

Finding happiness in a multigenerational home

AFRAIM KARIM

In Bangladesh when we talk about family we don't just mean spouse and children but the wider family including parents, grandparents, and siblings. The typical scenario is married adults living with parents and we can't bear the thought of leaving ageing parents in care homes.

Although the search for better opportunities pushes people towards urban areas living in nuclear families, they prefer staying with their parents when they can afford it. The preference is based on a plethora of reasons. One of the major reasons is providing better healthcare facilities to aged parents.

On the other hand, where both parents have to work to run a family, providing care for children becomes really difficult. Working parents want their family members to help provide care and nourishment for the children. As a result, urban nuclear families are gradually becoming multigenerational households.

But are the housing and lending agencies in Bangladesh prepared for this societal transformation? Nowadays, builders are offering extended facilities to meet multigenerational housing needs that include multiple master bedrooms with en-suite baths and facilities for the disabled and elderly at an affordable cost.

According to Saamiya Seraj, a director of Sheltech (Pvt) Ltd, most of their clients with a middle-income background aim for a three-bedroom apartment ranging from 1,500-square feet to 1,750 sq ft—big enough to accommodate both their parents and children in the long run. Costlier accommodation includes a four-bedroom apartment at approximately 2,000 sq ft, she adds.

However, there remains a lot to be explored because the key to making all adults in a home feel comfortable is to ensure that everyone has their space and their privacy needs are met while remaining connected to the whole family. Such additions can range from a separate entrance, extended kitchen and dining room to separate living quarters in the main home.

Financing for multigenerational homes is not yet popular in Bangladesh. Existing home loan schemes are mainly designed to cater to nuclear family households.

Nasimul Baten, head of operations of Delta Brac Housing Finance Corporation Ltd (DBH), said that generally, with a repayment period of 10-15 years, both the husband and wife are taken as applicants when applying for a home loan. More often than not, the cost of repayment is not only borne by the applicants alone but is spread out among the family members, where ageing parents can contribute to repayment through their asset holdings and siblings with their income. With the growing demand of multigenerational homes, there is a potential head-room for the lenders to explore loan products for extended income households.

From the borrower's side, if several family members are interested in buying a home together, there are certain things that everyone should carefully consider. First, all the co-borrowers need to have a frank conversation and plan about how they will contribute to the repayment process. They should also come clean to each other about their credit scores before applying. Finally, every person who is being relied on for the loan repayments should have a life insurance policy so that if any family member dies, the proceeds from the life insurance policy can help cover their share of housing costs.

According to a research study published in the Bangladesh Medical Journal, the ageing population is projected to double from 7.8 million in 2001 to 16.3 million in 2025. As this cohort of the population increases in number, the necessity of such multigenerational homes will grow with time. The housing and home loan industry needs to attune their offers to these demographic changes. As long as the housing market and home loans facilitate such schemes, Bangladesh will remain a nation of multigenerational coexistence.

The writer is a contributor to The Daily Star.



Loan takeover: a relief for homeowners

AKM ZAMIR UDDIN

Affordable interest rate and the simplified terms and conditions set by banks have been encouraging clients to transfer their loans from one bank to another.

The loan transferring system, or widely known as loan takeover between two banks, usually offers a lower interest rate than the actual one on the back of lowering of the rate in the market.

Most of the banks are now offering zero percent processing fee for clients while taking over the loans.

If required, the new lender allows the clients to enjoy an additional amount of credit on top of the amount disbursed to them when they transfer the loans.

This means, clients are not locked down to the bank for the duration of the loan even if the interest rate is unfavourable to them.

The loan takeover system protects clients' interest as it always opens a window for them to choose a new bank, said Md Arup Haider,

head of retail banking at City Bank.

"Clients can swiftly shift banks when lenders make an attempt to hike the rate on home loans," he said.

"Unexpected interest rate increase can be avoided using the process."

Yousuf Harun Nuri, a banker by profession, said he had taken a home loan of Tk 80 lakh from a second generation bank four years ago at 13 percent interest to purchase a flat.

The loan has recently been transferred to another bank as it offered Nuri 11 percent interest. Moreover, the lender extended an additional credit support of Tk 10 lakh to renovate the flat, he said.

"This was a great relief to me," he added.

A fair competition is now prevailing in the banking sector because of an easy process to take over home loans, said ASM Muahidur Rahman, head of retail customer relationship management at Bank Asia.

Lenders continue to show an eager interest in taking over the loans as there is no flaw in the mortgaged documents of the clients in

most of the cases.

"The banks that disbursed the loans initially verify the documents submitted by the aspirants for the loans," said Rahman.

The interest rate being offered for transferring home loans to Bank Asia ranges from 10 percent to 13 percent, according to Rahman.

As of September, Bank Asia's total outstanding retail loans stood at Tk 1,062 crore, 79.37 percent of which was disbursed to those who built homes or purchased flats.

The bank's outstanding amount of takeover loans stood at Tk 80 crore as of September.

Clients are now enjoying a rate benefit while transferring their home loans from one bank to another, said ANM Mahfuz, head of consumer banking of Prime Bank.

The financial institution offers interest rate of 10.50 percent to 13.50 percent for taking over home loans from other banks, Mahfuz said.

Between the months of January and September, the lender took over home loans amounting to Tk 22.40 crore.





এমবিএল হোম লোন

এবার পূরণ হবে নিজের বাড়ির স্বপ্ন !

নিজের বাড়ি, প্রতিটি মানুষেরই আজীবন লালিত স্বপ্ন, আর সে স্বপ্ন যদি বাস্তবে পরিণত হয় তাহলেতো কথাই নেই। মার্কেটাইল ব্যাংক আপনার স্বপ্ন পূরণের জন্য সহজ শর্তে দিচ্ছে হোম লোন।

- বাড়ি কিংবা অ্যাপার্টমেন্টের জন্য প্রযোজ্য
- সর্বোচ্চ এক কোটি ২০ লক্ষ টাকা পর্যন্ত ঋণ সুবিধা
- ২৫ বছর পর্যন্ত মেয়াদে সহজ কিস্তি
- ঋণের মেয়াদপূর্তিতে বয়স সর্বোচ্চ ৭০ বছর
- চাকুরিজীবী, পেশাজীবী ও সচ্ছল ব্যবসায়ীদের জন্য আকর্ষণীয় ইন্টারেস্ট রেট।

বিস্তারিত জানতে যোগাযোগ করুন: ০২৭০৯ ৬৩৯৯২২, ০২-৯৫৫৯৭৬৮

* শর্ত প্রযোজ্য

মার্কেটাইল ব্যাংক লিমিটেড
Mercantile Bank Limited
দক্ষতাই আমাদের শক্তি

www.mblbd.com

Consumer Banking

HOME IS WHERE YOUR STORY BEGINS

Prime Home Loan

FEATURES

Borrow up to 70% of property purchase price or construction cost.
Maximum loan amount up to BDT 1.20 Crore.
Competitive interest rate.
Loan Take over facility with Zero Processing Fee.
TPA based finance against under construction property purchase.
NRB & Mariner customers are eligible to apply.



For more details:
Please contact your nearest Prime Bank branch or visit: primebank.com.bd

Prime Bank