

An Analysis of the Factors Affecting the Purchasing Decision of Real Estate Property

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Prepared By

Md. Tanjid Rahman

Id: **181-27-317**

Department of Real Estate

Faculty of Business & Entrepreneurship

Daffodil International University

Supervised By

Mr. Md. Rayhanul Islam

Assistant Professor

Department of Real Estate

Faculty of Business & Entrepreneurship

Daffodil International University



Letter of Transmittal

Date: 15-02-2022

Mr. Md. Rayhanul Islam
Assistant Professor
Department of Real Estate
Daffodil International University

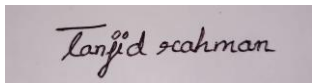
Subject: Submission of Internship Report

Dear Sir,

With great pleasure, I am submitting my internship report on "**An Analysis of the Factors Affecting the Purchasing Decision of Real Estate Property**" which was assigned to me as a part of my BRE program. I really enjoyed my internship program and highly appreciate their cooperation in this regard. Despite some limitations, I tried my best to complete the report.

If you have any queries about this, I will return it to you based on my capabilities. Hopefully, I will be able to exceed your expectations and further improve my insights.

Sincerely Yours,



MD. Tanjid Rahman

ID: 181-27-317

Batch: 28th

BRE (Major in Marketing)

Daffodil International University

Declaration

It is hereby declared that,

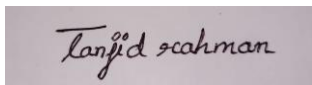
The internship report submitted is my own original work while completing my degree at Daffodil International University.

The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

The report does not contain material that has been accepted or submitted, for any other degree or diploma at a university or other institution.

I have acknowledged all main sources of help.

Student's Full Name & Signature:

A rectangular box containing a handwritten signature in black ink that reads "Tanjid Rahman".

MD. Tanjid Rahman

ID: 181-27-317

Batch: 28th

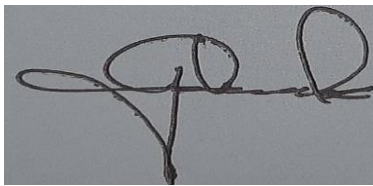
BRE (Major in Marketing)

Daffodil International University

Certificate of Approval

This is to certify that an internship report on “An Analysis of the Factors Affecting the Purchasing Decision of Real Estate Property” for partial fulfillment of the degree of Bachelor of Real Estate (BRE) major in Marketing from the Daffodil International University Bangladesh carried out by MD. TANJID RAHMAN, No: 181-27-317 under my supervision. Under my guidance and supervision this paper is being carried out successfully. No part of this paper has been submitted for any degree diploma, title, or recognition before.

I wish his every success in life.



.....

Md. Rayhanul Islam
Assistant professor
Faculty of Business & Entrepreneurship
Department of Real Estate
Daffodil International University

Acknowledgment

I begin by thanking Almighty Allah for successfully completing the internship report, which is an important part of the BRE program. I want to take the opportunity to thank them who has consistently supported me while programming my internship.

At first, it's a pleasure to convey my heartiest gratitude and greeting to my honorable supervisor, Mr. Md. Rayhanul Islam, Assistant Professor, Daffodil International University. I deeply appreciate his cooperation, advice, and guidance in creating this report. I would like to express my sincere thanks to China Gardencity Developers Ltd. to allow me to complete my internship work. I would like to acknowledge and thank the following staff who have expanded their sincere cooperation in making the report

First, Mohammad Mahfuzur Rahman. Assistant Manager (Marketing and Sales). China Garden City Developers Ltd. who have taken time out of their busy schedule to guide me to the successful completion of my internship report. I am also grateful to all other supervisors, especially Md. Al Mamun Khan. Executive (Marketing & Sales). China Gardencity Developers Ltd. For their guidance in new roots of corporate life. Moreover, I am in shortage of words when it comes to thanking my parents & friends who were directly or indirectly instrumental in the completion of the report.

I am grateful to all of the above for their cooperation at every step to successfully prepare my report.

Executive Summary

This report is prepared on the basis of my three-month internship experience at China GardenCity Developers Limited. This internship program helped me to learn about the practical scenario of real estate industry. The main objective of this report is to know different factors of purchasing decisions of real estate property and analysis the factors that affect the purchasing decision of real estate property.

The total report is sectioned into different chapters. The first chapters are completed by incorporating information like introduction of the study and the organization, objective, scope, methodology, problem and difficulties.

In the second chapter, In the second chapter, incorporated a brief about the organization, I write details about the organization history, mission, vision, brands and products, and campaign program.

The third chapter, a brief discussion about the overall real estate industry, challenges, Future, Economic contribution of the Real Estate Industry in Bangladesh. In Chapter four I tried to portray all the factors that affect purchasing decision of Real Estate Property.

The Fifth chapter is analysis, process, and interpretation part, Here I incorporate various data, Graphical image, the data I incorporate through this report gives a clear idea of how various factors affect the Real Estate Property purchasing decision.

Lastly, I concluded my whole report with a brief. I Shaw my recommendation for the company depending on my findings. Moreover, the reference I used are listed in the last part.

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Chapter One

Introduction

1.1 Introduction of the study:

This study is about an analysis of the factors affecting the purchasing decision of real estate property. Since the decision to purchase real estate is a complex purchasing decision. Complex purchasing decisions have to be faced especially when consumers buy an expensive product, that's why many factors affect the purchase decision of real estate property. Some of the factors that affect the decision to purchase real estate property are e.g. Price, Location, Local Amenities, Safety and Security, Quality of the product, Interest rates, Apartment Features and Benefits, Income level of customers, Transportation and Accessibility, and Return on investments. These factors do not affect all buyers in the same way because not all buyers have the same demand, these factors are important to different buyers in different ways. Some buyers prefer the value of the property, while others prefer location, local amenities, and the environment of the community. Although these factors affect different buyers differently, all of these factors affect any buyer in one way or another before a property purchase decision is made.

China Gardencity Developers Limited (CGDL) is a sister concern of the National Agricare Group. China Gardencity Developers Limited was started in 2010 as a joint venture between "National Agricare Group" and Chinese company "Yongsun Manufacturing Corporation Limited" to contribute to the Bangladeshi real estate sector. Mr. Bai Zheng Yong is Chairman and KSM Mostafizur Rahman is Managing Director and Founder of China Gardencity Developers Ltd (CGDL). China Gardencity Developers Limited is located at CGDL Sonargaon Tower (Ground Floor) 8, 9 & 10/3 Free School Street, Kathalbagan, Dhaka-1205. They became members of the Real Estate and Housing Association of Bangladesh (REHAB) in 2010. In the short run, they have done some great projects, some of which are CGDL Dhupchaya, CGDL One Tower, CGDL Godhuli, CGDL Swarnali, CGDL Daar-A-Aziz, and CGDL Sonargaon Tower. The motto of China Garden City Developers Limited is to show utmost honesty to the customers, fulfill their true desires through high technology and keep no promises unfulfilled.

1.2 Background of the study:

This report is based on an internship program. As a student in the Bachelor of Real Estate program at Daffodil International University, I was instructed to make an internship report based on my actual experience in the real estate industry. This three-month internship is designed for a student who teaches the real world of our real estate market and can learn the proper application of theoretical knowledge in professional life.

Realizing all the factors that affect the purchasing decision of real estate products, real estate companies will be able to construct and deliver products according to the needs of the buyer. If they can construct products according to the needs of the buyers, they will be able to sell their products very quickly, they will not have to wait too long. China Gardenity Developers Limited and other real estate companies should adjust the prices of their products according to the needs of their customers, which will increase the sales of their company and increase profits. Since location is a matter of consideration for both the customer and the company, the companies are required to do the projects in the location according to the needs of the target customer. Then their sales will increase automatically. Every real estate company needs to ensure safety and security, Quality of construction, and all the other factors for the convenience of their customers which is necessary. If China Garden can ensure their quality, they will be able to compete with other real estate companies in the market along with customer satisfaction.

1.3 Scope of the study:

This report can provide important information to China Gardenity Developers Limited (CGDL) and other real estate developer companies. This report will help to gain more insight into the factors that affect real estate purchasing decisions so they can understand the factors and work on them for their business development. This report is also important for the people who work in the real estate industry.

1.4 Objective of the study:

- I.** To know different factors of purchasing decisions of real estate property.
- II.** To evaluate the factors that affect purchasing decisions of real estate property.
- III.** To identify the problems related to the identification of the factors before factor identification of purchasing decisions.
- IV.** To prescribe some solution.

1.5 Methodology:

This study is mostly on the basis of primary data. But some secondary sources of data were also used in conducting the study. A structured questionnaire was distributed online by using the Google form to the prospective respondents. A number of 58 respondents filled-up the form. The data were analyzing by Microsoft Excel technique. Different tables and charts were used to display the result of the study.

1.6 Limitations:

The limitations in this report are:

- The survey was conducted online due to the pandemic.
- The respondents were very reluctant to participate in the survey.
- Due to the pandemic, the first two month of the internship period was done from home.
- I am not experienced enough to complete the study because I am a person of new hand on such study.

Chapter Two

Company Overview

2.1 Origin of the Company:

China Gardencity Developers Ltd. is a sister concern of National Agricare Group. China Garden City Developers Limited is a listed member of the Real Estate and Housing Association of Bangladesh (REHAB).

China Gardencity Developers Limited was established in late 2008 by KSM Mostafizur Rahman. As a joint venture between "National Agricare Group" and Chinese company "Yongsun Manufacturing Corporation Limited" to contribute to the Bangladeshi real estate sector. The Chairman of China Gardencity Developers Ltd. is Mr. Bai Zheng Yong and the Managing Director is KSM Mostafizur Rahman.

2.2 Vision & Mission of China Gardencity Developers Ltd.

Vision of CGDL:

To be a dynamic, technologically advanced, and knowledge-based first-in-class organization through unique and innovative solutions.

Mission of CGDL:

To provide the most professional, informative, loyal, and dedicated service in the industry. The best interests of the clients always come first and keep the concerns of the clients ahead of themselves in every transaction, because they are dedicated to the development of long-term client relationships! The team-approach philosophy ensures that the needs of the buyers are important to each member of the organization.

2.3 Objectives of China Gardencity Developers Ltd.

- To provide quality products and quality services.
- To continue to focus on building relationships of trust with buyers.
- Achieving consumer satisfaction.
- Competitive advantage over competitors.
- Maintaining the quality of products.
- Creating a clear position in the market.
- Creating a strong asset list.
- Develop all-inclusive services.
- Grow and groom database.

2.4 Core Values

China Garden City Developers Ltd. are always focusing on a set of core values

Integrity:

- ⇒ CGDL keep their promise
- ⇒ CGDL builds customer relationships based on integrity and respect.

Highest quality:

- ⇒ CGDL ensure the highest quality of the product
- ⇒ Keeping clients satisfied is the fundamental reason for the existence

Efficiency:

- ⇒ Professional and adaptable to the varied needs of clients
- ⇒ Leverage on collective strength to provide exceptional services

Safety and health:

- ⇒ High safety goals, such as not wasting work time.
- ⇒ Family involvement through a focus on safety and health outside of work.

Respect for people:

- ⇒ All employees and customers are treated with dignity.
- ⇒ Honest and direct communication and feedback.

2.5 The Board of Directors :

 <p>Bai Zheng Yong (Chairman)</p>	 <p>KSM. Mostafizur Rahman (Managing Director)</p>	 <p>Yang Feng (Director)</p>
 <p>Mst. Nazmun Naher (Director Finance)</p>	 <p>Arch. Md. Sazzad Hossein (Director Operation)</p>	 <p>Md. Sirajul Islam (Director Land)</p>
 <p>Mr. Saleh Ahmed (Chief Engineer)</p>	 <p>Md. Abul Kalam Mian (Manager Admin)</p>	 <p>SKM. Bodruddoza (Project Director)</p>

2.6 Products and Services

2.6.1 Apartment project:

Project Name: CGDL SONARGOAN TOWER.

No. of Storied: 14 Storied Residential Building

Location: Kathalbagan, Dhaka - 1205



Project Name: CGDL DAAR-A-AZIZ.

No. of Storied: 10 Storied Residential Building

Location: Labagh, Dhaka.

Project Name: CGDL SWARNALI

No. of Storied: 10 Storied Residential Building

Location: Mohammadpur, Dhaka.



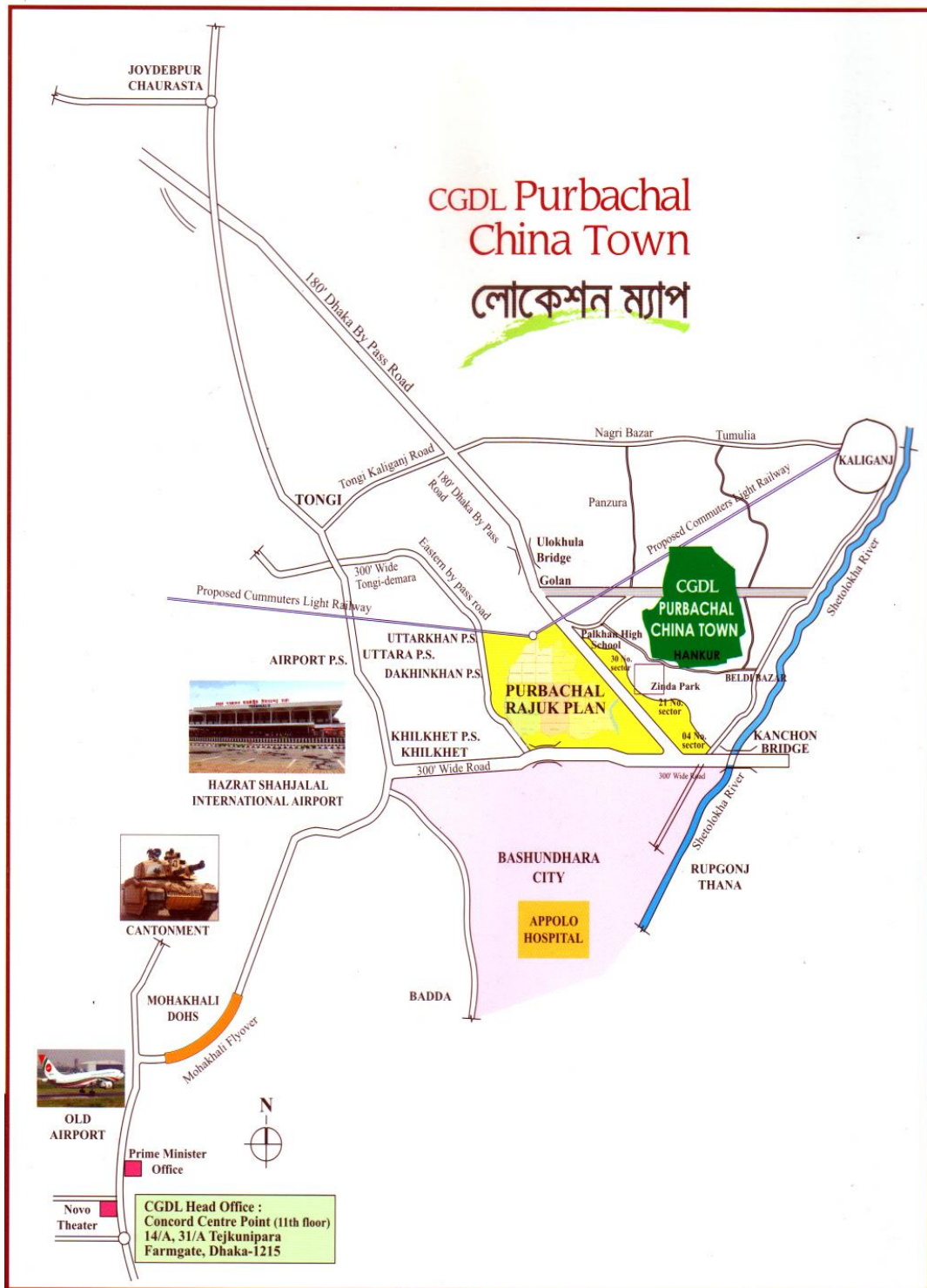


Project Name: CGDL GODHULI
No. of Storied: 9 Storied Residential Building
Location: Shyamoli, Dhaka.

Project Name: CGDL DHUPCHAYA
No. of Storied: 8 Storied Residential Building
Location: Kollyanpur, Dhaka.



2.6.2 Land project: CGDL Purbachal China Town is located at purbachal sector-30, beside Zinda Park. Available plot size 3, 5,7,10 Katha.



2.7 Corporate Social Responsibility (CSR)

Since its inception, the National Agricare Group and its affiliates have taken socially responsible initiatives for the welfare of the society through the Sayed Momena Montaz Foundation, such as school stipends, university scholarships, local sports and healthcare. The National Agriculture Care Group has been providing stipends to needy meritorious school-going students to continue their studies. In addition to the above, the company has introduced PhD scholarships for meritorious students to continue their research on agriculture so that the research results can contribute to the food security and health of the agricultural community. In addition, the National Agricare Group is associated with social media clubs who are actively involved in hunger and relief activities when needed.

Chapter-3

Overview of Real Estate Industry in Bangladesh

3.1 The Emergence of Real Estate Development in Bangladesh:

Real Estate Development is a land and construction-related business activity that provides value-added services through the development of residential, commercial, institutional, industrial, and integrated projects and related infrastructure. The concept of real estate in Bangladesh originated in the late 1970s and early 1980s.

Over time, real estate became a topic of deep interest to the general public, businesses, and other stakeholders. The public sector has consistently been unable to meet the country's housing demand, and the major cities, especially Dhaka, have the highest demand-supply disparity. Realizing the situation, some local construction companies took the initiative to provide private housing and this created a win-win situation for all three parties such as landowners, developers, and apartment buyers. There were five developers in the early 1980s. In 1988 the number was raised to 42. The demand for apartment housing remains high, and more developers have come into the business. The real estate and housing sectors are the main drivers of the economic development and industrialization of any nation. Real estate has emerged as an important sector of our economy in Bangladesh.

3.2 Formation of Real Estate and Housing Association of Bangladesh (REHAB):

With the growing number of companies, various problems related to the housing sector arose which required an initial solution. At this stage, a trade association is formed to protect the overall interests of the real estate developers in this sector. The Real Estate and Housing Association of Bangladesh (REHAB) was formed in 1991 with only 11 members to strengthen the role of the real estate sector.

REHAB is the only commercial organization of real estate developers with a current membership of 1151 developers. All major institutional developers are members of REHAB. Member of "A Class" of REHAB Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). In recent years REHAB has played a very important and significant role in nation-building through the development of real estate by its members. REHAB members contribute a huge amount of revenue to the government treasury in terms of registration costs, income tax, and utility service charges.

3.3 Challenges of Real Estate Industry in Bangladesh:

Poor productivity of developers: Inadequately qualified construction managers and skilled craftsmen cannot deliver projects on time. Which creates inconsistencies in the market.

High cost of construction materials: The availability of construction materials and their prices greatly affect the real estate market. When building materials are not readily available, developers' home construction and supply are reduced. In Bangladesh, the high cost of construction materials is the second biggest hurdle in building houses.

Land prices are high: Scarcity of land and high prices are major obstacles to proper housing growth and urbanization in Bangladesh. Most housing and infrastructure programs face problems due to the scarcity of land serviced in the right amount and in the right place.

Inadequate Capacity of Utility Services: Inadequate capacity of utility lines and inadequacy of sewerage lines are obstacles for real estate development. Utility providers should properly address the demand. The government should provide adequate support to this sector.

Lacking in Housing and Construction Acts: The unplanned development of multi-storied buildings has turned Dhaka into a city where houses have sprung up everywhere like mushrooms. In Bangladesh, almost no one follows the construction rules laid down by the Urban Development Authority. In Chittagong, multi-storied buildings are constructed by cutting down hills and clearing vast forests, which puts the residents at an unexpected risk.

Financing Problem: The growth of the real estate sector is not possible without proper funding for both the developer and the buyer. Funding costs and loan costs are the main issues in this case. Currently, the contribution of financing agencies in this sector as a whole is insufficient and it has stunted its growth. Since developers borrow money for a very short period of time, interest rates are not a problem for them. Their problem is primarily credited with access and delays in decision-making. Developers do not follow the procedure of borrowing money from financial institutions properly. The process involves three parties - the developer, the landowner from whom the land was leased, and the person who bought the apartment. Thus, the legal aspects of borrowing become understandable. A simplified legal system should be established and made mandatory for all conditions

3.4 Future of Real Estate Industry in Bangladesh:

The real sector is the growth center of the development of an economy. As one of the most densely populated countries in the world, Bangladesh is in dire need of a housing crisis for its citizens. Although the lion's share of the population is divided into middle and low-income groups, housing for all in Bangladesh is a delusion. Private sector housing real estate developers have contributed a small proportion to the gap between national housing demand and supply over the past twenty years. Despite inadequate policy preparation, these real estate developers are doing business successfully even though middle and low-income families are still unused. With a larger proportion of people living in this income group, the private housing real estate sector has huge potential for growth in this country.

The people of Bangladesh are mostly city-centric, especially towards Dhaka. The population of Dhaka will be around 21 million in 2020, assuming that by 2030 it will see 27.3 million inhabitants. The rapidly growing population has already put tremendous pressure on the city, which needs adequate infrastructure.

Consumers of real estate in Bangladesh are very interested in the market, as the government has set a fixed rate of 9.0 percent for housing loans in banks. The government was also looking at steps to help the economy recover. As part of the effort, the national budget allows reinvestment of unknown funds in the real estate and financial markets. Taking advantage of the measure, many new investors enter the market, resulting in an unexpected increase in epidemic years. About Tk 60.0 billion was invested towards the end of December 2020 and most of the investment went to the property sector. The government has earned about Tk 8.80 billion in taxes. Last year, the government also halved the land transfer tax, reducing the deed value from 2.0 percent to 1.0 percent. The stamp duty fee has been reduced from 3.0 percent to 1.50 percent.

All these steps will bring some positive changes in the real estate market and many developers and investors will be interested in the real estate business in the future.

3.5 Major Real Estate Company in Bangladesh:

- Sheltech (Pvt.) Limited
- building technology and ideas ltd. (bit)
- Eastern Housing Limited
- property
- Rupayan Group
- Assure Group
- Asset Developments
- Navana Real Estate Ltd.
- Concord Group
- The Structural Engineers Limited (SEL)
- Rangs Properties Limited
- Amin Mohammad Group
- Aakash Developments Ltd
- Bay developments
- Anwar Landmark Ltd.
- ABC Real Estate Limited
- Assurance Developments
- Tropical Homes Limited
- Suvastu Properties Ltd.
- China Gardencity Developers Ltd.

3.6 Economical contribution of the Real Estate Industry in Bangladesh:

Real estate has emerged as an important sector of Bangladesh's economy. This has a huge multiplier effect on economic activity and is, therefore, a major driver of economic growth. It is one of the largest employment generating sectors after agriculture and garments. It not only creates direct and indirect employment opportunities, but also stimulates the demand in the ancillary industries, for example, steel, cement, tiles, sanitary ware, cable, electrical appliances, paints, glass and aluminum, bricks, construction materials, and consumer goods. About 456 sectors are closely involved in this industry.

However, the real estate industry is having a positive impact on the economy of Bangladesh and is managing to maintain good sectorial GDP growth of around 4% since FY 2013 (Bangladesh Bureau of Statistics).

The real estate sector has played an important role in the economy of Bangladesh in the last 40 years. During this time, we have seen strong urbanization and an increase in our population. As a result, our country had to provide them with additional housing solutions. According to REHAB, in 2014, the sector contributed 12% of GDP to 7.04% of the previous year. In addition, Rehab data also shows that in 2016, the number of unsold flats dropped from 35,000 to about 27,100. This indicates that during that period, human demand was high and purchasing power increased. This ultimately leads to buying a flat. As people reinvest money taken from the market, it strengthens the economy and increases the contribution of this sector to the GDP of our country.

Chapter-4

Theoretical Framework

4.1 Factors that affect the Purchasing Decision of Real Estate Property

Price:

Price is the fundamental value in the decision-making of property purchasers especially in a price-sensitive market like Bangladesh. There is no particular parameter for property pricing in Bangladesh, but there are several different factors to determine the price of apartments. Location, Property type, Supply and demand, Market interest rate, Economic development, Commuter and Transport links, Apartment features, and benefits -these are the top factors that affect the price of the property. After considering all the requirements and benefits of an apartment, if the price is within the customer's range, they will probably buy it.

One of the basic factors affecting property prices is the current demand and supply. When the supply is enough and the demand is low the pricing drops. Increasing demand when supply is limited and the demand is high the price escalates, eliminating some possible buyers and reducing demand, just like teeter-totter finding a balance between Supply and Demand. It can be challenging in practice when there is a high demand for property in certain locations developers and builders target the area for new homes. If the homes are built quickly the balance can tip because now there are many homes available and the demand is satisfied and drops and the price goes down. There are hard and soft costs in real estate that can push the price up. Hard costs are the actual physical costs such as excavating the land, grinding the property, the cost of materials, utilities, paving, and landscaping. Soft costs include engineering architectural design, project management, and permit insurance and taxes; these costs can increase the price. Since the developers pass them on to the end buyer.

Location:

Location is the most important factor when buying any kind of real estate property. Location means that where a property is located directly affects how desirable it is. Appraisers consider a land or property's location when they determine property values. They compare the properties and land to similar properties within the same geographical area considering the accessibility, appearance, and amenities of a neighborhood as well as development plans. Scenic views, and some other factors can raise the value of a location. Property near the ocean, road, rivers, lakes, or parks tends to have higher property values due to the great views and outdoor recreation opportunities. Commercial property close to residential property can reduce real estate values. Part of the reason is that homeowners can't control the noise, traffic, and other activities that come with commercial developments. Homes close to railroad tracks, overpasses, airports, and busy intersections may have higher noise, which can also reduce property values. Areas where crime rates are so high, areas of natural disaster that could create hazardous situations, and nearby commercial or industrial properties can drive values down. The location creates attractiveness, attractiveness creates demand, and demand raises real estate prices.

Local Amenities:

Local amenities have a direct impact on real estate property purchasing decisions. In property and land use planning, amenity is something considered to benefit a location, contribute to its enjoyment, and thereby increase its value. Grocery stores, restaurants, shopping, entertainment, School/college, Bank, Hospital, Green spaces, Mosques, are some of the top amenities people are looking for when buying a property. Buyers want these amenities within a 5-20-minute drive. If the location of the property you're buying is within a few miles of most of these amenities it will help raise your property value. Parents who have school-going kids, the quality of local schools, distance from the home, and possible bus pickup are important factors to consider. Even among those who don't have children, many potential buyers look for good schools to resell their homes. The present amenities not just matter, but future ones as well. Planning for new educational institutions, hospitals, public transportation (such as metro rail, flyover, expressway), and other civic infrastructure can dramatically improve property values in the area.

Safety and Security:

Living in a housing society brings various concerns to mind. When someone invests in an apartment, one of the most high-priority concerns is safety and security. First, one thing to be sure of is whether the infrastructure developers have used top-quality raw materials in the construction so that the structures remain strong enough. This ensures the durability of the building which is very important for its residents at times of natural calamities and makes sure that the building is earthquake resistant and can withstand an earthquake. It is very important for a society to have life safety devices in places such as fire extinguishers that play a vital role in keeping safe. Fire extinguishers should also be installed on all floors of the building so that the residents are well prepared in case of fire. Some other issues are vital for the safety and security of the building such as emergency escape route, Video Surveillance System (CCTV), Lighting Control System, Intruder alarm/ Burglar System. Nowadays, criminal cases have increased and made people more aware of the security for safe living. The people trust that if the area has good security and safety, it would be safe for living and it might be one of the factors that influence the buyer.

Quality of the product:

Two things are noticeable in this factory, the first one is the reputation of the developer and the second one is how much they follow the rules and regulations of building construction. The reputation of the developer can demonstrate the quality of the home and that can be one of the reasons for building buyer confidence. That confidence will help them decide to buy property from them. If the developers follow and maintain all the guidelines from the RAJUK and the other related authorities. Potential buyers will think well about them and they will be interested in buying property from them.

Family structure:

No one wants to be alone without his family, without any special reason. Of course, before buying a house, everyone decides to buy a house with his family in mind. That's why the structure of the family is one of the important factors affecting residential property buying decisions. Family size is an important consideration for home selection. An extended family requires about 1600 square feet to 3000+ square feet house. While a nuclear family can without much of a stretch manage with a 2 BHK condo or a smaller house. Additionally, an extended family will prefer a location that caters to the needs of both the elderly and the younger members. Hence, schools, places of worship, child-friendly projects as well as proximity to entertainment options will be the key prerequisites for selecting a house.

Interest rates:

Interest rates play a major role in property purchasing decisions. The majority of home buyers borrowed a hefty sum of money from financial institutions. The market interest rate is the key that indicates how much money people would borrow from financial institutions. When interest rates are low, it usually cheers up potential home buyers to enter the market. Since obtaining home loan facilities is more affordable, those who are hesitant about buying property are more likely to take out a home loan and buy real estate. As a part of the government's initiative to bring down the interest rate of loans to a single digit, the central bank issued a formal notice instructing all the banks to fix a maximum 9.0% interest rate. Which is effective from the 1st of April 2020. So home loan interest rates are not very important at present.

Apartment Features and Benefits:

When someone thinks of buying a house, they must expect some unique features and benefits from that house. Some common feature buyer expects such as unique floor layout, large windows with natural light, high-end kitchen and bath fittings, and emergency facilities. There are a few more community benefits that buyers are looking for such as rooftop lounge areas, secured garage, electric vehicle charging station, guest parking, playground, and common areas. To some customers, the kitchen size and layout are important because the kitchen truly seems to be the heart of the home. Different types of features and benefits are important to different customers.

Transportation and Accessibility:

Transportation and Accessibility are also among the significant factors affecting property purchasing. Accessibility is the measure of the capacity of a location to be reached from, or to be reached by, different locations. High accessibility means a place from which many destinations can be easily reached, or the destination can be reached comfortably. Low accessibility means that it is difficult and expensive to reach the destination from any place even after a certain amount of time, effort, and expense. No one would want to buy a house in Dhanmondi or Mohammadpur if he works in Tongi as the journey is very difficult and arduous. Everyone wishes for a hassle-free commute to their home. So they must want to buy a house in Uttara or the surrounding area as traveling from Uttara to Tongi is easy and hassle-free. According to a World Bank report, in the last 10 years, the average traffic speed in Dhaka has dropped from 21 kilometers per hour to 7 kilometers, and by 2035, the speed might drop to 4kmph, which is slower than the walking speed. Since traffic jams are one of the major problems in Dhaka and people want to avoid it. That's why the most important thing buyers consider before buying a property is good transportation and the surrounding roads.

Return on investments:

The whole process of buying a home carries different meanings for different people. For some it is an emotional process, for others it is an investment for a secure future. When a decision is made for the purpose of investing entirely in a real estate property, the return on investment takes precedence. Areas and brands that bring high sales or rental prices influence buyers. If the desired property is in a planned area or an area where infrastructural development can be predicted, buyers expect a high return on investment. A house is not only a calculative investment but also an emotional home. It's a place where one finds consolation, it's a place where lifelong memories are created.

Income level of customer:

The consumer's economic situation has a great influence on his buying behavior. If the income of a customer is high, then he will purchase expensive property with an attractive location. On the other hand, a person with low income and savings thinks a lot and will buy property at an affordable price. The issues that middle-income level customers prioritize are the developer's reputation, value, availability of financing facilities, location, and quality. On the other hand, the top middle-income level customers prioritize location, value, availability of financing facilities, developer reputation, quality, living environment, and safety. The upper-class considered project facility and location as the most important factors. They also identified the internal living environment, safety and security, and quality of construction materials as important factors for buying an apartment.

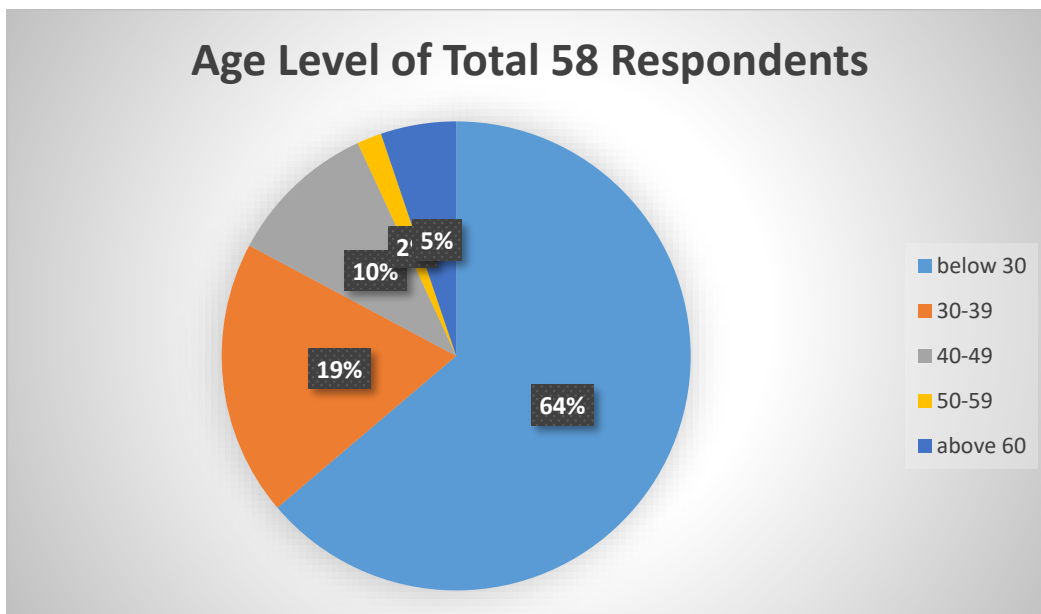
Chapter-5

Discussion and Analysis

This report is based on primary data. A structured questionnaire was distributed online to potential respondents using Google Forms. 58 respondents are filling the form. The data were analyzed by Microsoft Excel Technique.

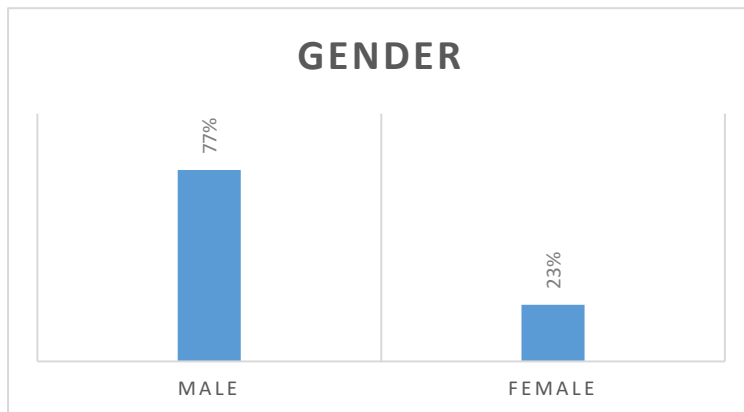
5.1 Demographic Information about the Respondents:

5.1.1 Age Level of the Respondents:



The table above shows that 64% of respondents are below 30 years of age, 19% of respondents are 30-39 years of age, 10% of respondents are 40-49 years of age, 2% of respondents are 50-59 years of age, and 5% of respondents are over 60 years.

5.1.2 Gender of the Respondents:



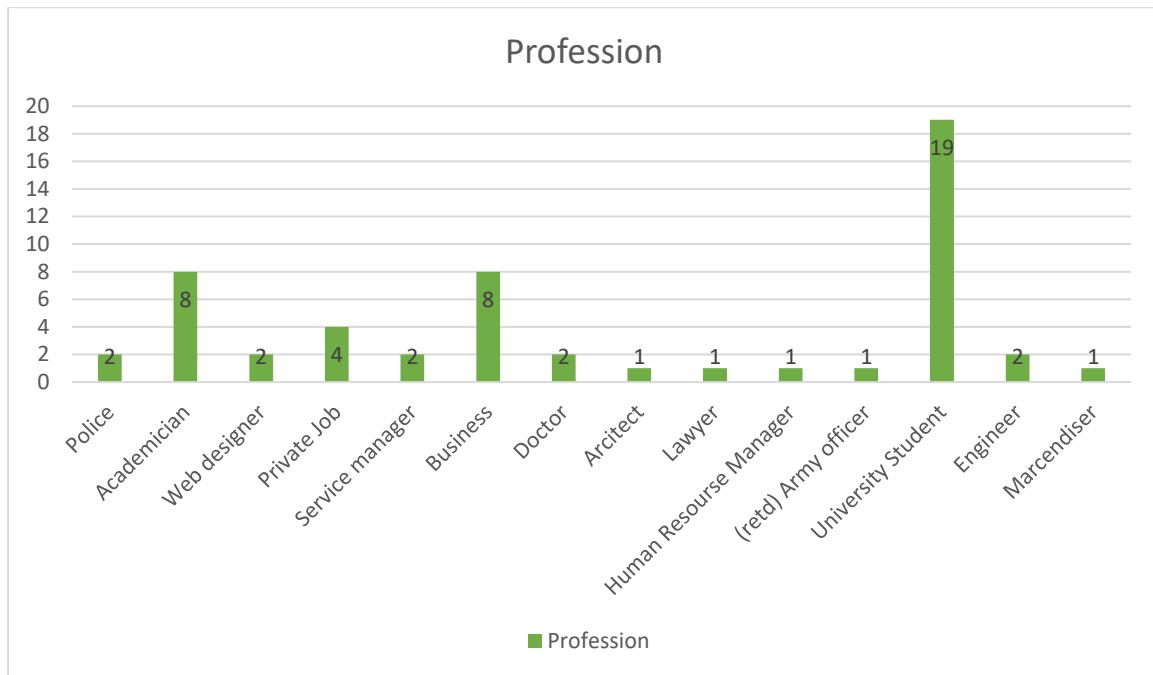
It is seen from the above table that 77% of the respondents are Male on the other hand 23% respondents are Female.

5.1.3 Income Level of the Respondents:

Income level (monthly income in thousand)	Percentage of Total Respondents
Below 60	65.5%
60-79	20%
80-99	5.5%
100-119	3.5%
Above 120	5.5%

The table above shows the level of income of the respondents (monthly income in thousands): 85.5% of the respondents monthly income is less than 80 thousand, 20% of the respondents monthly income is 60-69 thousand, 5.5% of the respondents monthly income is 80-99 thousand, 3.5% Respondent's monthly income is 100-119 thousand, and 5.5% respondent's monthly income is more than 120 thousand.

5.1.4 Profession of the Respondents:

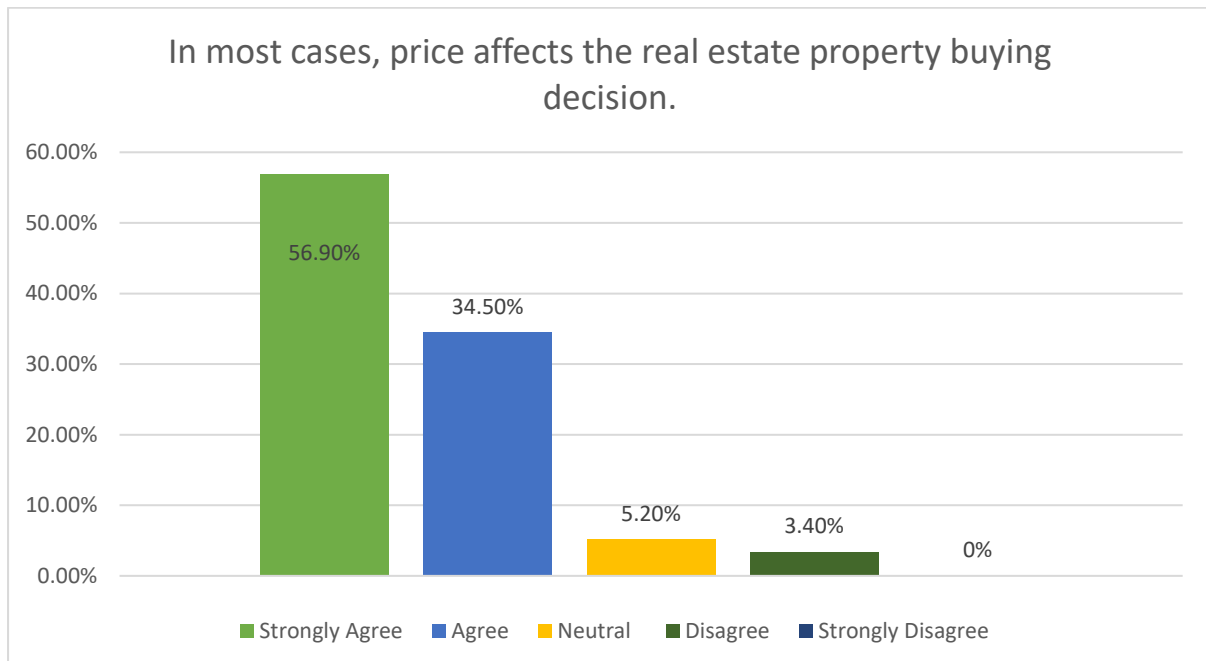


The survey collected data from people of different professions such as police, academics, web designers, private jobs, doctors, service managers, businesses, architects, lawyers, human resource managers, (retd.) Army officers, university students, engineers, merchandisers.

5.2 Question Analysis

5.2.1 In most cases, price affects the real estate property buying decision.

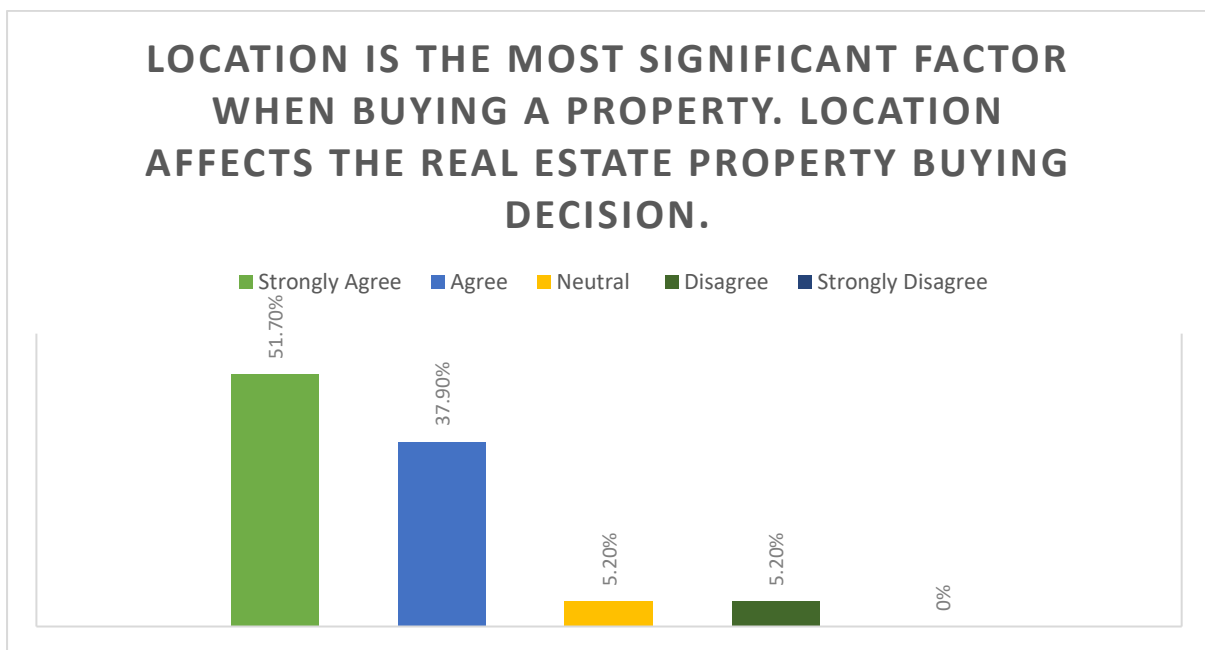
No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	In most cases, price affects the real estate property buying decision.	56.9%	34.5%	5.2%	3.4%	0%



It is seen from the above table that 56.9% of respondents strongly agree with the statement in most cases, price affects the real estate property buying decision. At the same time, 34.5% of respondents agree with the statement, on the other hand very small percentage of respondents disagree with the statement which is 3.4%, and 5.2% of respondents' opinions were neutral.

5.2.2 Location is the most significant factor when buying a property. Location affects the real estate property buying decision.

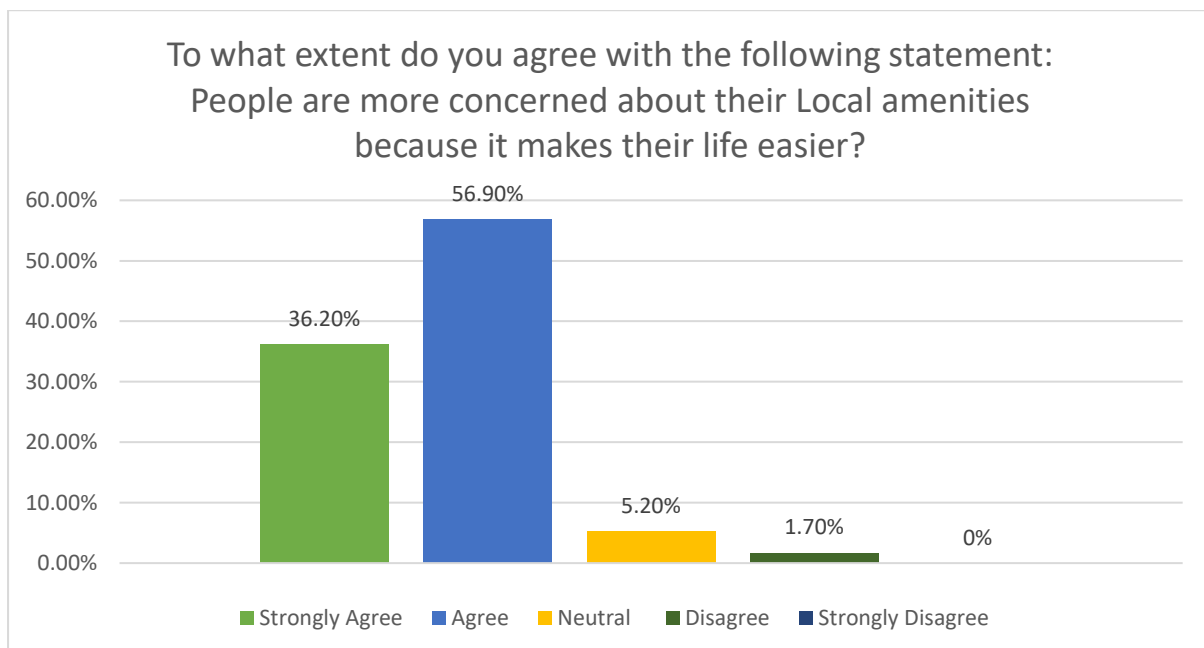
No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	Location is the most significant factor when buying a property. Location affects the real estate property buying decision.	51.7%	37.9%	5.2%	5.2%	0%



It shows that 51.70% of respondents strongly agree with the statement location is the most significant factor when buying a property. Location affects the real estate property buying decision. At the same time, 37.90% of respondents agree and 5.20% respondents neutral and disagree.

5.2.3 To what extent do you agree with the following statement: People are more concerned about their Local amenities because it makes their life easier?

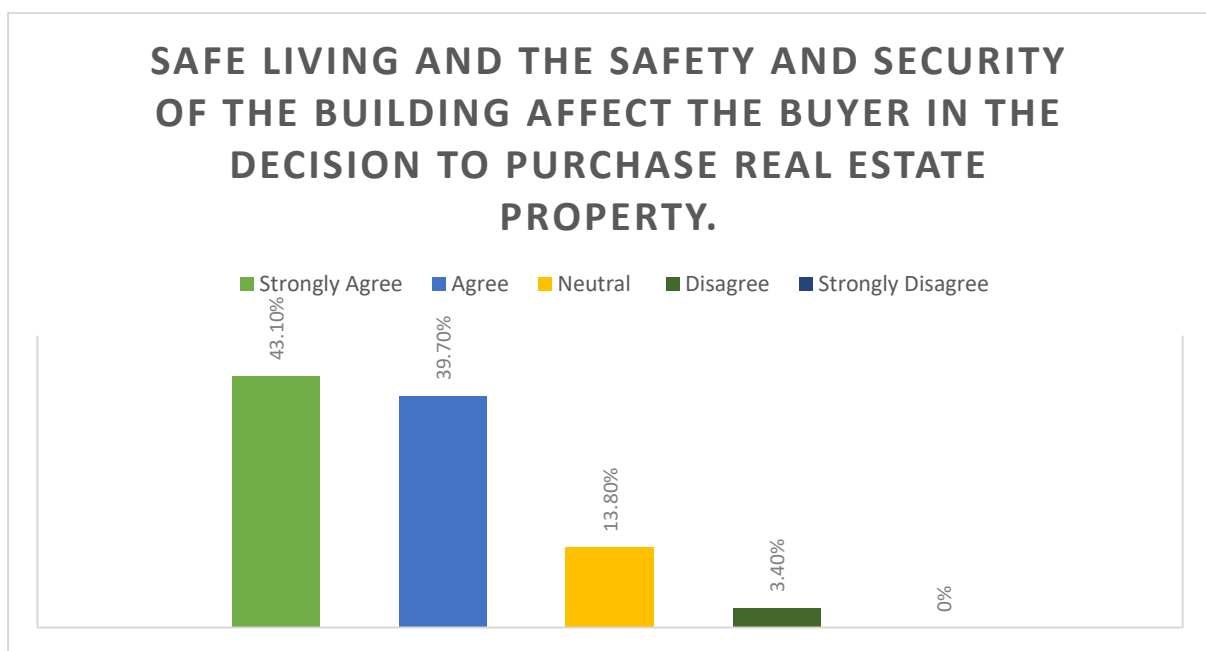
No	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	To what extent do you agree with the following statement: People are more concerned about their Local amenities because it makes their life easier?	36.2%	56.9%	5.2%	1.7%	0%



The statement “People are more concerned about their Local amenities because it makes their life easier?” 36.20% people are strongly agree, 56.90% people are agree, 5.20% people are neutral and 1.70% people are disagree.

5.2.4 Safe living and the safety and security of the building affect the buyer in the decision to purchase real estate property.

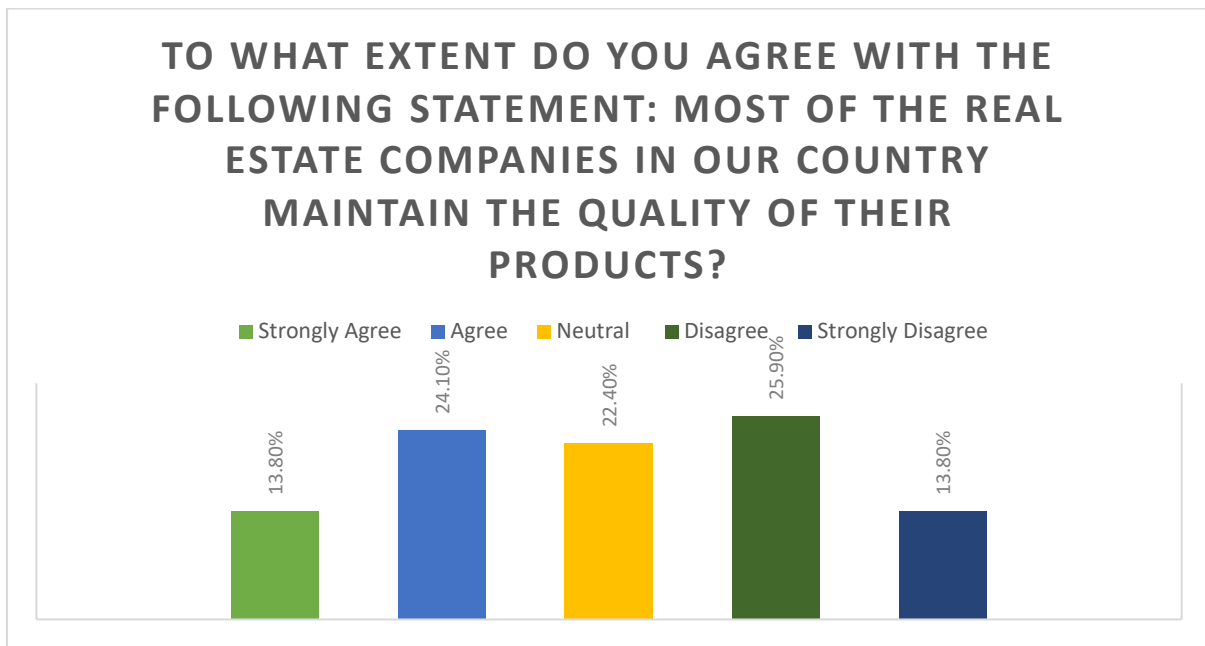
No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	Safe living and the safety and security of the building affect the buyer in the decision to purchase real estate property.	43.1%	39.7%	13.8%	3.4%	0%



It shows 43.10% are strongly agree, and it is constantly decreasing 39.70% are agree, 13.80% are neutral, 3.40% are disagree for the statement of “Safe living and the safety and security of the building affect the buyer in the decision to purchase real estate property.”

5.2.5 To what extent do you agree with the following statement: Most of the real estate companies in our country maintain the quality of their products?

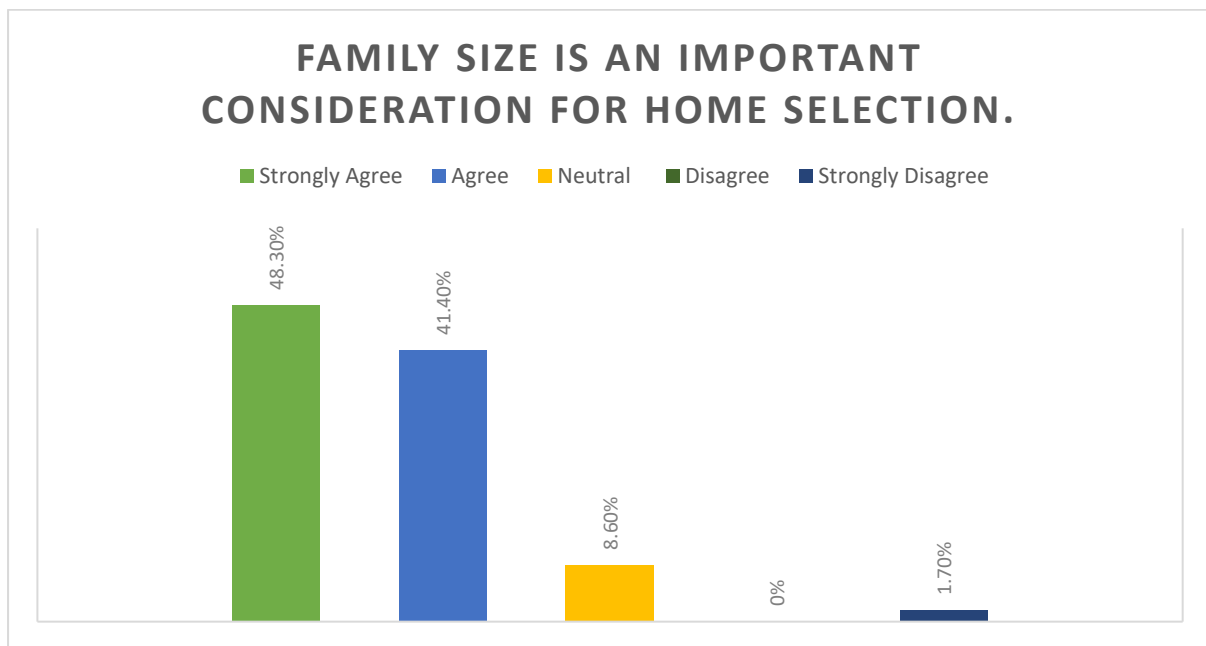
No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	To what extent do you agree with the following statement: Most of the real estate companies in our country maintain the quality of their products?	13.8%	24.1%	22.4%	25.9%	13.8%



For the statement of “Most of the real estate companies in our country maintain the quality of their products?” 13.80% people are strongly agree, 24.10% people are agree, 22.40% people are neutral, 25.90% people are disagree, and 13.80% people are strongly disagree.

5.2.6 Family size is an important consideration for home selection.

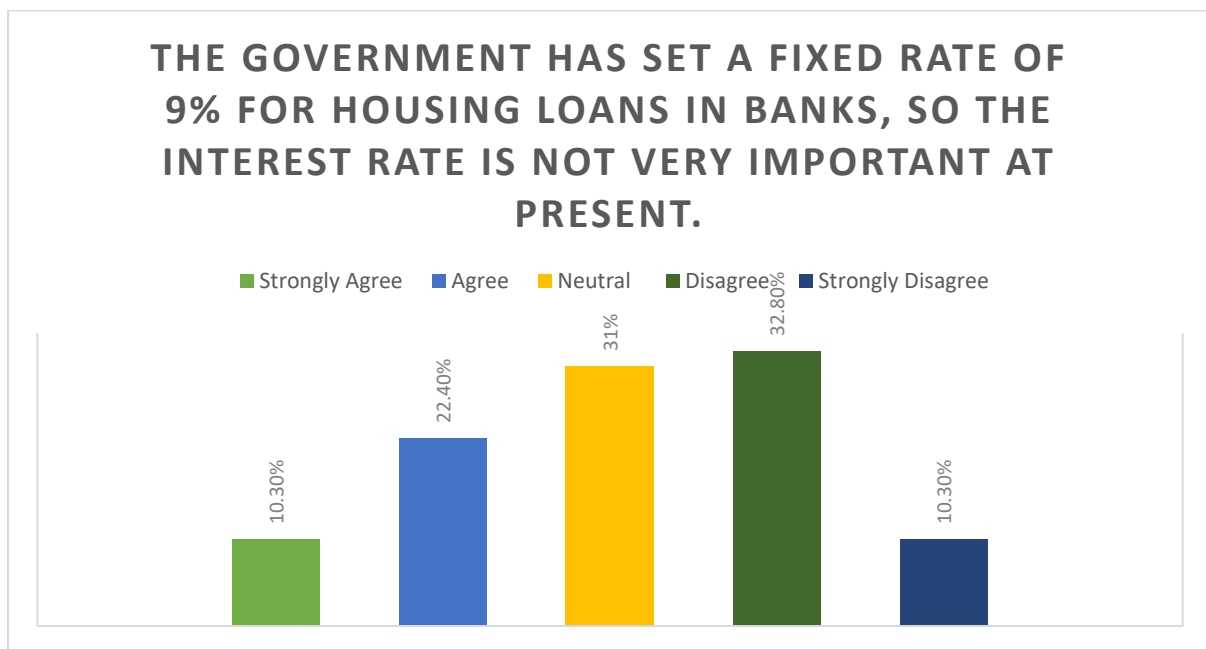
No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Family size is an important consideration for home selection.	48.3%	41.4%	8.6%	0%	1.7%



The graph shows 48.30% people are strongly agree for the statement of “Family size is an important consideration for home selection”. And also 41.40% people are agree, 8.60% people are neutral, 1.70% people are strongly disagree for the same statement.

5.2.7 The government has set a fixed rate of 9% for housing loans in banks, so the interest rate is not very important at present.

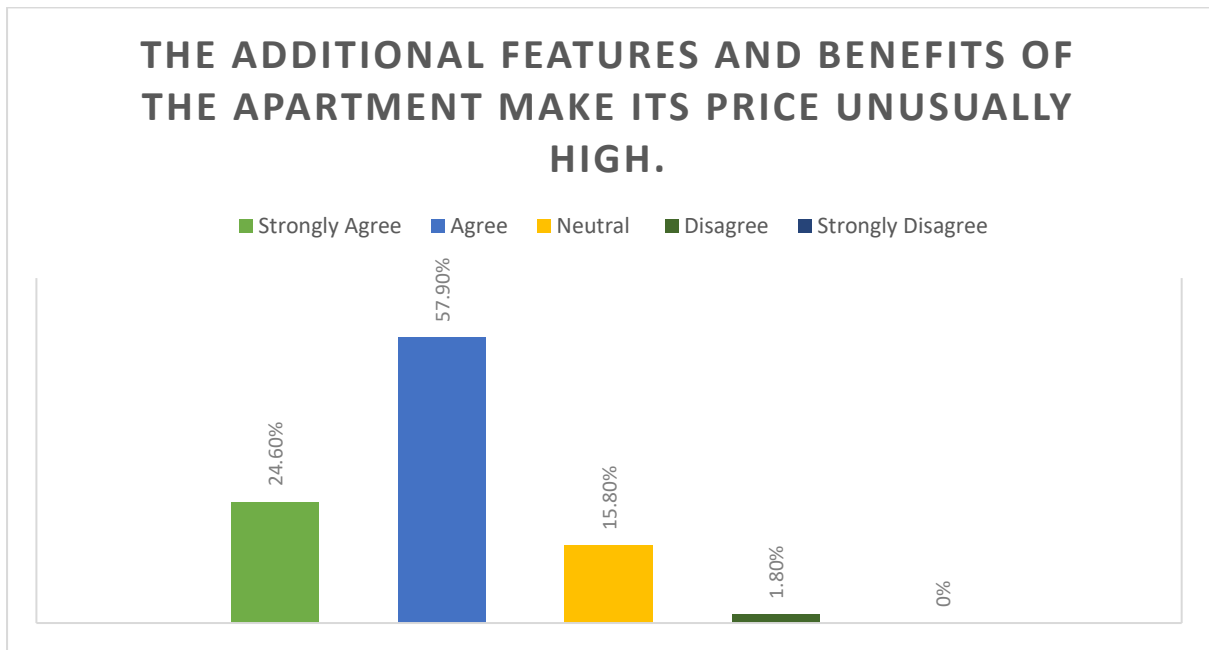
No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The government has set a fixed rate of 9% for housing loans in banks, so the interest rate is not very important at present.	10.3%	22.4%	31%	32.8%	10.3%



Here we can see 10.30% people are strongly agree, 22.40% people are agree, 31.00% people are neutral, 32.80% people are disagree and 10.30% people are strongly disagree for the statement of “The government has set a fixed rate of 9% for housing loans in banks, so the interest rate is not very important at present”.

5.2.8 The additional features and benefits of the apartment make its price unusually high.

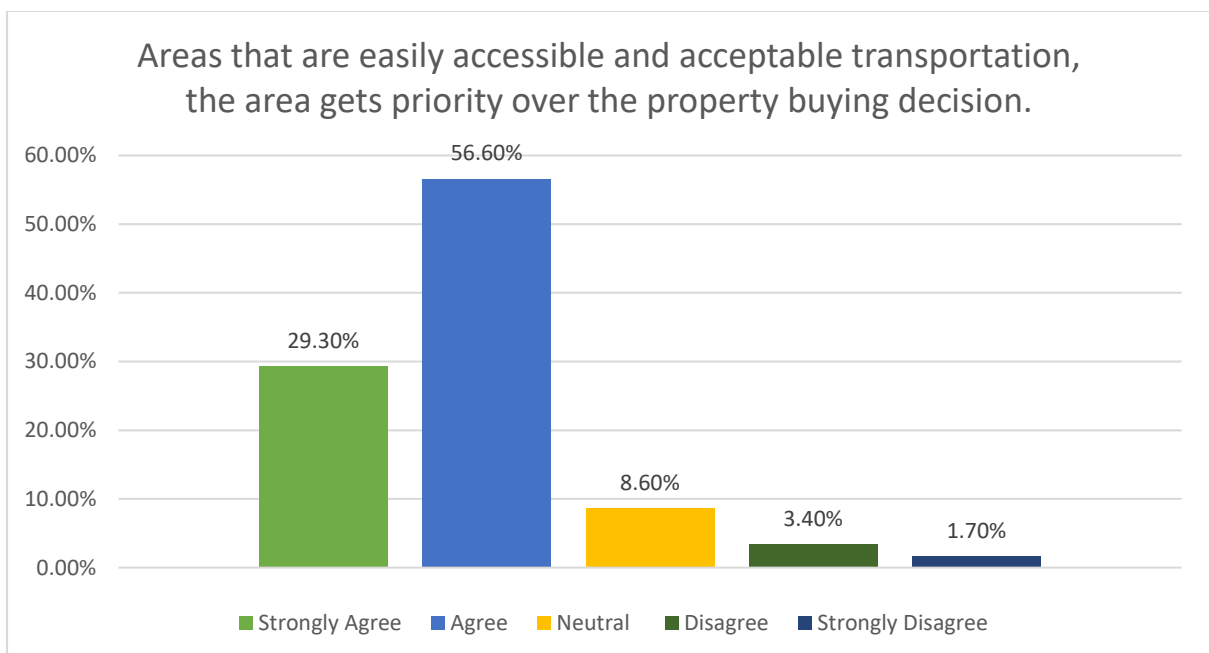
No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The additional features and benefits of the apartment make its price unusually high.	24.6%	57.9%	15.8%	1.8%	0%



The statement we can see “The additional features and benefits of the apartment make its price unusually high”. And this statement strongly agrees 24.60%, agrees 57.90%, neutral 15.80%, and 1.80% people are disagree.

5.2.9 Areas that are easily accessible and acceptable transportation, the area gets priority over the property buying decision.

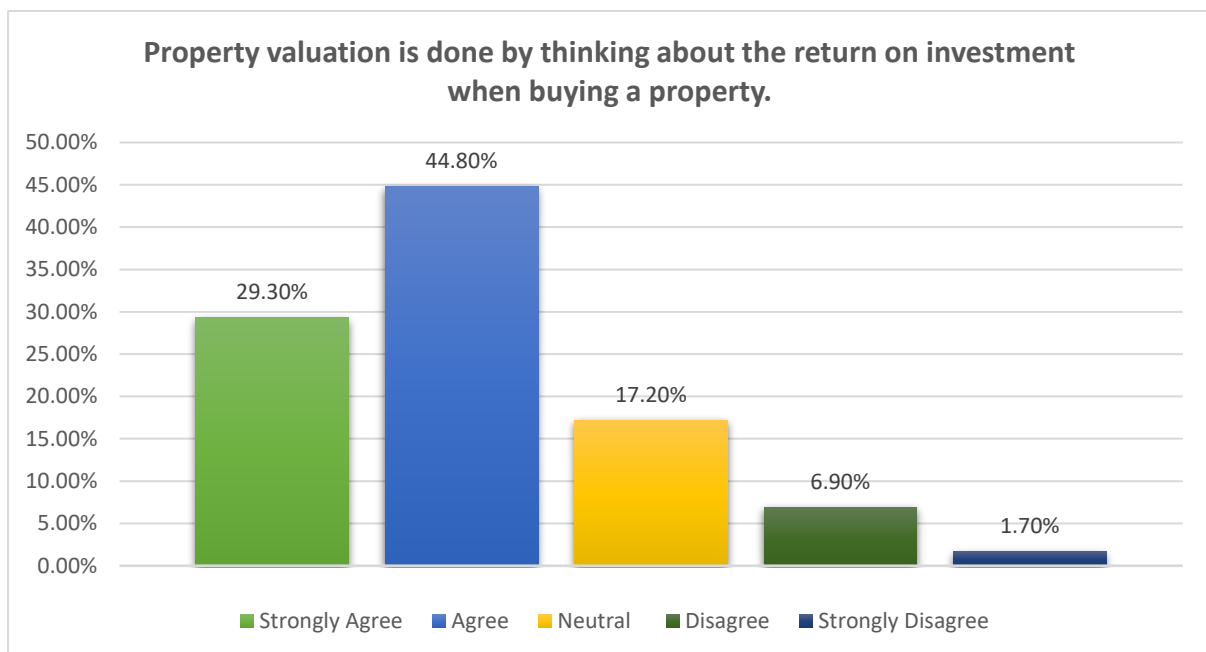
No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Areas that are easily accessible and acceptable transportation, the area gets priority over the property buying decision.	29.3%	56.6%	8.6%	3.4%	1.7%



This statement “Areas that are easily accessible and acceptable transportation, the area gets priority over the property buying decision” strongly agree 29.30%, agree 56.60%, neutral 8.60%, disagree 3.40%, and strongly disagree 1.70% people.

5.2.10 Property valuation is done by thinking about the return on investment when buying a property.

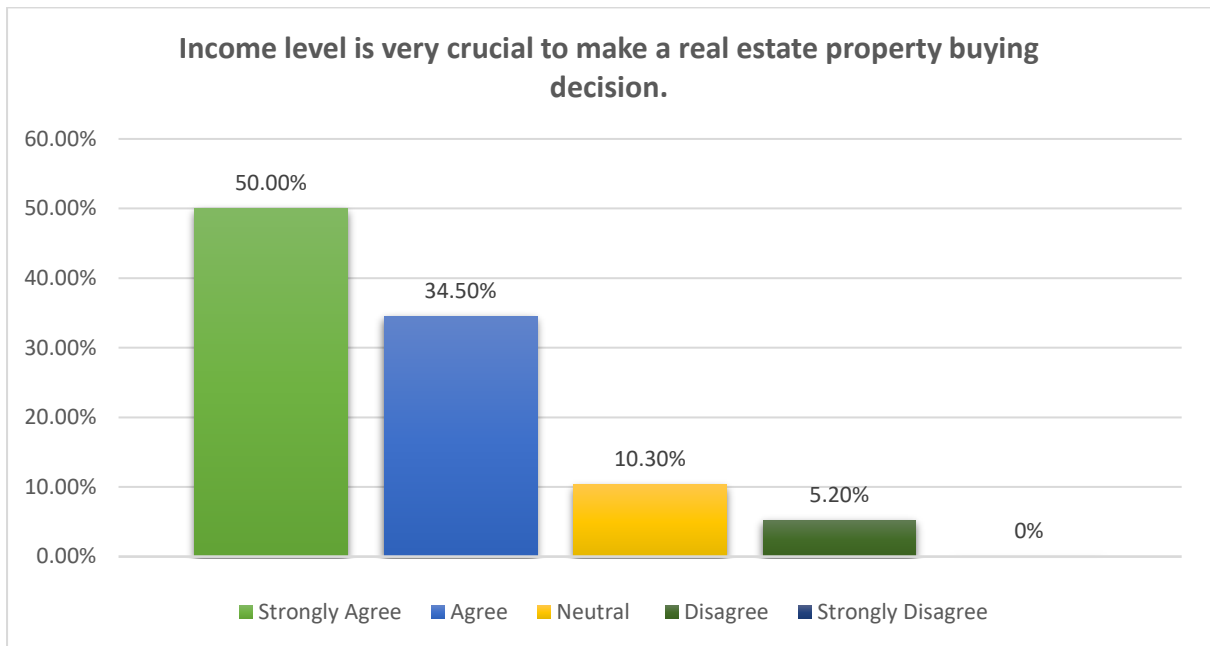
No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Property valuation is done by thinking about the return on investment when buying a property.	29.3%	44.8%	17.2%	6.9%	1.7%



It shows that 29.30% of respondents strongly agree with the statement Property valuation is done by thinking about the return on investment when buying a property. At the same time, 44.80% respondents agree, 17.20% respondents neutral, 6.90% respondents disagree and 1.70% people responds strongly disagree.

5.2.11 Income level is very crucial to make a real estate property buying decision.

No.	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Income level is very crucial to make a real estate property buying decision.	50.0%	34.5%	10.3%	5.2%	0%



The graph shows 50.00% are strongly agree, and it is constantly decreasing 34.50% are agree, 10.30% are neutral, 5.20% people are disagreeing for the statement of “Income level is very crucial to make a real estate property buying decision”.

Chapter-6

Findings, Recommendation, Conclusion

6.1 Findings:

Findings regarding various aspects of overall analysis are presented below:

1. Mostly price affect the Real Estate property buying decision. Some other factors like location, local amenities, Property quality are closely affect the property price and also buying decision.

2. As local amenity is something that considered to benefit any location. Property buyers Express high demand for property in places where all facilities are available, which leads to unrealistic price increases and volatile situation in the property market.

3. Many real estate companies are violating real estate laws. As a result, many customers are complaining that they are not getting the right design flat at the right time. As a result, the credibility in real estate market is declining and these factors affect the decision to buy a property.

4. Lack of adequate land in Prime location of the city and large number of people moving to the city every year for their livelihood whereas the amount of land is very small which affect the overall real estate market.

5. Most of the property buyers have borrowed a lot of money from the Financial Institutions and they are not satisfied with the 9% interest rates on the mortgage loans.

6. Income level of the customer affect the purchasing decision of real estate property. High income level customers are buy exclusive property in a good location comparatively low income level of customers are looking for affordable price.

6.2 Recommendation:

- Public-private partnerships need to be set up to keep property prices stable, which will make people more interested in real estate investing.
- Decentralization of residential areas to sub-urban areas will reduce unrealistic prices and volatile property markets.
- Sub-urban areas need to be provided with residential facilities, such as water supply, gas, electricity and good transportation, so people will not have to concentrate on prime locations.
- REHAB and the government need to be more vigilant so that real estate companies do not break the real estate law.
- Creating Affordable Housing Plans through Real Estate Developer and State Level Coordination So that the relatively low income level families can afford the household.
- Easy financing solutions need to be arranged so that all types of people can easily get affordable home loans.

6.3 Conclusion: Real estate is an important sector of Bangladesh's economy. This has a huge multiplier effect on economic activity and is, therefore, a major driver of economic growth. Every year more and more people are moving to the city as opposed to the small amount of land, which is affecting the overall real estate market. One of the most promising sectors for investment is real estate. There are so many factors that are directly and indirectly affect real estate property purchasing decision. As like Price, Location, Local Amenities, Safety and Security, Quality of the product, Interest rates, Apartment Features and Benefits, Income level of customers, Transportation and Accessibility, and Return on investments. There are some Challenges of Real Estate Industry in Bangladesh like Challenges of Real Estate Industry in Bangladesh, Challenges of Real Estate Industry in Bangladesh, Land prices are high, Inadequate Capacity of Utility Services, Financing Problem and some others.

Decentralization can also be a good initiative to reduce population and traffic congestion from the central city and which is quite useful for creating real estate markets in the borough range. The public and private sectors need to work together to further develop the real estate market.

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