

Examining real estate business in bangladesh



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This research paper focuses on the marketing system of the real estate business in Bangladesh and also evaluates the market growth; as this rapidly growing business has become more popular in Bangladesh during the last fifteen years. For that reason this paper will firstly evaluate the real estate business culture in Bangladesh. Secondly the marketing system will be critically appraised and finally recommendation will be given on how to improve this business.

Chapter 1: Introduction

Today the real estate business is one of the fastest growing businesses in Bangladesh and it plays an important role in the Bangladeshi economy. This research paper focuses on the marketing system of the real estate business in Bangladesh. Presently Bangladesh is a developing and also over populated country. Dhaka is the capital of Bangladesh. This city is very important for

everything because everything is based on this city. For that reason this city is densely populated. From 1985 the concept of living in a flat has been started and also the real estate business has become more popular. The slogan used by the business is 'our creation your dream'. This is a dream about someone's home. This topic was chosen because many people know very little about Bangladesh and Bangladeshi business and because of my own interest and personal experience.

This paper will firstly evaluate the real estate business culture in Bangladesh. Secondly the marketing system will be critically appraised. Finally recommendations will be given on how to improve this business.

Chapter 2: Literature Review

Bangladesh is a developing country, and as is common in many such countries, everything is centralized so every business based in Dhaka city. Now a days Dhaka is a overpopulated city. That is the main reason for the growth of real estate business, because people needs more house for living. " More than 260 companies are working or doing business in Dhaka(According to REHAB 2004)Real Estate & Housing Association of Bangladesh". So it is proof that real estate business is rapidly growing business in Bangladesh.

This research paper focuses on marketing system of real estate business in Bangladesh. Today marketing is one of the important part for all kinds of business. It is true that if in the company marketing system is strong than the business of this is doing well. So here in this research paper will be evaluate some true marketing system of real estate business in Bangladesh.

Because “ marketing starts with human needs and wants. People need food, air, water, clothing, and shelter to survive. Beyond this, people have a strong desire for recreation, education, and other services. They have strong preference for particular versions and brands of basic goods services”.

Kotler, P.(1998).

Chapter 3: Methodology

In this research my specific and investigating area is real estate business in Bangladesh. This research is totally literature based; in addition it will evaluate the marketing system of real estate business in Bangladesh. To make this research valid and reliable, I am trying to show the true marketing system in Bangladesh.

It was difficult to find specific books in this area. This research would have been better if there had been time to do empirical research. It would have been appropriate to use questioners and interviews with the people who are working in the real estate business. This research could have also been more presentable if the questioners and interviews involved a large sample of real estate business in Bangladesh. However there was not too much time or resources to do this.

This research paper hopes to show what kinds of marketing system the real estate companies are using in their business and what is their strategy for their products and their services for their target customers. Because “ Marketing is an orderly and insightful process for thinking about and planning for markets. The process starts with researching the market place and understand its dynamics. This marketing process involves segmenting

with the market and choosing those target customer that the company can satisfy in a superior way.”(Kotler. 1998)

Therefore in this research paper I evaluate the real estate business culture, critically appraise the real estate marketing system and recommend how to improve the growth rate of this business in Bangladesh.

Chapter 4: Finding and Analysis

Dhaka is the capital of Bangladesh and one of the most overpopulated city in the world. This city is home of more than 12. 8 million people estimated as of 2008 according to the Dhaka City Corporation. This population is growing by an estimated 4. 2% per year that is one of the highest rates in the Asian city. On the other hand according to Far Eastern Economic Review this city Dhaka will become a home of 25 million people by the year of 2025(Wikipedia). So day by day people are increasing and housing demand also increasing. So this is the main opportunity for real estate business. Because as a developing country is quite difficult for government to provide such a big fundamental needs like housing. As a result private real estate companies come forward to meet the needs of the increasing housing demand.

Land development and construction of apartments is the concern of a real estate business. This business major construct area is residential and commercial buildings to sell them and make profit. Now this business is rapidly growing and one of the most popular business in Bangladesh.

According to REHAB(Real Estate and Housing Association of Bangladesh, 2004) in Dhaka there are 250 companies doing this business. This is show

that what a rapidly increasing business. On the other hand this business also plays an important role in Bangladeshi economic.

However most of the Bangladeshi real estate companies marketing system almost same. These marketing system based on four things:

Thinking about apartments or housing.

Level of income.

Standard of living.

Style of living.

Most of the Bangladeshi real estate company applying this kinds of things for finding as a potential customer.

On the other hand customer also classify by the real estate companies.

Because housing is not a major problem for rich people but it is big problem for middle and lower income people. So companies are specially targeted middle income and lower income customers. Because a house is their ultimate dream for this kinds of customers. For that reason most of the real estate company investing lots of money for promoting their products for their target customers.

Such as :

Advertisement

Newspaper, Television, Neon Sign Billboard

Personal selling

This is one of the major things to maintain good relation with the customers. On the other hand a number of employees are working for the company in indoor and outdoor for sales the particular products.

Sales promotion

Sales promotion is another important things for real estate company. Sometime the company offers discount, Gifts, service price off and many other things for selling their products.

Publicity

Buy on instalments

Size start with 750sft to 1800 sft.(square Feet)

This is the marketing system of real estate business in Bangladesh.

Chapter5: Conclusion

Bangladeshi real estate business is one of the most profitable and popular business. If real estate companies have liabilities about their customers than government have also some liabilities about this business. So government needs take necessary steps or roles to protect this business. “ Every year the Bangladeshi government earns approximately more than 1500 core taka as a revenue. On the other hand more than 25laks people are working with this industry” REHAB(Real Estate and Housing Association of Bangladesh) in 2008. So this is show that the growth rate of the real estate business in Bangladesh.

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However the marketing system is a process which can be improve day by day with proper market research and strong marketing planning. So real estate companies needs to find out the potential buyers and strong relationship with their customers. It can be very effective to selling their product for their target customers.

Chapter 6: Recommendations

However now real estate business is very popular in Bangladesh but most of the companies do not have proper market research and marketing plan. Because most of companies do not have longer period marketing plan. So most of the Bangladeshi real estate company needs proper marketing research which start with planning well in advance of the implementation, analysis, management review, and good coordination between customers. In addition most of the Bangladeshi real estate companies needs strong customer care. Because this business totally customer based.

“ All marketing strategy is built on STP-Segmenting, Targeting, and Positioning. A company discovers different needs and groups in the marketplace, targets those needs and groups that it can satisfy in a superior way, and then positions its offering so that the target market recognizes the company’s distinctive offering and image”.(P. Kotler, K. L. Keller, 2006)

So this marketing strategy can improve the real estate business in Bangladesh.

Chapter 7: Reflections of learning

In this research paper I am learning lots of things such as how to write a research paper in a right order. Because this is my first research paper.

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When I started my research I was facing lots of difficulties but day by day I learn lots of things about a research paper and how to write it. May be in my research paper I have lots of errors and mistakes. But I know that it is all about learning process because this learning process helps me lots in my future studies . In addition I wants to thanks International Study Canter and specially my course teacher because they are deign such an important course for the students who wants to study in the postgraduates level.

Appendices

Committed to PEOPLE'S RIGHT TO KNOW

Vol. 5 Num 50 Fri. July 16, 2004

Business

Rehab housing fair in New York next month

Star Business Report

In a bid to promote the country's housing and real estate business by wooing Bangladeshis living in the US, the Real Estate and Housing Association of Bangladesh (Rehab) is going to organise a five-day housing fair next month in New York. The event titled "Rehab-Biponon Housing Fair 2004" will begin on August 19 at Quality Hotel Hampstead in New York city. Rehab is organising the fair in association with Biponon, a US-based marketing company. Describing the objectives of the fair, Rehab's Senior Executive Member Ziaul Ahsan said the fair would encourage expatriates to build their houses in Bangladesh as well as attract foreign investors to the country. Through this fair, the expatriates will get the opportunity to know all about <https://assignbuster.com/examining-real-estate-business-in-bangladesh/>

the housing business in Bangladesh, he said. “ We think if they know about our real estate sector, they will move to invest in the sector.” Ahsan said the exhibition would contribute to earning more remittance from the US and making more foreign investment in the country’s real estate sector. A total of 29 Rehab member companies will take part in the fair. They are Building Technology and Ideas Ltd, Hamid Real Estate Construction Ltd, Sheltech (Private) Ltd, Eastern Housing Ltd, East West Property Development Private Ltd, Latif Real Estate Ltd, Bosoti Consortium Ltd, Suvastu Development Ltd, Hasan and Associates Ltd, Amin Mohammad Group, Rangs Properties Ltd, Tropical Homes Ltd, Building for Future Ltd, Ena Properties Ltd, Concord Real Estate and Building Products Ltd, Brac Concord Lands Ltd, Bangladesh Development Company Ltd, Borak Real Estate (Private) Ltd, Living Stone Ltd, Equity Property Development Private Ltd, Japan Garden City Ltd, Al-Hasan Developers Ltd, NM Housing Ltd, Sumona Private Ltd, Rupayon Housing Estate Ltd, Mega Builders Ltd, Assurance Develop-ments Ltd, Building Development and Design Ltd and Crescent Holdings Ltd. According to Rehab, its 145 members delivered 70, 000 to 80, 000 apartment units to their customers in last 20 years. Besides, they have been delivering 4, 000 to 6, 000 plots a year. The Rehab statistics show the annual turnover of the real estate sector amounts to Tk 7, 500 crore and the government earns Tk 700 crore in revenue a year from the sector. About 15 lakh skilled and unskilled labourers are working in this sector.

Example:

Published On: 2007-11-25

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Business

REHAB fair ends with commitment to lower cost urban housing

Sumon Salah Uddin

A salesperson (right) busy briefing a visitor at a stall at the annual REHAB housing fair that concluded yesterday in Dhaka. Photo: STAR

Real estate companies yesterday pledged to develop lower cost urban housing solutions in order to meet the growing demands for affordable homes in the capital. “ This is the right time to shift our focus to lower cost apartments instead of luxury flats,” said Mohammad Zakir Hossain, senior sales executive of Rangs Properties. According to Hossain, developers are now planning most of their new projects targeting middle class people who make between Tk 20, 000 and Tk 40, 000 a month. Talking to The Daily Star on the final day of the 5-day housing fair organised by the Real Estate Housing Association of Bangladesh, Hossain said his company currently has no apartment of less than 1450 square feet in size. However, the management is planning new projects to meet the growing demands for smaller flats within the price range of Tk 15 lakh to Tk 20 lakh. A number of factors, including soaring construction costs and the government’s drive against black money, have contributed to a sharp fall in the sale of apartments, which are down around 50 percent so far this year, according to REHAB. Hossain said proper urban policy and the right public infrastructure are necessary to build lower cost housing, especially in the suburbs. “ The land price in the central areas of big cities is so high that it is often hard to keep the apartment price low. If the government builds proper infrastructure

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like highways and a good public transport system, developers will start to build lower cost housing projects in the suburban areas," he said. Eastern Housing Ltd, a developer of plots for urban housing, said it didn't have any more land plots to sell. " All the plots in our land projects are sold out. We are now introducing two new mid-sized apartment projects in the capital's Kamalapur and Panthapath areas," said Mohammad Farhaduzzaman, assistant manager of the company. Aminul Islam Tareq, senior marketing executive of Rupayan Housing Estate Ltd, said the company had received a huge response from potential customers at the show. " The response was more than expected, thanks to our newer projects in Uttara and Mirpur," he said, adding that Rupayan recently started building smaller apartments to attract customers from mid-income earners who cannot afford to pay more than Tk 30 lakh. Despite the slump in the real estate sector, there was little evidence of a lack of enthusiasm among the crowds at the jam-packed fair. While the focus was on the lower cost solutions a few luxury developers could be found, one such being Building Technology & Ideas (bti) Ltd, who said their primary focus would still be on luxury living. " We just got approval for 10-storied projects in Gulshan and Banani areas under the Building Construction Rules 2007. Our focus still remains on exclusive privacy, environmental friendliness and more space," said an executive of the company.