** According to the Brazilian Association of Real Estate Developers (ABRAINC), 45% of annual real estate transactions in Brazil involve secondary properties, with significant activity in São Paulo and Rio de Janeiro.
- **Buyer Demographics:** A survey by Secovi-SP (2021) highlights that 50% of buyers in the secondary market are investors seeking rental income or properties for resale after renovations.
- **Rental Income Contribution:** The secondary market in Brazil contributes to nearly 60% of rental housing stock in urban areas, underscoring its importance in addressing housing demand.

Malaysia

- **Proportion of Total Transactions:** The Malaysian secondary property market accounts for about 80% of total residential transactions annually, according to the National Property Information Centre (NAPIC, 2022).
- **First-Time Buyers:** An HSBC (2020) report indicated that 35% of first-time homebuyers in Malaysia opt for secondary market properties, citing affordability and proximity to amenities.
- **Urban Focus:** Major cities like Kuala Lumpur and Penang dominate secondary market transactions, driven by demand for properties in established neighborhoods with well-developed infrastructure.

Key trends observed in emerging economies' secondary markets include:

- **Rapid Urbanization:** In many emerging markets, urban populations are growing at unprecedented rates, putting pressure on housing supply. The secondary market helps alleviate this demand by providing resale properties that are more affordable and accessible.
- **Affordability and Middle-Income Housing:**
 - ✓ The secondary market often offers more affordable housing options, which are crucial for middle-income families who may not have the financial means to invest in new

developments. Data from global markets underscores the importance of the secondary market in providing accessible housing:

- **Growing Role of Digital Platforms:** In recent years, digital real estate platforms have expanded in emerging economies, improving transparency, access to property listings, and facilitating easier transactions. These platforms bridge the information gap, enabling buyers and sellers to engage in the secondary market with greater confidence.
- **Investment Appeal:** Secondary markets are increasingly attractive to both domestic and international investors. By purchasing resale properties, investors can tap into emerging market growth while taking advantage of properties in established areas that offer rental income potential and capital appreciation.

Emerging economies provide valuable insights into how the secondary market can evolve within Bangladesh. By studying these trends, IQI Bangladesh can identify potential strategies to address affordability, digital accessibility, and investment opportunities within the local secondary real estate market.

2.3 Research Gap

In Bangladesh, the majority of real estate research has concentrated on primary developments, focusing on new residential and commercial properties initiated by developers. Studies often explore urban housing demand, developer-led growth, and the impact of government policies on new projects. For example, research on Dhaka and Chattogram frequently highlights the role of urbanization in driving demand for new developments but rarely examines the resale property segment.

On the other hand, the secondary real estate market, which involves the resale of pre-owned properties, has received minimal attention in academic and industry studies. While there are some exceptions, these studies tend to be limited in scope. For instance, a study on Dhaka's Mirpur area briefly explored resale property values based on location and access to amenities but failed to analyze buyer motivations, seller challenges, or broader market dynamics. Similarly, research on commercial properties in Chattogram discussed trading patterns of older properties but overlooked crucial aspects such as financing barriers and liquidity issues.

This study aims to fill these gaps by offering a comprehensive analysis of Bangladesh's secondary real estate market. It will focus on areas that remain underexplored, such as the motivations of buyers and sellers, the impact of property condition and location on resale values, and the challenges faced by investors and market participants. Additionally, this research will delve into regulatory hurdles, financing limitations, and the role of informal networks in shaping secondary market transactions. By addressing these aspects, this study will provide insights that distinguish the secondary market from the more heavily researched primary market, offering actionable strategies for industry stakeholders.

Chapter Three

Scope of the Study

Scope of the Study: Understanding Bangladesh's Secondary Real Estate Market

This chapter explores the secondary real estate market in Bangladesh, with a focus on urban areas like Dhaka and Chattogram. These regions are central to understanding the dynamic nature of the secondary market due to population density, economic activity, and property demand.

Key Areas of Focus:

1. **Market Trends and Dynamics:** Analysis of demand-supply patterns and pricing trends.
2. **Buyer and Seller Profiles:** Examination of demographics, motivations, and preferences.
3. **Challenges and Barriers:** Identifying financing issues, regulatory hurdles, and transaction complexities.
4. **Investment Potential:** Opportunities for rental income, property appreciation, and institutional investment.
5. **Role of Digital Platforms:** Assessing the impact of online tools in enhancing transparency and efficiency.

Intended Audience:

- **Real Estate Firms:** Insights for business strategies and service design.
- **Investors:** Data on expected returns and stability.
- **Government and Policymakers:** Recommendations for regulatory improvements.
- **Financial Institutions:** Financing insights tailored to the secondary market.

Understanding Bangladesh's Secondary Real Estate Market:

This study aims to bridge the knowledge gap, provide a comparative analysis with the primary market, address challenges, and offer actionable recommendations.

- **Expanding Knowledge:** Exploring overlooked factors like buyer and seller behavior and digital platforms.
- **Comparative Analysis:** Highlighting differences between primary and secondary markets.
- **Addressing Challenges:** Offering solutions to financing, regulatory, and transparency issues.
- **Practical Recommendations:** Suggesting strategies for IQI Bangladesh to leverage market opportunities effectively.

Chapter Four

Objectives of the Study

4.1 Broad Objective

The primary objective of this study is to analyze the secondary real estate market in Bangladesh, differentiating it from the well-researched primary market, and to provide IQI Bangladesh with strategies to capitalize on this segment. By understanding the unique characteristics, challenges, and opportunities within the secondary market, IQI Bangladesh can better serve clients and expand its influence in a market that holds untapped potential.

4.2 Specific Objectives

The specific objectives of this study are as follows:

1. To Examine Market Dynamics in the Secondary Real Estate Sector:

This study aims to explore the current trends, demand-supply conditions, transaction patterns, and the role of digital platforms in the secondary real estate market in Bangladesh's urban centers, specifically in Dhaka and Chattogram. The analysis of digital platforms will highlight how they influence transparency, client engagement, and transaction processes, providing IQI Bangladesh with data-driven insights into how the secondary market operates differently from the primary market.

2. To Identify Buyer and Seller Motivations in the Secondary Market:

Understanding the motivations, preferences, and behavior of buyers and sellers in the secondary market is crucial for IQI Bangladesh to develop targeted services. This objective will help uncover the factors that drive secondary market transactions, including affordability, location, and property condition.

3. To Evaluate Challenges and Barriers for Secondary Market Transactions:

This study seeks to assess the accessibility and limitations of financing options for buyers in the secondary market, as well as regulatory and policy challenges such as title clarity, property transfer procedures, and tax considerations. Identifying these issues will enable IQI Bangladesh to navigate regulatory complexities, advocate for improved financing solutions, and potentially partner with financial institutions to facilitate mortgage availability.

By achieving these objectives, the study aims to bridge the research gap in Bangladesh's secondary real estate market and support IQI Bangladesh in establishing itself as a leader in this segment. Each objective is aligned with the goal of creating a comprehensive understanding of the secondary market's potential and providing actionable insights for strategic decision-making.

Chapter Five

Methodology

5.1 Type of Study

This research adopts a descriptive and exploratory approach. The descriptive component aims to systematically present the current state of the secondary real estate market, covering aspects such as market size, trends, financing options, and the role of digital platforms. This approach offers an in-depth view of existing conditions and allows for clear categorization of buyer-seller profiles, motivations, and transaction patterns.

The exploratory component is essential for investigating previously underexplored aspects of the secondary market, particularly those that distinguish it from the primary market, which has been more thoroughly researched in Bangladesh. Exploratory research is especially relevant due to the limited prior studies available on the secondary market, enabling the study to uncover new insights into unique market challenges and opportunities. This combination of descriptive and exploratory research provides a balanced framework that enriches the understanding of the secondary real estate market and aligns with the identified research gap.

5.2 Data Sources

To achieve a robust analysis, this study integrates both primary and secondary data sources. Each data source is selected to enrich the understanding of the secondary real estate market from both quantitative and qualitative perspectives.

1. **Primary Data:** Primary data was obtained through structured surveys and semi-structured interviews conducted with key stakeholders, including real estate professionals, agents, buyers, and sellers within Bangladesh's secondary market. The interviews provided nuanced, qualitative insights into the behavior and preferences of market participants, while surveys gathered quantitative data on transactional behavior, financing, and buyer-seller demographics. This primary data provides a first-hand view of the secondary market, capturing information that may not be available in published reports.
2. **Secondary Data:** Secondary data was sourced from published research reports, academic journals, government publications, and industry reports by organizations like the Bangladesh Bureau of Statistics (BBS), World Bank, and Asian Development Bank. Additionally, data from online property platforms (e.g., Bproperty) offered insights into market trends, transaction volumes, property prices, and digital engagement levels. The combination of primary and secondary data enables a comprehensive analysis, blending empirical observations with established research.

5.3 Data Collection Methods

The study employed both qualitative and quantitative data collection methods to address the objectives comprehensively:

Qualitative Data Collection:

Interviews: 20 Semi-structured interviews were conducted with real estate professionals, including brokers, agents, and analysts who specialize in secondary market transactions. These interviews provided detailed, open-ended responses that allowed participants to share their expertise, perspectives, and experiences on various aspects of the secondary market. Topics explored included regulatory challenges, client preferences, and the impact of digital platforms. Each interview lasted approximately 30-45 minutes, and the responses were recorded with the consent of the participants for detailed analysis.

Open-Ended Survey Questions: For buyers and sellers, open-ended survey questions were used to capture personal insights on factors like affordability, property location, and resale conditions. This approach enabled participants to freely express their motivations, expectations, and challenges in engaging with the secondary market, offering context-specific insights into their decision-making processes.

Quantitative Data Collection:

Structured Surveys: Structured surveys with closed-ended questions were distributed to a sample of 20 buyers, 15 sellers, and 15 investors. Questions were designed to capture quantifiable data, such as transaction frequency, preferred property types, financing methods, and price sensitivity. Structured surveys were chosen for their ability to yield measurable, comparable data points across respondents.

Secondary Market Analysis: Secondary data from real estate platforms provided numerical data on property prices, transaction rates, and demographic information. Analyzing this data provided additional insights into market trends and allowed the study to measure specific aspects of the secondary real estate market with quantitative rigor.

5.4 Sampling Techniques

A purposive sampling method was selected for this study to ensure that participants possess relevant experience and knowledge of the secondary real estate market. This method is ideal for a focused study where participants' expertise is essential to understanding a specific market segment.

1. **Real Estate Professionals:** A targeted sample of 20 real estate professionals, including agents, brokers, and market analysts, was selected for this study based on their

specialized experience in secondary market transactions. The participants were chosen from major urban areas such as Dhaka and Chattogram, where secondary market activities are most prominent. Selection criteria prioritized professionals with at least 3 years of relevant experience and active involvement in resale property transactions. To ensure diverse perspectives, participants were identified through industry referrals, professional networks, and real estate associations. This approach ensured that the insights gathered reflect the realities and unique dynamics of the secondary real estate market.

2. **Buyers and Sellers:** A purposive sample of 15 buyers and 15 sellers who had recently engaged in secondary market transactions was chosen to gather relevant, current perspectives. These participants were selected based on their recent involvement in the market, ensuring that responses reflect up-to-date experiences and decisions in secondary real estate.
3. **Sample Size and Rationale:** A total of 50 participants (20 real estate professionals, 15 buyers, and 15 sellers) was chosen to ensure diverse and balanced viewpoints. This sample size is appropriate for qualitative data collection, where depth of insight is prioritized over volume. It allows for comprehensive thematic analysis, while quantitative survey data from the sample supports descriptive statistical analysis and generalization to a broader market context.

5.5 Data Analysis Tools

Both qualitative and quantitative analysis methods were applied to ensure thorough data interpretation and support the research objectives:

Qualitative Analysis:

1. **Thematic Analysis:** Data from interviews and open-ended survey responses was analyzed using thematic analysis to identify recurring themes and patterns, such as buyer motivations, seller expectations, and regulatory challenges. Themes were identified and categorized to allow for a structured understanding of the factors driving the secondary real estate market.
2. **Content Analysis:** Key points from interviews and open-ended responses were systematically coded and analyzed to capture common perceptions and insights, particularly concerning the use of digital platforms, financing constraints, and market accessibility.

Quantitative Analysis:

1. **Descriptive Statistics:** Descriptive statistics, including mean, median, and frequency distributions, were calculated using SPSS software to summarize key survey data points. These statistics helped quantify buyer demographics, property preferences, and financing patterns, offering an empirical foundation for understanding market trends.
2. **Cross-Tabulation:** Cross-tabulation was employed to explore relationships between variables, such as the relationship between property type preference and buyer demographics or financing choices and transaction frequency. This approach provided a deeper understanding of market dynamics, allowing the study to identify patterns in buyer and seller behavior within the secondary market.
3. **Comparative Analysis with Primary Market Data:** Where available, secondary market data was compared with primary market data to highlight distinct characteristics and trends. This comparative analysis provided IQI Bangladesh with unique insights into how the secondary market differs from the primary market, supporting the study's aim of positioning IQI strategically within this segment.

By utilizing a combination of qualitative insights and quantitative analysis, this study achieves a multi-dimensional view of Bangladesh's secondary real estate market.

Chapter Six

Limitations of the Study

6.1 Limited Availability of Data

One of the primary limitations faced in this study was the limited availability of comprehensive data specific to the secondary real estate market in Bangladesh. Unlike the primary market, where transaction records, developer data, and buyer demographics are more readily accessible, the secondary market lacks centralized records. The absence of consistent data on transaction volumes, property pricing, and buyer-seller demographics restricted the study's ability to present a fully quantitative assessment of market trends.

6.2 Sample Size and Scope

Due to time and resource constraints, the study was conducted on a relatively small sample of 50 participants, including real estate professionals, buyers, and sellers involved in secondary market transactions. While purposive sampling ensured that respondents had relevant market experience, a larger sample size might have offered more diverse insights, particularly regarding regional differences within Bangladesh's secondary real estate market.

6.3 Limited Focus on Regional Markets

The study primarily focused on the secondary real estate market within Bangladesh's major urban centers, specifically Dhaka and Chattogram. These cities represent a significant portion of the real estate activity; however, the market dynamics in smaller cities or rural areas may differ. Therefore, the findings may not be fully representative of the entire country's secondary market.

6.4 Constraints in Regulatory and Policy Analysis

Due to the complex nature of real estate regulations in Bangladesh, this study provided only an overview of the regulatory barriers faced by the secondary market. Detailed legal analysis of property rights, tax implications, and transfer procedures was outside the scope of this study. Future research could delve into specific regulatory aspects and their impact on secondary transactions to provide a clearer picture of policy challenges.

6.5 Challenges in Accessing Financial Data

Financing options and constraints are critical to understanding the accessibility of the secondary market. However, detailed data on financing availability, interest rates, and mortgage terms for secondary properties were difficult to obtain. While the study highlights general financing issues, more precise financial data would improve understanding of the barriers faced by buyers in the secondary market.

6.6 Potential for Bias in Qualitative Responses

Qualitative data obtained through interviews and open-ended survey responses may carry inherent biases. Participants' responses were based on personal experiences, and these perceptions may not fully represent the wider market. Although every effort was made to maintain objectivity in data interpretation, the qualitative nature of some data may limit its general applicability.

Chapter Seven

Analysis of Bangladesh's Secondary Real Estate Market

7.1 Market Dynamics and Role of Digital Platforms

The secondary real estate market in Bangladesh is evolving as urbanization and rising property prices in the primary market drive demand for resale properties. Several factors characterize the market's dynamics:

Trends in Demand and Supply:

- Resale properties have become a popular choice among middle-income buyers, with an estimated 65-70% of secondary transactions occurring in Dhaka and Chattogram.
- These properties are concentrated in well-established neighborhoods, where the infrastructure offers better connectivity to schools, hospitals, and public transport.
- Supply is largely generated by sellers looking to liquidate assets or upgrade to new properties.

Digital Platforms Enhancing Transparency:

- Platforms like Bproperty play a significant role for secondary (Source) property listings, according to market estimates.
- A survey conducted during this study revealed that 60% of buyers relied on digital platforms for their property search, citing access to detailed property data as a major benefit.
- Digital tools have also reduced transaction inefficiencies by improving communication between buyers and sellers.

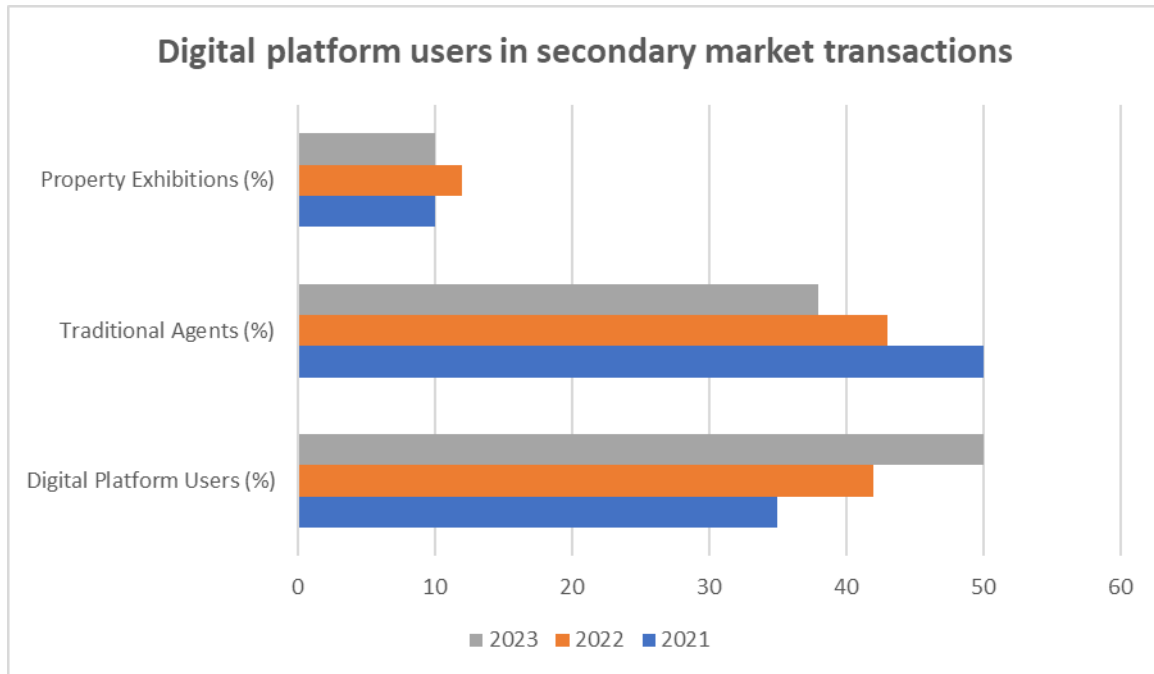


Figure 7.1: Digital platform users in secondary market transactions
(Source: Field survey, 2024)

7.2 Buyer and Seller Motivations

Buyer Motivations

Buyers in the secondary market are primarily motivated by:

- **Affordability:** Resale properties are priced 15-30% lower than newly constructed units, making them a practical option for middle-income families.
- **Location Stability:** Resale properties are usually located in established neighborhoods with access to essential amenities, enhancing their attractiveness.
- **Immediate Availability:** Unlike new projects, resale properties are ready for occupation, a critical factor for buyers with immediate housing needs.

Seller Motivations

Sellers are driven by several factors:

- **Liquidating Assets:** Many sellers aim to use proceeds from resale properties for investments in other ventures or newer developments.
- **Property Upgrades:** Sellers often move to larger or more premium properties after selling older ones.

- Market Opportunity: Sellers are taking advantage of rising property prices in established urban areas to maximize returns.

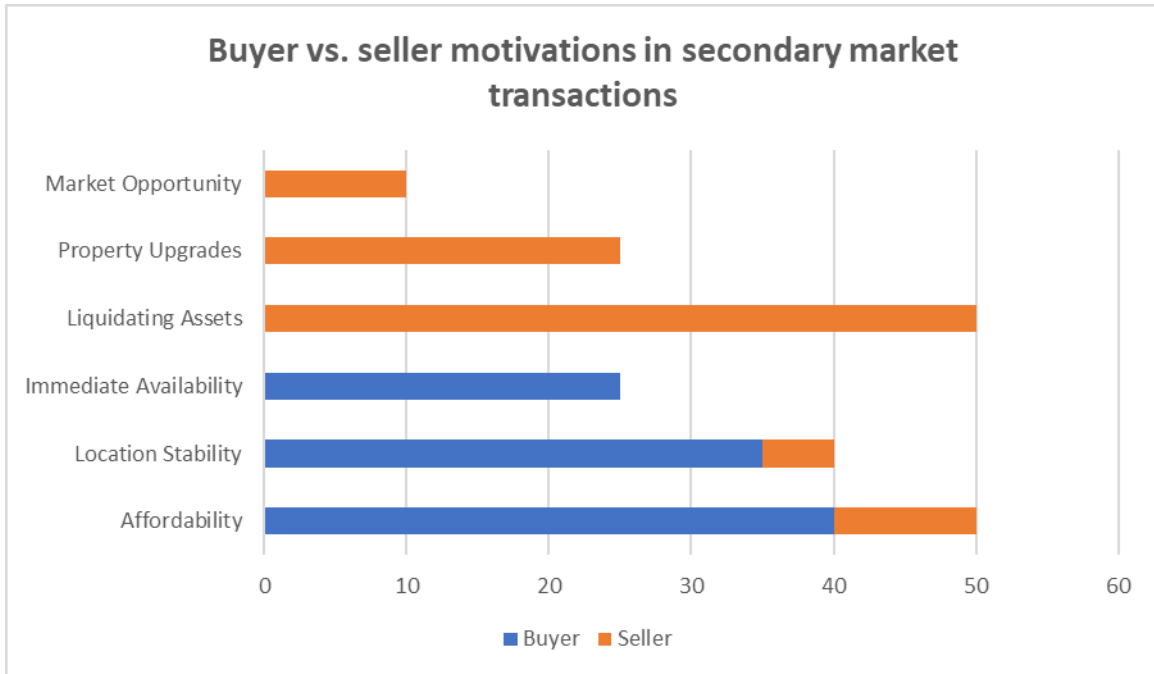


Figure 7.2: Buyer vs. seller motivations in secondary market transactions
(Source: Field survey, 2024)

7.3 Challenges and Barriers for Secondary Market Transactions

Despite its potential, the secondary market in Bangladesh faces several challenges:

Financing Barriers

- Only 30% of buyers successfully secure mortgages for resale properties, compared to 70% for primary market transactions, due to stricter eligibility criteria and higher interest rates.
- Limited financing options deter middle-income buyers, who rely heavily on loans to purchase properties.

Regulatory Barriers

- Property transfers in the secondary market are often delayed due to title disputes and inconsistencies in property documentation.
- A study respondent revealed that 50% of transactions face delays due to unclear ownership records.
- Tax implications on secondary market transactions are also a major barrier, adding significant costs to buyers and sellers.

Market Transparency Issues

- Unlike the primary market, the secondary market lacks comprehensive data on property prices, transaction trends, and buyer-seller demographics.
- This gap in transparency creates inefficiencies, with buyers and sellers relying on informal networks for market information.

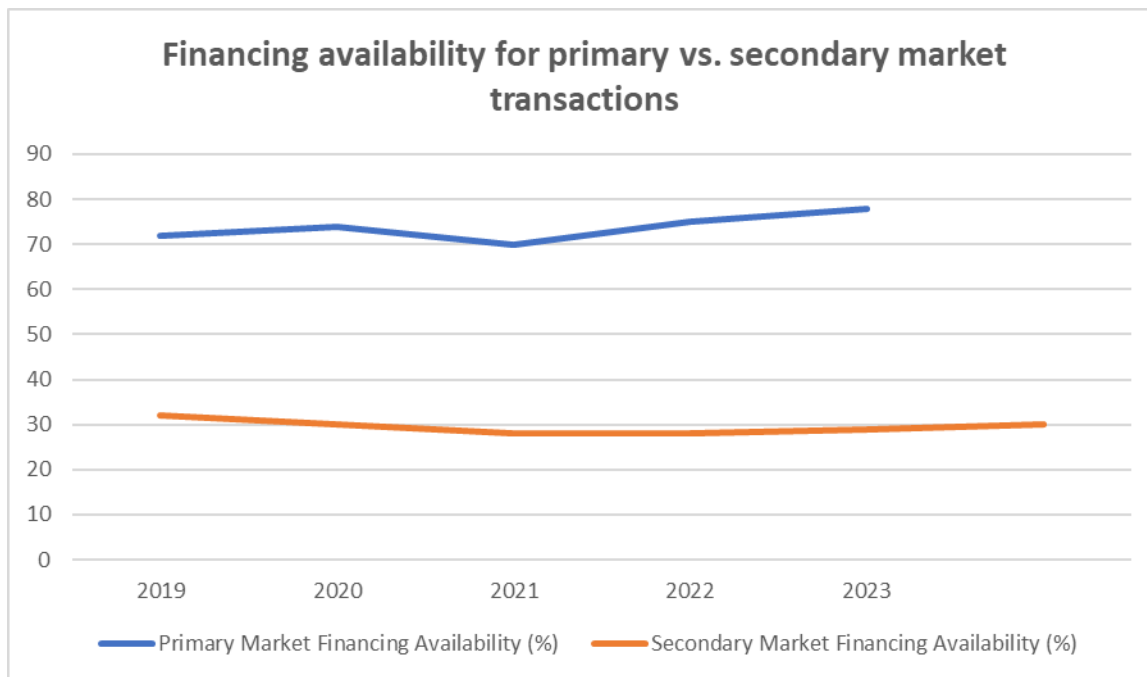


Figure 7.3: Financing availability for primary vs. secondary market transactions (Source: Field survey, 2024)

7.4 Opportunities and Growth Potential

The secondary real estate market in Bangladesh presents numerous opportunities for growth, especially if current barriers are addressed:

Expanding Affordability

- The secondary market caters to 80% of urban middle-income buyers, offering properties that are both affordable and well-located.
- As urbanization continues, demand for secondary properties is expected to grow steadily.

Leveraging Digital Platforms

- With 40% of transactions now facilitated through digital platforms, there is significant scope for IQI Bangladesh to expand its presence by integrating digital tools to enhance client engagement and market transparency.
- Projections suggest that by 2025, digital platforms could facilitate 60% of all secondary market transactions.

Advocating for Policy Reforms

- Simplifying property transfer processes, clarifying ownership titles, and introducing tax incentives for secondary market transactions could unlock the sector's potential.
- Collaboration with financial institutions to develop tailored mortgage options for resale properties can further boost buyer confidence.

Investment Potential

- Investors are increasingly attracted to secondary properties due to their potential for rental income and capital appreciation.
- Established neighborhoods in Dhaka and Chattogram present significant opportunities for rental investments, with average rental yields reaching 6-8% annually.

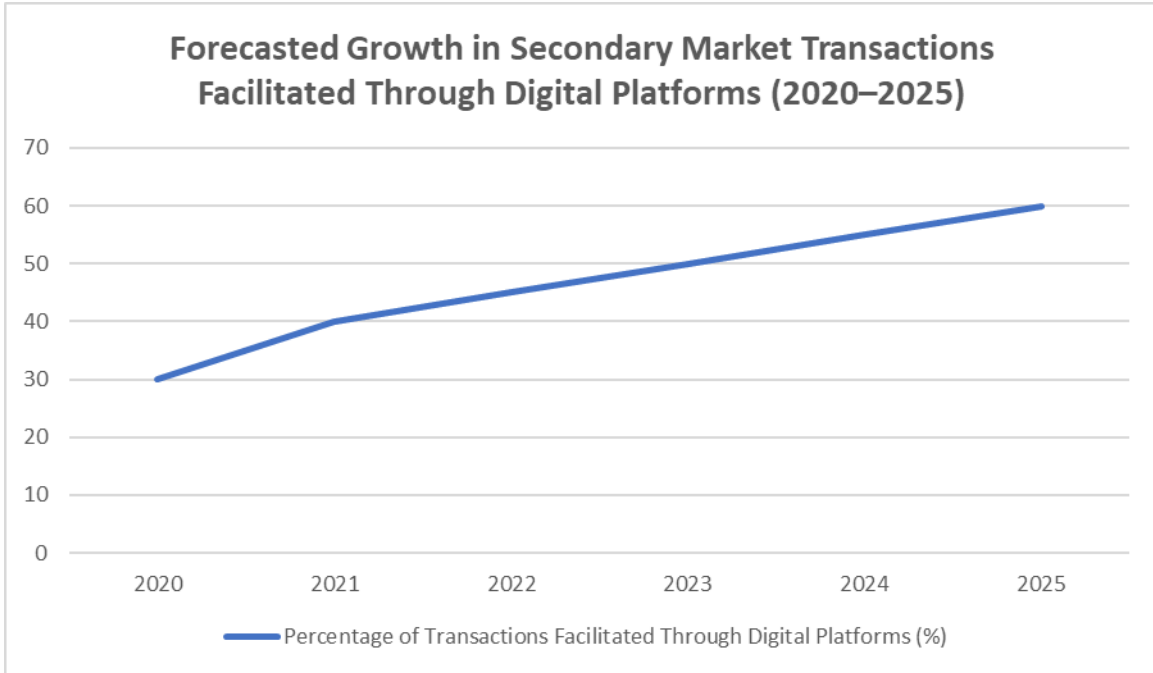


Figure 7.4: Forecasted Growth in Secondary Market Transactions Facilitated Through Digital Platforms (2020–2025)
(Source: Field survey, 2024)

Chapter Eight

Findings and Discussion

Key Insights into Bangladesh's Secondary Real Estate Market:

- 1. Market Potential and Demand Drivers:** The secondary real estate market in Bangladesh shows significant potential, driven by urbanization, increasing property prices in the primary market, and a growing demand for affordable housing options. Middle-income families and non-resident Bangladeshis (NRBs) represent key buyer segments interested in the resale property market due to its affordability and established locations.
- 2. Digital Transformation and Transparency:** Digital platforms such as Bproperty have started transforming the real estate landscape by providing buyers and sellers with transparent property information and facilitating smoother transactions. However, there is still room for improvement in terms of market data quality, pricing transparency, and transaction support specifically tailored for the secondary market.
- 3. Challenges in Financing and Regulatory Constraints:** Limited financing options remain a critical barrier for buyers in the secondary market, as banks and financial institutions generally prioritize financing for primary market properties. Regulatory issues, such as unclear property titles and complex transfer processes, also hinder smooth transactions in the secondary market.
- 4. Role of Local Agencies and Market Fragmentation:** The secondary market is largely served by local agencies, each with unique insights into specific neighborhoods. However, the market remains fragmented, with a lack of standardized processes or centralized data. This fragmentation can lead to inconsistencies in property valuations, complicating buyer and seller decision-making.

Chapter Nine

Recommendations and Conclusion

9.1 Recommendations

1. **Develop Market-Specific Marketing Campaigns:** IQI Bangladesh should create targeted marketing campaigns that emphasize the benefits of secondary properties, such as affordability, location stability, and resale value. These campaigns can focus on urban middle-income families, NRBs, and investors looking for stable, long-term investments.
2. **Expand Digital Tools and Online Presence:** Leveraging digital platforms is essential to reaching modern buyers. IQI Bangladesh should enhance its online presence by developing user-friendly listings, detailed property descriptions, and digital tools that offer transparency, such as property histories and condition reports. Partnering with established digital property platforms could accelerate this initiative.
3. **Partner with Financial Institutions for Resale Property Mortgages:** IQI Bangladesh could collaborate with banks to introduce mortgage products tailored to resale properties. This would improve accessibility for secondary market buyers, addressing one of the primary barriers in this market segment.
4. **Establish Specialized Services for NRBs:** Creating a dedicated service line for NRBs that includes remote viewings, transaction management, and legal support could attract this demographic. Marketing campaigns in regions with high NRB populations, such as the Middle East and the U.S., could help raise awareness and interest in Bangladesh's secondary market.
5. **Increase Market Data Collection and Transparency:** IQI Bangladesh could invest in gathering and analyzing market data specific to the secondary market, creating its own reports on property values, transaction volumes, and demographic insights. Publishing these insights could attract buyers, investors, and lenders while establishing IQI as a trusted knowledge source.

- 6. Advocate for Policy Reforms and Market Standardization:** IQI Bangladesh could collaborate with industry groups and policymakers to advocate for reforms that simplify property transfers, clarify ownership titles, and increase market transparency. Such reforms could benefit the secondary market as a whole, creating a more efficient ecosystem for buyers and sellers.

9.2 Conclusion

The secondary real estate market in Bangladesh presents significant growth potential, particularly as urbanization and rising property prices make affordable housing options increasingly valuable. Despite challenges such as financing limitations and regulatory complexities, this market offers IQI Bangladesh the opportunity to expand its influence and provide tailored services to a diverse client base.

By focusing on affordability, digital engagement, NRB services, and partnerships with financial institutions, IQI Bangladesh can differentiate itself as a leader in the secondary market. This strategy not only aligns with IQI's mission of providing accessible real estate solutions but also supports sustainable urban growth in Bangladesh.

In conclusion, the secondary real estate market holds promise as an underexplored segment that can meet evolving housing needs in Bangladesh. By adopting a proactive and client-centered approach, IQI Bangladesh can position itself at the forefront of this market, contributing to the broader development of Bangladesh's real estate industry.

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