

Rethinking how Bangladesh **BUILDS AND BORROWS**

Dr. Md. Touhidul Alam Khan, Managing Director and CEO, NRBC Bank PLC.



“The next wave of housing growth will come from semi-urban Bangladesh, powered by smarter finance and sustainable design.”

Bangladesh's housing and construction finance sector is poised for steady growth over the next two years. Dr. Md. Touhidul Alam Khan, Managing Director and CEO of NRBC Bank, stated in an interview with *The Daily Star* that this positive outlook is primarily driven by increasing demand from middle-income and semi-urban homebuyers. Despite facing challenges, NRBC Bank continues to expand its affordable housing portfolio, which currently stands at around Tk. 1,100 crore.

Additionally, the bank is preparing to launch specialized Green and Women Housing Finance products. Dr. Khan highlighted the bank's commitment to transparency, sustainability, and digital transformation as key strategies to strengthen its role in promoting inclusive and environmentally responsible housing finance.



costs, new urban planning rules such as revised Floor Area Ratio limits, and stricter bank lending criteria have raised project costs and slightly reduced new housing launches and construction finance demand.

TDS: How are interest rate movements and regulatory shifts affecting homeownership or construction projects?

MTAK: Bangladesh's housing and construction finance markets are being shaped by monetary tightening, regulatory reforms, and political shifts. To curb inflation, **Bangladesh Bank** raised the policy rate to 8.5% in May 2024 and removed the SMART rate ceiling, allowing market-based lending. These moves have increased borrowing costs for both homebuyers and developers, reducing affordability and slowing new disbursements. At the same time, regulatory changes and delays in urban project approvals have further disrupted timelines and weakened demand for construction finance.

TDS: What products or schemes are gaining traction?

MTAK: NRBC Bank prioritises affordable housing and flat purchase loans, particularly for projects by reputed, enlisted developers. While dedicated Green and Women Housing Finance products are still in development, both are key focus areas. The bank's Green Housing concept promotes solar power, rooftop or in-compound greenery, water recycling, and eco-friendly materials such as eco-blocks. NRBC Bank also finances

developer firms that meet strict due diligence and compliance standards. Its total home loan portfolio currently stands at around Tk. 1,100 crore.

TDS: What key challenges do developers or buyers face in accessing finance, and how are you addressing them?

MTAK: Accessing housing finance in Bangladesh remains difficult due to land verification issues, lengthy documentation, and high interest rates—now 12–14%—which raise

“Digitisation and transparency are at the heart of our strategy to make housing finance faster, fairer, and more accessible.”

costs for both buyers and developers. Liquidity shortages and reliance on short-term deposits limit long-term lending, while rising prices of steel, cement, and land reduce affordability.

TDS: How do you see urban versus semi-urban housing demand evolving?

MTAK: Urban centers will continue to see demand for smaller, well-located apartments catering to professionals and nuclear families. However, faster growth is expected in semi-urban and district towns due to better affordability, improved connectivity, and expanding infrastructure. NRBC

Bank is focusing on these emerging markets by tailoring loan products and risk assessment frameworks to match local income levels and property characteristics.

TDS: Are there any innovative partnerships or digital solutions that have made housing finance easier?

MTAK: NRBC Bank is actively digitizing its operations through e-KYC, online documentation, and paperless loan processing to ensure faster turnaround times and better customer experience. Partnerships with reputable developers help maintain project transparency and safety. While AI-based credit risk models are still under development, our ongoing digital initiatives have already enhanced the efficiency and accessibility of home loan processing.

TDS: What's your outlook on the housing market in 2025–26, and how is NRBC Bank positioning itself?

MTAK: We expect steady growth in 2025–26, led by affordable and semi-urban housing. NRBC Bank is expanding flat purchase loans, financing compliant developers, and automating digital processes to enhance efficiency. Upcoming initiatives include Green and Women Housing Finance products and AI-based credit assessment tools. The bank remains focused on inclusive, sustainable housing finance that supports both customer welfare and national economic growth.



The Daily Star (TDS): What trends are you seeing in home loan or construction finance demand in the last 2–3 years?

Dr. Md. Touhidul Alam Khan (MTAK): Over the past few years, demand for housing and construction finance has remained steady, driven by middle-income buyers and small developers supported by stable incomes and remittances. While luxury housing has slowed, semi-urban areas are seeing rising demand for small-scale construction and flat purchases. Most loan applications now come from middle-income borrowers seeking affordable housing amid urban migration. However, higher material



আমরা অঞ্চল

ব্র্যাক ব্যাংক হোম লোন

আপনার বহুল প্রতীক্ষিত বাড়ি নির্মাণ কিংবা ফ্ল্যাট কেনার স্বপ্নপূরণে আকর্ষণীয় ইন্টারেস্টে হোম লোন নিয়ে পাশে আছে ব্র্যাক ব্যাংক

- ফ্ল্যাট/বাড়ি ক্রয়, বাড়ি নির্মাণ ও টেকওভারের জন্য লোন
- সর্বোচ্চ ২ কোটি টাকা পর্যন্ত লোন সুবিধা
- বাড়ির মূল্যের ৭০% পর্যন্ত লোন
- চাকরিজীবী, ব্যবসায়ী, বাড়িওয়ালা ও স্বনির্ভর ব্যক্তির জন্য লোন সুবিধা
- সর্বোচ্চ ২৫ বছরের লোন পরিশোধের সুযোগ
- নির্বাচিত ডেভেলপারদের কাছ থেকে অ্যাপার্টমেন্ট কেনার জন্য ত্রিপর্যায় চুক্তির মাধ্যমে লোন সুবিধা

