

## Conference Paper

# Tenants House Ownership Process in Dhaka City

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**Abstract**

The majority of the people in Dhaka have come to Dhaka for a variety of economic and social reasons. They are staying and working in Dhaka permanently without a home of their own, but gradually many of them become house owners. The experiences and the house ownership process of the tenants generate knowledge and present a guideline for the policy makers and planners. The study provides information concerning house ownership by the tenants in Dhaka city. Household tenants have been interviewed with a questionnaire. The main focus is on the process of owning a new house.

Further, the wards present the comparisons of planned and unplanned areas. On average, 87 percent of the tenants feel that they should get interested in building their own house in Dhaka city. In the study areas, 33 percent of the tenants in the study areas are saving money for being an owner of a house in Dhaka city, where 12 percent of them have their land in Dhaka already. Indeed, 14 percent of them already in search of a different kind of loans and also in search of the help of real-estate companies help. Consequently, for construction and installation of services, 3.7%, and 16.9% of tenants get involved already. The most difficult stage of owning a house is finance. Study findings showed that there is a different source of money, which help people to get involved in this process. At first, it depends on the situation of the land, whether it is developed or not. If the land is buildable, then the tenants usually start to arrange money. Sometimes they have to wait for a long time to arrange the money to build a house. In this stage, they seek for a house building loan, loan by mortgages, saved money, selling property, selling jewelry, a loan from relatives all of those things mutually help them at this stage.

**Keywords:** Household, GIS, SPSS, Housing, Housing Process, Tenants

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## 1. Introduction

Housing is one of the most basic requirements for human being. According to the basic needs of human being, the priority is food and clothing, after that a shelter. Every year a large number of people move to Dhaka to get earning to live their life. Due to the migration process to Dhaka, the area of the city has been expanded many times at the same time. Accordingly, the number of population increases every day, which creates



pressure on the existing facilities in the city. City management authorities have failed to provide the basic rights and facilities of the citizens. Though the natural resource like the land of Dhaka is limited, its population has increased in many folds as we have been observing for the last few decades (Nahiduzzama, Kh. Md, Housing the Urban Poor: Planning, Business and Politics. A Case Study of Duaripara Slum, Dhaka city, Bangladesh. Norway, NTNU.2006, p4). In this regard, the housing problem seems to be the most serious problem in Dhaka. Land value is increasing at a sky level, and land supply is limited. To be the landowner in Dhaka is now a very difficult task, yet people are getting interested in being an owner. Nowadays people of the higher middle-income group feel great satisfaction if they become the owner of an apartment in the city. Even, if it is not within the limit of most of the people. In migration caused increases in the population in Dhaka city. The people who work in Dhaka have little access to get back to the villages, as there is less earning opportunity than Dhaka. Those families who have been living in Dhaka from the last two generations can be treated as the permanent dwellers of Dhaka, and they want to gain the ownership to avoid the burden of paying rents. So, is it possible for the City Corporation to ensure a house for every family? The demand for future housing will depend on the ratio of the tenants who are interested in staying in Dhaka permanently.

Tenants are the ones who pay rent to use or occupy the land, a building, or other properties owned by another. Tenants stay and work permanently in Dhaka city. How tenants are passing their tenancy situation in Dhaka city is not yet very clear to the policymakers and academicians. Hence, the study will provide information concerning owning a house in Dhaka city by the tenants. The study can also provide information about owning a house for planned and unplanned areas, describe the major constraints for owning a house of the tenants.

Based on the BBS data it can be calculated that 60% of all urban dwellings are owner-occupied and 40% are rented. However, in Dhaka, the tenure pattern is substantially different. Various studies and surveys show that the percent of renters vary between 65-75% of total stock. So, on average it can be said that 70% of the total housing stock in Dhaka is rented. Less than 10% of these come from the public sector (Hossain S. Urban poverty and household adaptations in Dhaka City, Bangladesh. Revisioning Institutions: Change in the 21 st Century. 2004 Dec). However, at present, there is no security of tenure as no legislation exists to define the rights and responsibilities of both tenants and owners.

Urban land is the most important component for providing housing, but it is very difficult to get flood free land at affordable prices, especially in Dhaka City. Rivers and

low lying marshy lands away from the central city areas are the main constraints in the physical expansion of the city. Such constraints in the availability of land for urban uses coupled with an event increasing demand for land made it so scared for Dhaka city that it would not be the most critical issue for urban development activities in Dhaka.

In recent years, in spite of concern over diminishing agricultural land around Dhaka city, conversion of lands for urban uses, mainly through earth filling, is taking place very fast. Although most of the low lying areas are still being cultivated by farmers, the trend shows that they sell off their land for a higher price, and move elsewhere. Most of these lands are bought by individuals, housing companies and real estate developers who keep these for higher prices. Intensive speculation, therefore, stands as the second most critical issue for the development and expansion of urban areas. These factors together have caused the rapid escalation in the price of land. The novo-rich industrial and business entrepreneurs, black money holders and private sector professionals are among the land buyers. The price bidders in the urban land market in Dhaka are also the expatriate workers who normally invest their remittances in the land market have been controlled by this factor and its resultant situation is reflected in one of the urban development activities, especially in difficulty housing the low-income people.

The land value in Dhaka city has increased at rates 60 to 90 percent faster than the consumer price index in the eighties (Rahman MM. Problems of the NGOs in housing the urban poor in Bangladesh. Habitat International. 2002 Sep 1;26(3):433-51). Such an increase in the value of land has pushed out the lower income groups, who constitute the large majority of the city population, from the urban land market, Primarily two reasons can be held for such a situation first, there is a scarcity of buildable land in and around Dhaka city, and second, the land market is rolling in the hands of few expatriate people with whom locally income earners can hardly compete. In more recent times, owners of garment industries other entrepreneurs and holders of unaccounted for income, have been the more buyers of land.

To analyze the present housing problem, it is appropriate to study the house ownership process by the tenants and major constraints the tenants are facing in owning a house. For effectively planning of the housing for the people, it is necessary to study the tenants who constitute the majority of the urban dwellers, and they will determine the future demand for housing in the city.

Thus, it is mandatory that research is conducted on the topic, such as the tenant's house ownership process tried to see how many numbers of tenants can participate in owning a house in this present expensive market. It is also one of the research goals

to show the possible factors that increase the involvement of more number of tenants in the house ownership process.

## 2. Objectives

The prime aim of this research is to analyze the tenant's house ownership process in Dhaka city. It is also necessary to analyze the present housing situation to determine the present housing condition. Moreover, tenants participation in different stages of ownership process has also been tracked under this study. The study also shows the major constraints the tenants face by different social and economic substances which has negative effects in owning a house in Dhaka city. Hence the specific objectives are:

1. To analyze the present housing situation in Dhaka city
2. To understand the process of owning a house in Dhaka city by the tenants, and
3. To identify the major constraints, the tenants are facing in owning a house.

## 3. Background to the Study Area

Dhaka is the capital and a primate city of Bangladesh. It is dominant in terms of population concentration, economy, trade and commerce, education and administration. Dhaka has several different area definitions. Dhaka City Corporation (DCC), for instance, has a clear administrative boundary and its area can easily be measured as shown in the following map. At present, DCC has an area of 145 sq. Miles. The population of the DCC area in the 2001 Census was 5,378,023 (Simpson L, Purdam K, Tajar A, Fieldhouse E, Gavalas V, Tranmer M, Pritchard J, Dorling D. Ethnic minority populations and the labour market: an analysis of the 1991 and 2001 Census. RESEARCH REPORT-DEPARTMENT FOR WORK AND PENSIONS. 2006;333).

Two DCC wards have been chosen as the study area. These are ward 7 and 62, respectively located in *Azimpur* and *Mirpur*. Both the areas are characterized as middle-income areas, which represent most of the Dhaka City. Again the study sites represent planned and unplanned areas. It also emphasizes the middle-income group of people because of the middle income of people majority in number in Dhaka city. Ward no 07 has been taken as an example of the planned area and ward no 62 as unplanned area (see Figure 4). Emphasis is also given to comparative analysis based on old Dhaka and new Dhaka. Ward 07 is an example of new Dhaka and ward no 62 of old Dhaka.



**Figure 1:** Dhaka district in Bangladesh

**Ward 07:** Ward no 07 is under Mirpur Thana. Ward no 07 is a densely populated area of Dhaka City Corporation, came into existence in 1962.

In the ward, 5.34 percent of the dwelling households depend on agriculture as the main source of household income with 3.78 percent on cropping, livestock, forestry and fishery, and 1.56 percent as Agri-labour. Another source of household income is non-agricultural labor. Weaving 0.28 percent, industry 2.64 percent, business 23.71 percent, employment 32.31 percent, construction 5.89 percent, religious service 0.13 percent, Hawker 0.52 percent, rent and remittance 3.02 percent, transport and communication 10.67 percent and others 13.31 percent (Simpson L, Purdam K, Tajar A, Fieldhouse E, Gavalas V, Tranmer M, Pritchard J, Dorling D. Ethnic minority populations and the labour



**Figure 2:** Dhaka city corporation area Figure.

market: an analysis of the 1991 and 2001 Census. RESEARCH REPORT-DEPARTMENT FOR WORK AND PENSIONS. 2006;333).

**Ward 62:** Ward no 62 is under Lalbagh thana. Ward no 62 is an area DCC came into existence in 1931 (see Figure 5). The ward occupies an area of 2.8 sq.km. It was located between 23o 22' and 23o 44'north latitude and between 90o 22' and 90o 24' east latitude (DCC, 2008). In the ward 0.58 percent of the dwelling, household depends on agriculture as the main source of household income with 0.45 percent on cropping, live-stock, forestry and fishery, and 0.13 percent as agri-labor. The main source of household income is non-agricultural labor. Weaving 0.98 percent, industry 4.06 percent, business 36.32 percent, employment 34.47 percent, construction 1.74 percent, religious service 0.16 percent, Hawker 0.88 percent, rent and remittance 2.55 percent, transport and communication 5.28 percent and others 12.37 percent (Population Census, 2001).



**Figure 3:** Dhaka city corporation area in Dhaka city.

## 4. Research Methods

Tenants can be treated as the permanent resident of Dhaka because they have to stay in Dhaka permanently for their work. They are the majority, and there is hardly any research on the issue. Tenants house ownership process will show the process of owning a house by the tenants and by the same time it presents the general situations of the tenants in the study areas. For making comparison and further analysis, two study wards were selected. Ward 07 and 62 are taken as an example of new and old Dhaka respectively. Consequently, it presents the comparisons of planned and unplanned Dhaka also.

Data have been analyzed for conducting the research output according to the objectives. Data processing and analysis have been done based on the objectives of the research.

As mentioned above, this study has employed in different ways and multiple data sources to identify the role of actors. This empirical data collection technique requires

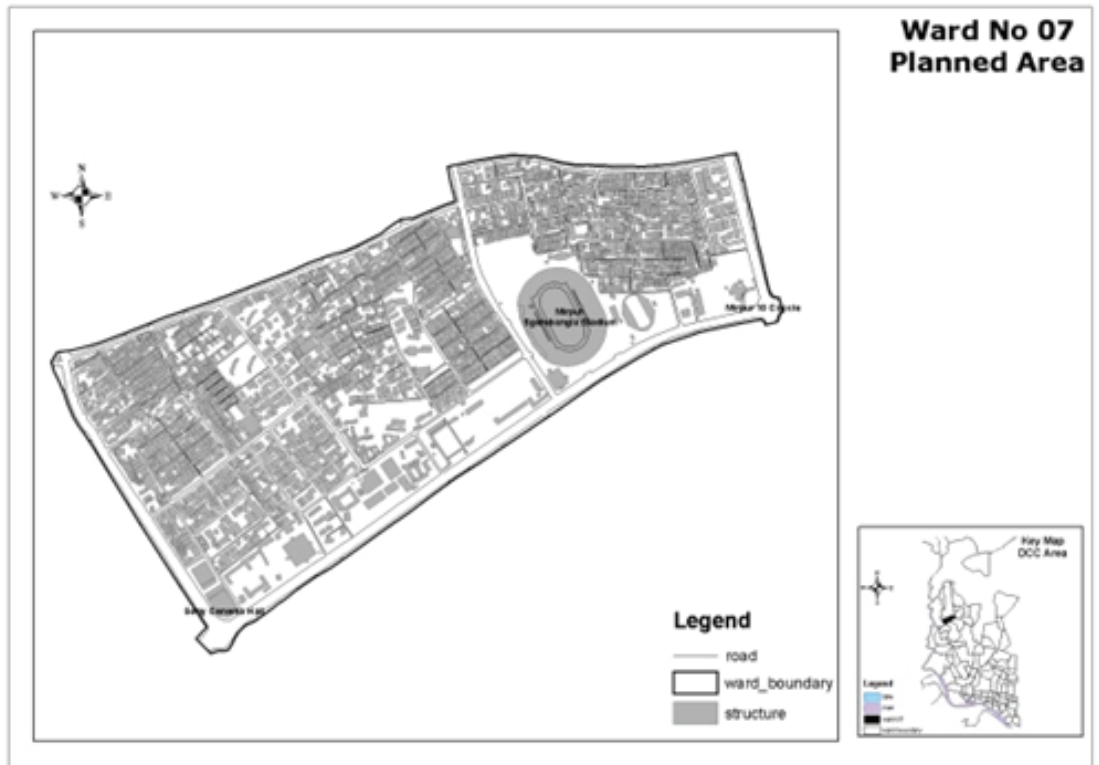


Figure 4: Planned area, ward 07.

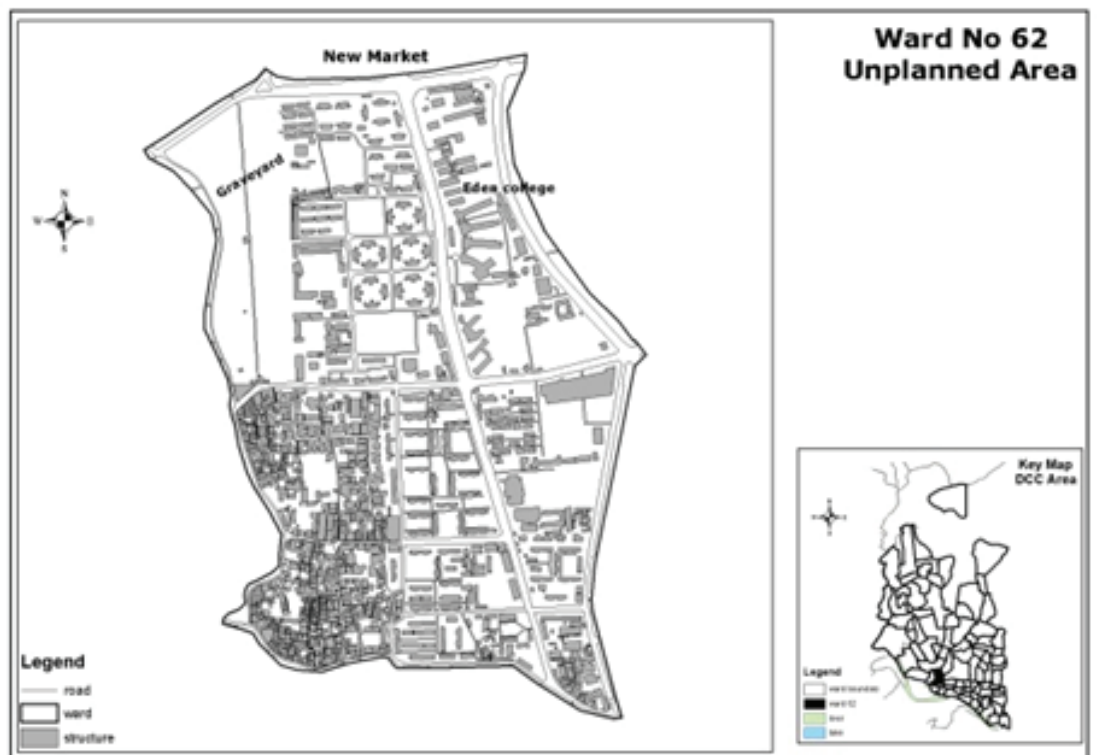


Figure 5: Unplanned area, ward 62.

a kind of mixed data analysis approach. In doing the qualitative analysis based on the



evidence from primary and secondary sources, I have made efforts to understand and correctly interpret the contents of the data. Whenever appropriate, relevant references to the sources are made, and appropriate footnotes are given. While the observatory notes express my view, other notes taken during interviews and conversations represent the views of the interviewees about the subject of discussion.

To make some simple statistical analyses such as frequencies, another summary of statistics, and produce statistical tables from the data generated from the questionnaire survey. Different Geographic Information Systems (GIS) based mapping techniques and software, like Arc View 3.2, Arc GIS 8.3, was used to produce the maps required for analysis and description.

Sampling is the scientific way of drawing inference about a population without being studying the entire population under study. Considering the resources available like manpower, money, etc., time and so forth for some studies sampling is understood as one of the best practices to collect information. To reduce costs, sampling rather than complete enumeration for the census is often used in statistical surveys. Depending upon the nature of the population being studied and the socio-economic context, a careful design of the sample size and right selection of sampling technique is important to have representative and generalized information required for the study. The selection of a sampling method depends on several aspects, such as study design, population characteristics, availability of sampling frames, data collection method and costs.

Theoretically, the minimum sample required for a particular class is generally 50. The target proportion of the population which we are interested to know is  $p$  if the target population is known, then one should use it for estimation of sample size. If it is not known, then one can consider it as 0.50

Thus, the sample size  $n$  can be estimated as:

$$n = \frac{z^2 pq}{d^2}$$

Where  $z$  is the normal variation and is 2.58 for 99% confidence interval

$P$  is the target proportion. In our case we assumed  $p=0.50$

$p+q=1$ , therefor,  $q=0.50$

$d$  is the desired errors which are 0.05

Based on this estimation, we have calculated various options for choosing the appropriate size of the sample. The option is shown below

$$n = \frac{1.65^2 \times 0.5 \times 0.5}{0.1^2} = \frac{0.6806}{0.01} = 68$$

Population is infinity

$d=0.05$  (since the estimation should be within 10% of the true value)

$z=1.96$ (as per the table of the area under normal curve for the given confidence level of 90%)

## 5. House Owning Process

“Housing is a complicated process. It is usually assumed that housing means construction of a house and living in it. But, it is more complicated than this. The housing process in this study is defined as a long interrelated chain of work starting from one’s desire for owning a house to completing its construction and providing necessary services and finally to make it ready for use (Islam, Nurul, Private Housing Process, 1980, p90).”

House ownership process means the process through which tenants make efforts in owning a house. The desire for owning a house is a prominent and starting factor. People who don’t feel that they need a house will not participate in the owning process with having all the facilities they need for owning. Different social and economic influencing factors also increase participation at the same time. After desire people generally participate in owning process by increasing the savings tendency. In most of the cases, people prefer to save money for owning their property and ensuring a secure life for their future generation. Indeed, they maintain liaison with their friends and family members about their desire and represent their views about the selection of land. Continuing the same, they purchase land and step forward of owning. The financial matter is a vital factor of ownership. Most of the middle-income group people prefer to have a Bank loan, House Building Loan even though these contains high-interest rates. Sometimes they get help from relatives for a loan and also get help from developers. Consequently, the people who can arrange these entire facilities move for approval of plan, construction and installation of services and so on.

### 5.1. Major constraints of the tenants which were faced by the owner’s influences ownership process in the long run

There are no specific rules and regulations for the house township in Bangladesh. According to a survey conducted by the Consumers Association of Bangladesh, house rent in the Dhaka city increased by 249.62 percent in the past 17 years. Nonetheless, the survey findings showed that the owners increase house rent without any rules. In ward 62 most of the tenants told that they are not getting enough water service. Out of 68

households, 18 have an inadequate floor space problem, 15 have lack of water service. In ward 07, 15 households have the problem to access the roof among other issues.

Rehana Akhter, a resident of Ward-62, has been without tap water for three days. Every morning she sends her maid to bring water from a mosque nearby. The maid brings the water-filled plastic containers to the ground floor from where the middle-aged housewife carries them to her third-floor apartment. Disruption in the water supply is one of many problems and difficulties Rehana and other tenants in the apartment house face. Jahanara Begum, a resident of Ward 62, has similar complaints against house owners. "I pay the rent regularly. The owner does not like us. We don't know why. He treats us as if we are criminals. There are no independence and peace of mind here for tenants," says Jahanara. The misery suffered by Dhaka city tenants is endless. A tenant of Azimpur area, said: "We have been virtually harassed by land lords by way of raising rents and rationing utility services, particularly water supply. Prices of essential commodities and house rent are soaring day-by-day".

## 5.2. Desire

Dhaka city is the capital of Bangladesh. Most of the people of Dhaka city migrated from different parts of the country. People migrated from country-sites not only for employment and business but also for a better life. Most of the tenants have a desire of owning land in Dhaka city. Therefore, they get involved in participation according to their abilities. Survey data showed that in ward 07, 80.6 percent of tenants have a desire to own a house in Dhaka. On the other hand in ward 62.94 percent of tenants have the desire to have the same. On average, about 13 percent of people do not feel interested in building their own house in Dhaka. In those cases, they have a house in other district towns and their villages.

## 5.3. Duration of tenancy for involvement in the housing process

Duration of tenancy can also be an influencing factor of owning a house in Dhaka city. Tenants who came to Dhaka have to deal with the environment and social condition. Then they try to become an owner at the same time. A tenancy is an alternative source to recover, housing backlog unit. When people migrated to a city for a few years due to several reasons they don't need to buy a house in that city. The house is owned to become necessary during that period when they want to stay somewhere permanently. But the exciting case for Dhaka city is the majority of the tenant's in this

city are permanent dwellers. A large number of tenants have been staying here for 15 years. After 20 years of tenancy still, now they are a tenant. It indicates the painful reality that house ownership in Dhaka city is beyond their means. Survey data showed that in ward 07, the percentages of the tenants who were in the tenancy situation during 1-5 years was the highest, whereas; it was the lowest for the tenants who are more than 26 years in tenancy situation. The figures were 20.5 percent and 1 percent respectively.

Moreover, the majority of the people in ward 62 got involved in owning process within tenancy years of 6-10. Then it decreased and remained the same trend with increases of tenancy years. So, it is quite clear that the duration of living in Dhaka is not a prominent factor in ownership. The situation varies because of other factors. Hence, it becomes difficult to establish a relationship between the duration of tenancy with owning a house.

#### 5.4. Influencing factors for owning a house in Dhaka city

Influencing factors work as a pioneer in most of the cases for owning. Different social and economic factors help the tenants in decision making. These increase financial strength and enhance stability which is essential for further step of improvement. Adequate access to planned land and land price is also the potential factors for the selection of land. These accesses encourage people to have a piece of land in a suitable place.

TABLE 1: Factors that influence tenants to own a house in Dhaka city.

Influencing factors	Ward 07	Ward 62	Total
	%	%	%
After improvements in earnings	22.1	29.4	25.75
After marriage	7.4	4.4	5.9
Increase in a family member	1.5	5.9	3.7
Property in village	4.4	1.5	2.95
It's difficult to survive as a tenant	5.9	2.9	4.4
Due to the availability of cheap land	-	1.5	0.75
Closer towards relatives		1.5	0.75
Others	8.8	1.5	5.15
No responses	50.0	51.5	50.75
Total	100.0	100.0	100

Source: Questionnaire survey, 2008

Table 1 shows factors which influence tenants to own a house in Dhaka city. In both of these two areas, the majority of the tenants influenced by the matter of earnings

and financial stability. These percentages were 22.1 percent and 29.4 percent respectively for ward 07 and ward 62. In ward 07 marriages, difficulties of the tenancy and other issues like development of future and security are also considered as major influencing factors of owning. The percentages were 7.4, 5.9 and 8.8 respectively.

Moreover, the increase of family members and marriage are the other major influencing factors of owning. The figures were 4.4 percent and 5.9 percent respectively. Furthermore, 50.75 percent of total people cannot participate in the owning process. Therefore, they cannot specify their tenancy period for being the owner of a house.

Survey data also showed that, in ward 07, percentages of the majority of the tenants select planned land for constructing houses. Most of them got influenced by this prominent factor. At the same time, they also prioritize land prices and distance from the city as other major influencing factors for the selection of land. These figures were 5.9 percent and 7.4 percent respectively. On the contrary, the majority of the people prefers land prices as the main factor; the figure was 14.7 percent. Accordingly, 5.9 percent of tenants consider the planned area and closeness to their relatives as influencing factors for selection of land.

### **5.5. Participation in the selection of land**

Participation in selection of land shows the decision hierarchy for the selection process. Generally, people prefer to purchase their land through their interactions. At the same time, they also get help from their friends and family. Sometimes they also take help of newspapers for getting general ideas about the land information. In both areas, the majority of the tenants prefers to select their land for purchases. The figures were 16.2 percent and 14.7 percent respectively for ward 07 and ward 62 respectively. In ward 07, the percentages of the tenants who got help from family members for selection was 8.8 percent. It has also been found that friends also help in selection of land. The figure was 7.35 percent and 3.7 percent for ward 7 and 62 respectively.

### **5.6. Income factors and selection of land**

Increases of earnings encourage tenants for persuading in the owning process. Majority of the people who earn more than 25000BDT per months select their purchased land from Bashundhara, Uttara, aftab nogar areas, mostly from planned areas. Moreover, people who earn more than BDT15000 to BDT20000 per months prefer to select their land from savar, kazipara, mostly unplanned areas. But in few exceptional cases, people

with a very limited income also get the ownership of a land in Dhaka through the selling of their ancestral property in their villages.

### 5.7. Participation in the house ownership process

Participation of the tenants in the house owning process hence divided into seven different sections for analytical benefits. All of these stages are also are in thirteen subdivision accordingly.

TABLE 2: Different stages of participation in the house owning process.

<b>Saving money</b>	<b>Saving money</b>
<b>First stage</b>	Saving money
	Selling of property
<b>Second stage</b>	Negotiate with friends, family members, relatives
<b>Third stage</b>	Site selection
<b>Fourth stage</b>	Purchase of land
<b>Fifth stage</b>	Bank loan
	House building loan
	Loan from relatives
	Loan from office
	With the help of developers
<b>Sixth stage</b>	Construction
<b>Seventh stages</b>	Installation of services
	Installation of fittings

**Saving money:** Generally, tenants who want to be a house owner in Dhaka city try to save money for being an owner. At the same time, they prefer to save money for social security and the future of their own and of their children too.

**Selling of property:** Price of land in Dhaka increases rapidly in comparison with the countryside, as it is the capital city of Bangladesh. Hence, it is treated as a profitable investment among the tenants and the owners in Dhaka.

**Negotiate with friends, family members, relatives:** People prefer to utilize their network to verify for the sake of authenticity and reliability.

**Site selection:** Generally people prefer to select their land according to their wills. But different factors also influenced the decision-making process. People participate in the selection of land by their own interaction and views, but in some cases, family members, close relatives, newspapers also help them by providing information and additional necessary help.

**Purchase of land:** After site selection tenants generally feel an interest in purchasing their land and participate directly in the owning process.

**Bank loan:** Nowadays, both Government and Private banks are providing loans for housing development, due to easy access. In a few cases tenants' mortgages their property for further instances.

**House building loan:** It attracts mass people due to low-interest rates. But it poses difficulties and maintains a lengthy process which makes sense of unusual. People who want to get a loan for persuading their construction in a long term basis prefer to have such an idea.

**A loan from relatives:** Actually, people look through their relatives for the treacherous situation.

**A loan from office:** People who work in the bank get access to long term bank loans from their offices and different additional benefits at the same time.

**Developers help:** Land owners of Dhaka sometimes prefer to hand over their land to a real-estate company and share the benefit jointly.

**Construction:** Construction means the development of the physical structure of the house. Forming all economic, social and empirical evidence people prefer to go, which brings them very closes to their destinations.

**Installation of services:** Services means the establishment of all of the basic requirement of the house like electricity, gas, water and sewerage lines.

**Installation of fittings:** It includes the installation of finished products, colors, fittings, doors, windows and so on.

TABLE 3: Tenants stages of owning a house in Dhaka city.

Phases of owning process	Ward 07	Ward 62	Total
	%	%	%
First stage	35.3	30.9	33.1
Second stage	1.5	5.9	3.7
Third stage	1.5	4.4	2.95
Fourth stage	13.2	11.8	12.5
Fifth stage	11.8	16.2	14
Sixth stage	1.5	5.9	3.7
Seventh stages	2.9	30.9	16.9
No responses	32.4	25.0	28.7
Total	100.0	100.0	100

Source: Questionnaire survey, 2008

The survey findings showed that in Ward 07, more than 35 percent got involved in saving of money, whereas it was 30.9 percent for ward 62. The tenants of ward 62 are more advanced than tenants of ward 07 in maintaining social relations for selection of land. Even though tenants of ward 07 show fewer responses for having social relation and selection process, they have involved in purchases of land more frequently, the figure is 13.2 percent when it is 11.8 percent for ward 62. Consequently, in ward 07 and ward 62 tenants are in search of Bank Loan, House Building Loan, a loan from relatives, developers help and so on for maintaining construction activities. The figures are 11.8 percent and 16.2 percent respectively. On the contrary, more than 30 percent of tenants got involved in the installation of services and feelings in their own constructed houses, but this is only 2.9 percent forward 07 (see table 3).

## 5.8. Housing prioritization in the determination

Most of the people of the study areas prefer to build their own house by their initiatives, but some people also prefer to buy an apartment for lack of time and preferences of suitable places and facilities. From the survey findings, it has been apprehended that in wards 07 and 62 majorities of the tenants want to have built their own houses. The percentages are 41.2 and 55.9 respectively. It was 38.1 percent and 30.9 percent for an apartment accordingly. Therefore, total 66 percent of people want to build their own house by their persuasion, and 34.55 percent prefer to have an apartment.

## 5.9. Housing finance

Finance for housing is a major factor of determination. Tenants generally manage sources through different initiatives. Generally tenants sell their village property for being a landowner in Dhaka city. Tenants of Dhaka city also have a saving tendency to reach that target. The survey findings showed that in ward 07, the majority of the tenants purchase land with the money they had in savings, which is 5.9 percent, and 4.4 percent of lands are purchased with the money by selling parents' property. In ward 62, usually, tenants purchase their land with sources of savings and selling of parents' property. However, this study finding shows that in ward 07, tenants rely on to take House-building loan rather than other private bank loans because of low-interest rates. Some tenants also feel interested in giving the land to real estate companies.



## 6. Conclusions

The core objectives of this study were to explain and understand the tenant's house owning process in Dhaka City. An attempt was also made to identify the major constraints to own a house in Dhaka city by the tenants. In specific terms, the objectives were to analyze the present housing situation in Dhaka city, to understand the process of owning a house in Dhaka city by the tenants and to identify the major constraints the tenants are facing in owning a house.

House owning is a complicated process, which is synchronized by various socio-economic factors. The factors involved from the desire to own a house to completion of the same. However, it is very difficult to identify the specific time when someone gets involved in house owning process. Different people have different reasons to get involved in the house owning process. The study tried to focus on the main factors, which influence people to get involved in the housing process.

The majority of the tenants in Dhaka city are migrated from the different districts of the country. They are staying in this city as a tenant for a long time. 68.4 percent of the total city dwellers are the tenant. They play a vital role in the country economy by staying in Dhaka city. Hence it is essential to study the housing situation and demand of the tenants in Dhaka city.

This study was conducted by maintaining a different hierarchy with prioritization in different Stages. Both secondary and primary data were collected for conducting this work – secondary analysis of data used to show the overall housing situation of the study area. Consequently, to fulfill the core responsibilities of the study, it was necessary to conduct the primary survey. At the same time for analysis of the required output, ARC GIS and Statistical Package for the Social Sciences (SPSS) were used.

The study identifies that the tenants face thousands of problems by the house owners. It makes their life more difficult to survive as a tenant. There are no rules and regulations to increase the house rent. It is a common scenario that tenants are the subjects of whims of house owners. Out of 68-household, 18 have an inadequate floor space problem, 15 have a lack of water service. In ward 07, 15-households have a problem with the use of roof among other issues. People belong to fixed- income middle, upper, middle and lower middle groups spend nearly 50 percent of their monthly income for house rent. These factors also enforce the tenants to own a house. But the fact is that most of them have not the ability to do so.

The study findings also reflect that the tenants dominate the housing. However, the tenants eventually make an effort to own their house. It reveals that an overwhelming

majority of the tenants had to desire to own their house. Of them, finally, 17 percent of the study tenants managed to own a house, but not yet occupied. The study shows that normally it takes about 10 to 12 years to own a house to a tenant. However, this period varies substantially. Some tenants even don't have a desire to own. For some others, it takes more than 20 years. According to a questionnaire survey, 31.5 percent tenant gets involved in house owning process in between 1 to 10 years of the tenancy period.

The most difficult stage of owning a house is finance. Although about one-third of the tenant household had managed to save money, these are so little that the amount is usually not enough to own a house. Thus, they depend on many different sources to finance housing. Income is not only one factor; other factors also help them to arrange money. Study findings showed that there is a different source of money, which help people to get involved in this process. Village properties have partial effects in someone's house ownership process.

After the financing, the next important stage is land or site selection. People negotiate with friends and relatives to buy a piece of land. They decide where they will buy land. This stage is influenced by several factors. From a previous study, it is clear that there is a huge shortage of buildable land in Dhaka city, 2.2 percent of tenants bought land under water. They don't know when the land will be developed.

After the purchase of the land, it takes a long time to start construction. At first, it depends on the situation of land, whether it is developed or not. If the land is buildable, then the tenants usually start to arrange money. Sometimes they have to wait for a long time to arrange the money to build a house. In this stage, they seek for a house building loan, loan by mortgages, saved money, selling property, selling jewelry, a loan from relatives all of those things mutually help them at this stage. The situation varies from persons to person.

Finally, the study showed that almost 17 percent of the tenants would be the owner of a house in Dhaka city. Eighty-seven percent have a desire to own a house. Thirty-three percent are saving money to own a house among 87 percent of tenants who have the desire. According to the study findings, more than 33 percent of the tenants in the study areas are saving money for being an owner of a house in Dhaka city. At the same time, more than 12 percent of tenants have their land in Dhaka. Indeed, 14 percent of them already in search of different kind of loans and also seeking the help of developers help for that. Consequently, for construction and installation of services, 3.7 percent and 16.9 percent of tenants get involved accordingly.

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