

# How to make buying real estate really easy

**Banks and non-banks have their own risk mitigation mechanisms in place to ensure hassle-free purchases for customers, making them the preferred channel for financial support in this regard.**

ABRAR HOSSAIN

Buying real estate in Bangladesh is a major undertaking for any person due to the plethora of legal complications and financial issues among other things to consider before purchasing property. Still, real estate is a hot commodity in the country as it serves as a long-term asset that appreciates in value. Besides, those who own more than one property can enjoy passive income by renting out their extra land or apartments. But even so, there are a number of pitfalls to avoid when taking up such an initiative as achieving one's dream could quickly become a nightmare should they go in blindly. According to Md Rashed Akter, head of retail distribution at Midland Bank, there are mainly three aspects covering a wider range of issues that should be considered before buying real estate.

Firstly, consider the financial aspect to mitigate all risks related to securing the required funds. Banks and non-banks have their own risk mitigation mechanisms in place to ensure hassle-free purchases for customers, making them the preferred channel for financial support in this regard.

For example, financial institutions provide the scope for taking on long-term loans. In addition, a pay order or account payee cheque can be used to create a record of the purchase, mitigating any future crisis regarding payments between buyer and seller.

"Midland Bank has introduced many consumer products for property purchase, construction and renovation for both conventional and Islamic banking customers," he said.

Other than home loans for purchasing ready apartments or construction, the lender also offers loans for the purchase or construction of any commercial space or property.

"Specifically, we are offering the MDB Home Loan for apartment purchase, construction or

renovation as well as the MDB Amar Bari, which is tailored for customers in rural areas," Akter added.

He went on to say that the bank offers its MDB Nirman scheme to small and medium entrepreneurs looking to construct residential or commercial buildings for earning rent. "Lastly,

there is the MDB Saalam Home Finance product, which is a shariah-based home finance product," Akter said.

After dodging all financial complications, it is important to consider the general aspect, which is related to the property's location, documentation, affordability and more.

"Check the location

to ensuring that all the required paperwork is in order.

One of the most crucial documents to verify is property title or ownership document as it proves if the seller has clear ownership of the property, Akter said.

Next up is the sales deed, which is a legal document that proves the transfer of ownership from the seller to buyer.

As such, it is paramount to ensure that the sales deed is registered by a competent authority and stamped as per the applicable laws.

Meanwhile, an encumbrance certificate is a document that verifies that there are no legal dues or mortgages on the property.

So, potential buyers should check the encumbrance certificate for the last 30 years to see if there are any pending dues or legal disputes, especially when buying land, he added.

Akter then informed that one should see whether a completion certificate has been issued by the local municipal authority as it confirms that the builder completed construction as per the approved layout.

Similarly, an occupancy certificate is issued by the local municipal authority after confirming that the building is fit for occupation.

Other important documents to review include property tax receipts, which show that the owner has paid all the applicable property taxes, and a clear agreement deed that covers all the requirements of both buyer and seller regarding the property.

This includes the sale permission, parking allotment issues, common charges and other conditions for purchase.

"These documents are essential and should be verified by a legal expert before purchasing a flat to ensure your investment is secure," he said.

Echoing the same, Ador Yousuf, principal architect of Vastushilpa Bangladesh, said it is important to make sure that the building was built as per the plans approved by RAJUK, the capital development authority of Bangladesh.

Now, it is time to move on to the legal aspect, which mainly relates

"If possible, hire experts to examine the building's integrity before confirming any purchase," he added.

By checking the plans approved by RAJUK, the customer can avoid any potential losses resulting from any deviation.

For example, the developer could show that the building is being made with high grade materials but in actuality, they are using lesser grade alternatives.

"The last thing you should worry about is the location as that mostly comes down to buying capacity," he added.

Yousuf then said that one should never buy apartments in buildings that have yet to begin construction as it is important to note how the work is advancing.

This is because clients are often forced to wait way past the due date for the handover of their unit amid prolonged delays in construction, he added.

Likewise, Md Faisal Hossain Khan, an advocate of the Supreme Court, said checking to see if the agreement deed between the developer and land owner is vital before making a purchase to reduce the risk of legal tangles.

Also, when forming a contract with the seller, buyers should include a clause for handing over their property to the next of kin in case of death, he added.

Khan went on to say that some areas, such as Dhanmondi in Dhaka, require ministry certification to register apartments as they were built on land leased from the government.

So, it is important to see if there is any such requirement as it could lead to complications in the registration process after purchase, he said.

Besides, the property could have been built on abandoned or disputed land, meaning that the handover of completed projects might not be possible.

In essence, it is wise for potential buyers to employ someone with legal experience to review all the documents concerned in order to avoid hassles down the road, Khan added.



PHOTO: FREEPIK



টাকা তুলুন, চার্জ ছাড়াই  
সারা দেশে যেকোনো এটিএম থেকে  
মিডল্যান্ড ব্যাংকের ডেবিট কার্ড দিয়ে টাকা উত্তোলন  
একদম ফ্রি



এমডিবি হোম লোন  
স্বপ্নের আপন ঠিকানা



- একক/মৌখ আবেদন গ্রহণযোগ্য
- সহজ ও দ্রুত ঋণ প্রক্রিয়াকরণ
- আকর্ষণীয় ইন্টারেস্ট রেট
- সর্বনিম্ন ৩ বছর থেকে সর্বোচ্চ ২৫ বছর পর্যন্ত ঋণ দেওয়া হয়



16596 www.midlandbankbd.net



IN THE MIDST OF EXCLUSIVITY

WHISPERING GREEN

NORTH GULSHAN

4881 SFT. SIMPLEX  
4842 & 6344 SFT. DUPLEX

KEY FEATURES

- Full Fair Face
- 50% Open Space
- Double Height Entrance
- Water Body & Green Landscape
- Rooftop Garden
- Two Swimming Pools
- Equipped Gym
- Double Glazed Glass
- and more...

16709  
anwarlandmark.com

ANWAR LANDMARK  
creating addresses