Assessing the Affordability Challenges of Rental Housing for the Middle-Income Group in Nayatola, Dhaka City

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ABSTRACT

The rapid growth and development of Bangladesh often overshadow the country's rapid, unplanned urbanization. This urbanization has led to an enormous population increase and a new middle class being injected into the urban economy each year. Migration to urban centers, like Dhaka, has been one of the biggest threats to the building of livable cities. In Dhaka, the growth of the housing market has been molded and compromised by the influx of migrants.

According to a BRAC Institute of Governance and Development (BIGD) report (2017), 68% of the city's residents live in rented properties, while 32% live in Dhaka's own homes. The tenants of urban residential areas are suffering from accommodation problems, including affordability, and a lack of proper monitoring of tenant security and interest. Firstly, this study intends to measure the affordability of rental housing in Dhaka by using the rent-to-income ratio. Secondly, identify the problems that rental housing tenants face. Lastly, analyze the tenant's legal security by examining the rental process, including rent fixation, revision periods, advance payment systems, changes to internal accessories, and eviction notices.

The findings of the study suggest that the current rent rates are putting a financial housing cost burden on the middle-income families of the city. They tend to spend more than 30% of their monthly income on rent and have to compromise on other daily expenditures, such as food, household items, and children's education. Although the Premises Rent Control Act 1991 aims to balance the interests of house owners and tenants by establishing a set of justified rules, the interests of tenants are significantly underprotected due to inadequate implementation. Given the gap between housing supply and demand in Dhaka, landlords have the opportunity to increase the cost of their rental units, frequently violating the provisions of the act. This severely affects the middle-income households that live on fixed incomes.

Keywords: Tenant, landowner, affordability, household income, rental housing

INTRODUCTION

Housing is regarded in both developed and developing economies as one of the most significant urban problems. Without impairing their ability to spend on other fundamental necessities, every household should be able to afford a decent home. In rapidly rising cities around the world, accommodation remains a pressing problem because the availability of housing is not adjustable in the short run. Currently, about 330 million urban households worldwide reside in or are financially strained in substandard housing, and 200 million households in developed countries live in slums (Woetzel et al, 2014). The existing housing crisis has accelerated over the past 20 years due to the lack of attention placed on affordable housing policy (UN-Habitat, 2016).

In Bangladesh, a large number of educational institutions and commercial facilities are located in urban regions. Dhaka is under accelerated pressure to address the issue of increased migration rates from rural to urban areas, aiming to provide affordable housing. This increases the tenants in the city and creates day-to-day accommodation problems. According to Uddin (2016), these tenants typically belong to the middle to lower-income group, with a fixed monthly income, and the majority of these city dwellers are seriously victimized due to the increased rental prices. Thus, this study intends to measure the affordability of rental housing in Dhaka by using the rent-to-income ratio, analyze the possible reasons for increasing house rents in Dhaka city, and discuss the rights of tenants stated in the 'Premises Rent Control Act 1991' and possible violations of these rights.

LITERATURE REVIEW

Currently, there are 12,218 hectares of the residential area in the Dhaka North and South City Corporations, which includes 4500 slums and low-income settlements, with almost 10 million people living in the two city corporations (RAJUK 2016). Not only is Dhaka the world's most densely populated city with annually rising density estimates, but the city's development has also been extremely unplanned and unmanaged, resulting in severely low living standards for the city's inhabitants. Approximately 25,000 housing units are built per year in the city, while 0.12 million new houses are required (MTB 2017). The cost of land is excessive, making it difficult for middle-income families to afford the rent in the city. In Dhaka, approximately 56 percent of city dwellers have no land ownership, with this figure rising to 70 percent if the populations of slums and squats are included (RAJUK 2016).

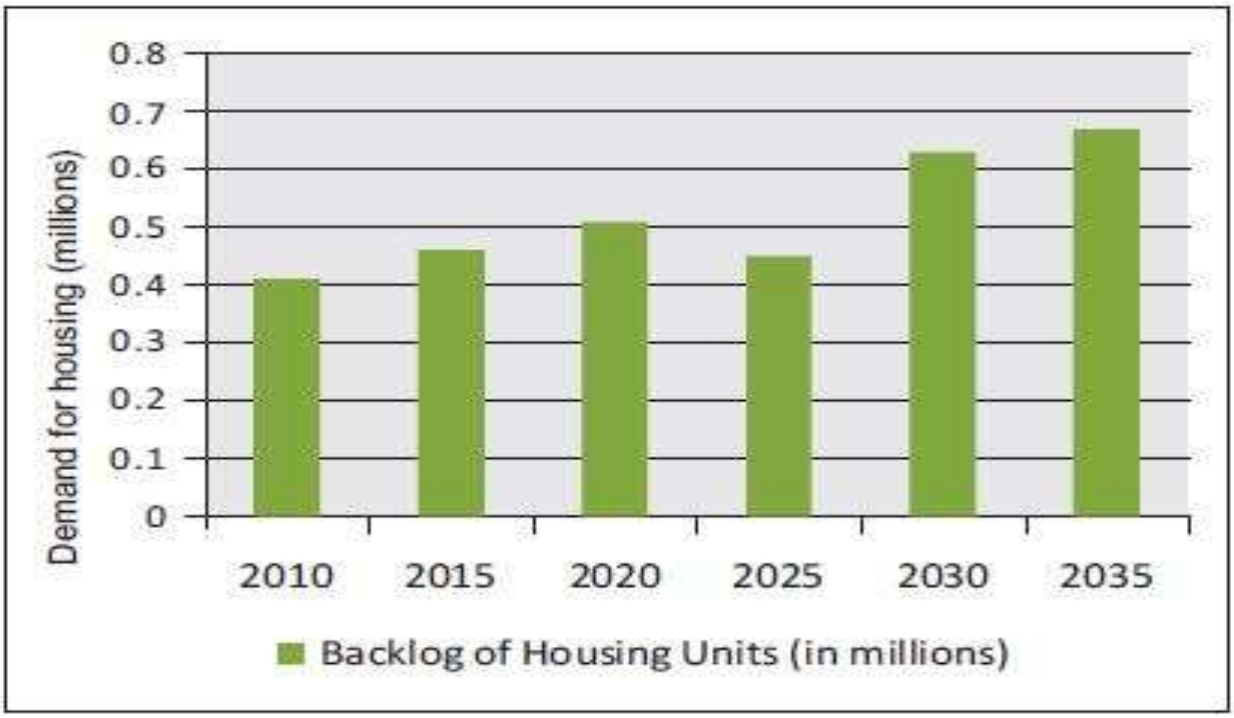

Figure 1: Demand and estimated demand for housing, Source: RAJUK 2016

2.1 Housing Affordability

Housing affordability implies a household's ability to afford proper housing. Affordability is one indicator of housing adequacy, which is a fundamental human right after food and clothing. It is challenging to conceptualize and quantify housing affordability, which hinders our understanding of the causal factors underlying the issue. A widely recognized housing affordability guideline is a housing expense that does not exceed 30 percent of the gross income of a household. When the monthly carrying costs of a home exceed 30-35% of household income, then the

housing is considered unaffordable for that household. Household income, therefore, is a key factor that determines the affordability of housing.

2.2 Measuring Rental Housing Affordability

There is no universal approach to defining affordability for housing; however, 'household income' is the central basis on which affordability is described in all approaches. In order to calculate rental affordability, the house rent-to-income ratio is used. This ratio is determined by dividing the median annual rent by the median annual household income of the renter; however, no commonly acknowledged ratio or percentage is considered unaffordable by the owner-occupied or rental housing (Chowdhury, 2013). As a rule of thumb, if it costs less than 30 percent of gross household income, housing is generally considered affordable (nsw.gov). The household spending above this percentage is sometimes referred to as 'housing cost burdened.' If that household has to pay more than 50 percent of its monthly income as house rent, a household is referred to as 'severely cost burdened' (Whitehead et al, 2009; Belsky et al, 2005).

2.3 Income Group Classification

The classification of people according to income group in Bangladesh is given in Figure 1. In Bangladesh, 50% of the population belongs to the middle-income group (Islam, 2004). The definition of the middle-income class varies by a country's economic, cultural, and social background, and there is no standard definition or standardized structure to define this category. An individual is considered to be in the middle-income category in the developing world if they are not poor based on the standards of their country. However, that person may still be poor based on the standards of a developed country. The middle-income class can either be described in absolute or relative terms based on income, expenditure, or level of consumption (Chowdhury, 2013).

Income Group	Monthly household Income (TK)
Low-income	13199 or less
Lower-Middle income	13200-24999
Middle-Middle income	25000-49999
Upper-Middle income	50000-99999
High-income	100000 or more

Table 1: Income groups in Dhaka, Source: Chowdhury, 2013

2.4 Rental Conditions in Dhaka

According to a BRAC Institute of Governance and Development (BIGD) report (2017), 68% of the city's residents live in rented properties, while 32% live in Dhaka's own homes. The survey also shows that most tenants do not plan to buy any property in Dhaka, citing the key discouraging factor as the high price of apartments and land. At least Tk 6 million is currently expected to purchase a 1,200-square-foot apartment in Dhaka, which is almost equal to a family's lifetime savings. Apartments cost more than Tk . 10 million in prime areas in the city (Independent 2017). Further disaggregation reveals that approximately 58% of households live in rented apartments and 9% live in rented homes. The data also indicates that the housing unit's size varies depending on the resident's occupancy status. The average size of rented apartments is between 850 and 1250 square feet. According to the Real Estate and Housing Association of Bangladesh, however, the median house rent in Dhaka is BDT 11 per square foot (REHAB, 2011). Thus, the median rent-to-income ratio is 69, which means that a family with a monthly income equal to the median income (BDT 16,000) has to pay 69 percent of its income as house rent (Chowdhury, 2013).

In addition, the ever-increasing population without homeownership contributes to an increase in rental housing demand. Given the gulf between the number of holdings available and the demand for rental properties, landlords can charge arbitrary rents for houses. Owing to inadequate implementation of legislation and monitoring of rental problems, this is exacerbated. Finally, in Dhaka, tenants face a sharp rise in tenancy rents. The Consumers' Association of Bangladesh (CAB) reported that tenancy rents increased between 1990 and 2014 by 412.97 percent in Dhaka (Hasnat, 2015). The highest rent inflation occurred during this time in 1990, which was 25%, and the rent rose by 22% in 2013, which was the highest rent increase in the last 10 years (ibid.).

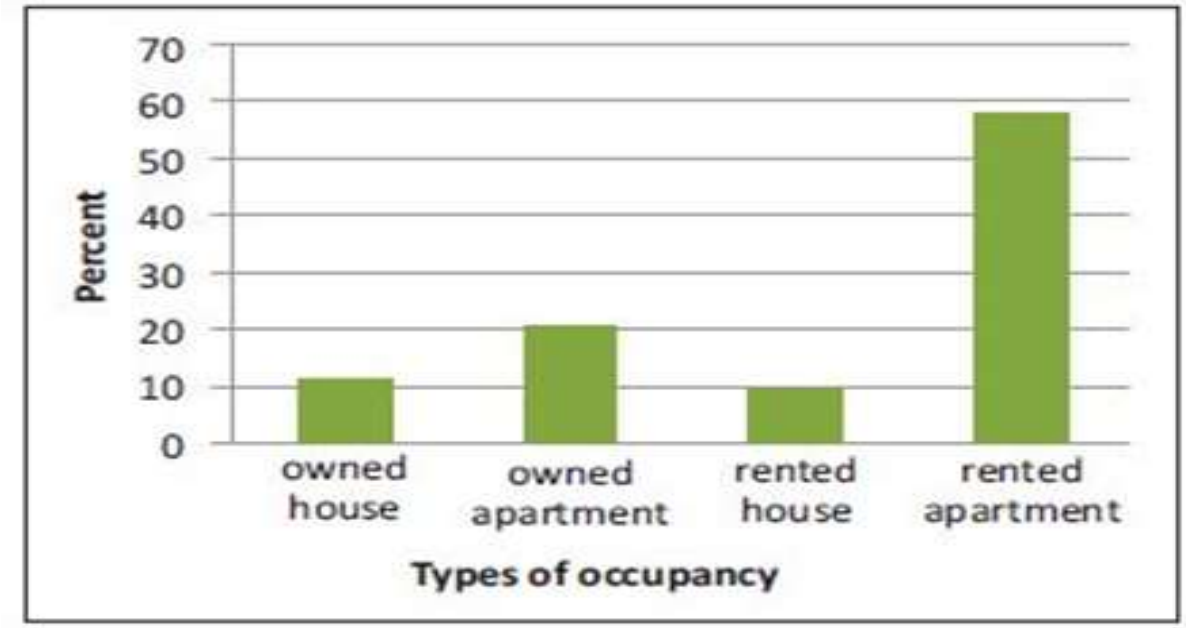

Figure 2 Types of occupancy Source: BIGD's State of Cities Survey 2017

In addition to rents, tenants have to take care of different aspects of tenure security, which are also key components of the housing unit's adequacy. According to UN-HABITAT, tenure security ensures legal protection for its inhabitants against forced evictions, abuse, and other harassment (UN-HABITAT, 2009). To ensure tenant protection and to alleviate the rental problems faced by the tenants, the Government of Bangladesh enacted the 'Premises Rent Control Act 1991. A tenant is defined in the 1991 Act as any person by whom, or on whose account, rent is payable for any premises and also, after the termination of the tenancy, the person occupying the premises (Markony et al., 2017).

2.5 Act regulating house Rent

In order to enforce a fixed law for the management of rentals of properties, the Premises Rent Control Act, 1991, was passed. This Act is not only about the tenants; it tends to create a balance between the interests of both the house owners and the tenants by giving a justified set of rules (Morshed and Uddin, 2018). The Act includes essential issues relating to the house rental process, including limitations on the rent increase, the appointment of the controller, the hearing of specific applications, the notification of the controller to landlords and tenants, the right to access and inspect premises, the rent increase due to the payment of taxes or improvements by landlords, the receipts for rentals payment, the refund of irrecoverable rents. The Act also lists the responsibilities and penalties for violence and legal issues, such as controller duties and powers, the penalty for recovering rent above the regular rent, penalty for disturbance of easements, penalty for providing incorrect tenant details, the penalty for failure to grant receipts, and the power of the authority to govern, respond to appeals and conduct of rent issues (Premises Rent Control Act 1991).

METHODOLOGY

Since the vast majority of Dhaka's urban households are tenants, the degree of their security in various aspects of urban dwelling should be examined. Therefore, this study analyses the security of the rights of tenants in the following aspects: house rental practices, advance payment, fixation and revision of rent, adjustments of rent for internal maintenance, and eviction. Besides, it discusses deviations from legal norms about tenant protection.

Thus, this study has been planned according to specific sequential steps based on the literature review. It uses both qualitative and quantitative research strategies to evaluate the problems in rental housing. Firstly, a case area is selected based on the specific criteria set in section 3.1 for primary data collection. Randomly, six tenants are selected for the questionnaire survey followed by an interview. The collected data is analyzed using the Rent to Income ratio to determine the percentage of affordability. Secondly, current problems identified by the tenants are investigated and compared with the Premises Rent Control Act 1991. This act is being compared with the present situation to understand the gaps and concerns for its implementation. Lastly, a conclusion/discussion is provided by evaluating the data results.

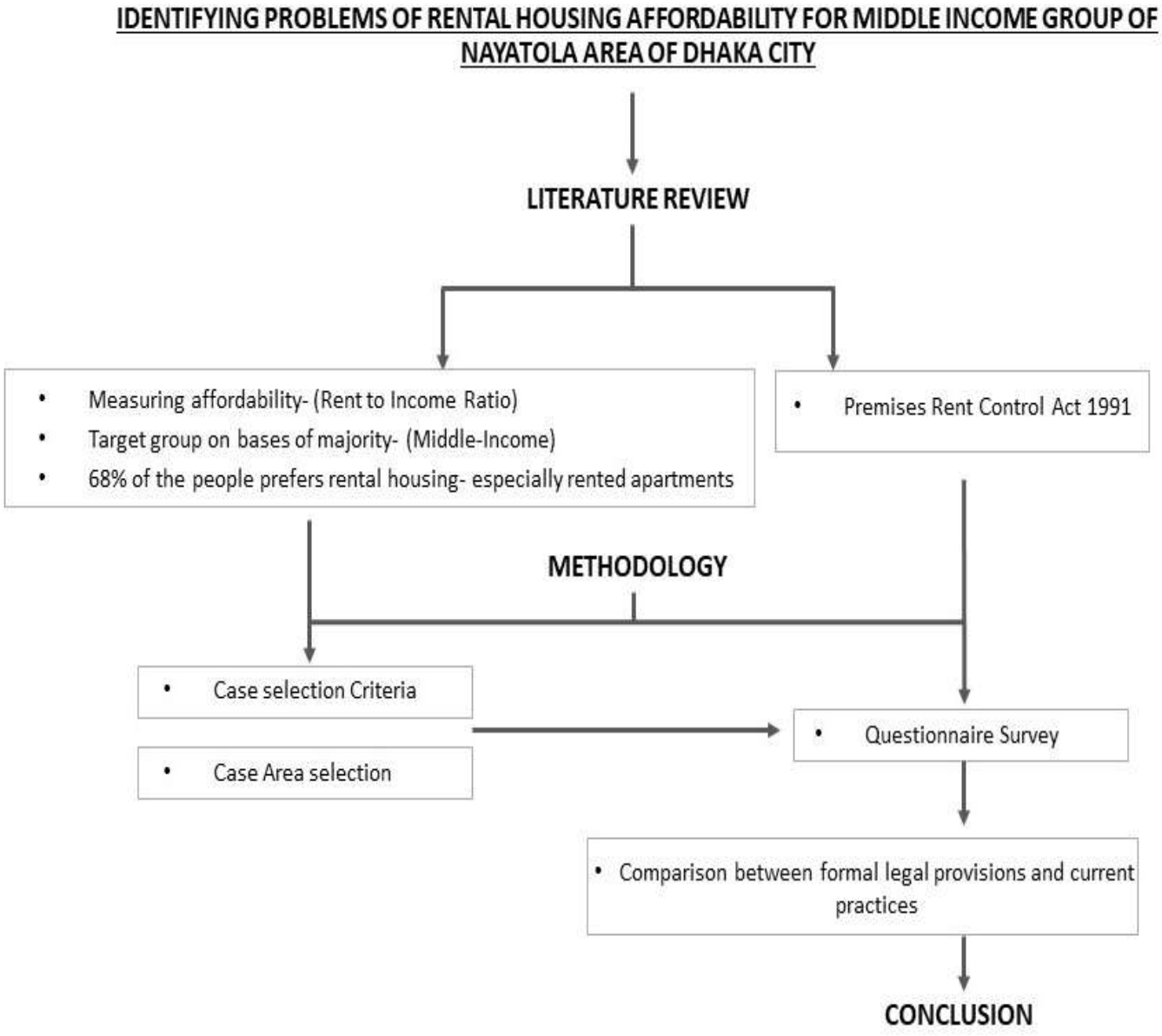

Figure 3: Methodology of the study

3.1 Case Selection Criteria

Based on the literature review, Dhaka is an overpopulated city, and the majority of the population belongs to the middle-income group. This group of people prefers rental housing because the high prices of apartments and land make it unaffordable for them to own houses/flats. Among rental housing, rented flats are the most demanded housing type. In order to measure rental affordability, the rent-to-income ratio is used in general, and the amount of income level per household classifies the income group. There is an Act regarding regulating house rents in urban areas of Dhaka, which creates a balance between the interests of both the house owners and the tenants by giving a justified set of rules. The following are the case area selection criteria.

1. The case area should have a greater percentage of the middle-income group as the residents
2. The tenant selected should be middle-middle income group
3. The tenant should be living in the apartments
4. Flat size should be from 850-1400 sft
5. The period of tenancy should be more than one year

3.2 Case Area Selection

By considering the above criteria for case area selection, Nayatola is selected. It is a locality that falls under the Moghbazar area. The surrounding neighborhood includes Modhubag, TNT colony, Wireless, Gabtola, etc. It is under Ramna Thana and administered by the Dhaka South City Corporation. The area includes the majority of its population from low to middle-income groups. The maximum percentage belongs to low-middle to middle-middle income groups due to their low rent rates.

Figure 4: Location of the study area, Source: Google Maps

Case Data Collection and Analysis for The Survey

For the study, six cases have been selected in total from the Nayatola Area. The tenants living in six different apartments were selected randomly for the questionnaire survey. This questionnaire included five sections: (1)

socio-demographic information, gender, household size, occupation, tenancy period, flat size; (2) Current income and house rent amount; (3) Current rental problems; (4) awareness of the tenancy security act; (5) suggestions from the people (optional).

4.1 House rent and Income ratio

The details are given in Table 1 to understand the current trend in income and its impact on rental housing affordability. According to the data, the percentage of income spent on rent by cases 2-4 exceeded 30% which makes the rents a "housing cost burden" according to section 2.4. Case 1 and 5 fall under the severe cost burden group, as their rent expenditure exceeds 50%. Based on the income group classification of Figure 1, all the respondents here are from the middle-middle to upper-middle-income group of the area. Thus, from the percentage spent on rent, it is clear that rent is excessive in this area compared to the income ratio, and in some cases, it is a severe burden on the tenants to maintain their living standard. According to Nur et al. (2003), it is expected that house rent should not exceed 23 percent of the monthly income. However, the study found that most households spend around 46.5% of their monthly income on house rent.

Case no.	Family Size	Number of member earning	Monthly Income Rate (approx.)	Flat Size (approx.)	Monthly rent rate (Rent + Service Charge)	Percentage spent on rent
1	4	1	45000	850	18000 + 4500 = 22500	50%
2	5	2	70000	1200	22000 + 5500 = 27500	39%
3	6	3	85000	1300	25000 + 6000 = 31000	37%
4	4	2	56000	1100	21000 + 5000 = 26000	46%
5	3	1	38000	900	18500 + 4000 = 23500	62%
6	5	2	65000	1250	23500 + 5500 = 29000	45%

Table 2 Income to rent ratio in percentage

4.1.1 Tenant Testimonies

Case-1: Family size:4, No. of member earning: 1

Abdullah Al Momen (42), Private Bank Officer, with wife and two school-going children“In 2016, when we first moved to the flat, the rent at that time was Tk 12000 with a monthly service charge of Tk 2500. Now it has reached Tk 18000 with a monthly service charge of Tk 4500. Even though the rent has increased significantly but my income has not increased at the same pace. The landlord insists on a 10-15% increase after the pandemic without following any rental law and regulations. Despite that, shifting is not an option for us as it increases the cost more with an advance deposit, relocation cost, transportation cost to school, and workplace, thus we have to cut down costs on food, clothing, and tuition just to keep paying rent.”- Adbullah Al Momen.

Analysis: It shows how the yearly increase in rents goes beyond affordability limits and compels the middle-income families to make financial concessions.

Case-2: Family size:5, No. of member earning: 2

Samiual Hossain Adib (38), Private Office Employee, Wife: Tamanna Hossain (35), School teacher with 2 kids and an elderly mother “For me, it’s not only about rent but more about safety. This building has 24/7 CCTV surveillance, the area is safe, and it is very close to my school. My mother can easily pick up my

children after school, and I am assured that they are safe. Earlier, I tried moving into a cheaper area, but harassment and long commute hours pushed me back. Here, I have no power to bargain the rental amount with my landlord because if I cannot pay, others are waiting." -Tamanna Hossain

Analysis: Highlights tenants pay more for the safety and security of a location

Case-3: Family size: 5, No. of member earning: 3

Amin Mohammad (56) Shop owner (father), Sakib Mohammad (35), Assistant Architect (son) & Sunny Mohammad (30) (son), with mother Amina Begum (50) & Anaiza Rahman (32), daughter-in-law "While renting the apartment, our landlord did not give us a written contract; instead opted for verbal promises, so when we asked for a legal agreement paper, he said it was unnecessary haste he avoids with his tenants. Last year, the rent of the place increased from TK 20000 to TK 25000 in the name of inflation. Friends advised me to go to the Rent Authority, but with no contract, I had no proof. We felt helpless and had to comply."- Amin Mohammad

Analysis: Lack of formal rental agreements between the landlord and tenants leaves the tenants unprotected, undermining the enforcement of the Rent Control Act.

Case-4: Family size: 4, No. of member earning: 2

Maisha and Monir Hossain (early 30s), both in private sector jobs, 2 kids "For us to rent a two-bedroom flat, the landlord demanded a four-month advance payment with a security deposit, which cost us almost TK 1 lakh. We loaned money to meet the requirement; now every time we think of shifting, we have to consider the initial financial shock. The landlord keeps increasing rent without repairing the broken water line, fixing the damp walls or water leakage, but we feel stuck because of that huge upfront cost."- Maisha Hossain

Analysis: Shows how high advance payments restrict mobility and perpetuate a power imbalance between landlord and tenant.

Case-5: Family size: 3, No. of member earning: 1

Bashirul Haque (45), small business owner with wife and one child"I always assumed I would purchase a flat by this age, but the cost of buying a flat is too high compared to my income. It is hard to save money at the rate at which rents are rising. Including utilities and service charge, a decent apartment in Nayatola costs Tk 25,000 to 30,000. As my monthly income is fluctuating, most often I have to delay paying rent, which is why my landlord threatens to evict me. I now feel as though renting is a permanent trap rather than a short-term solution."- Bashirul Haque

Analysis: It reflects that middle-income renters are frustrated and caught between rising rents and unreachable homeownership.

Case-6 Family size: 5, No. of member earning:2

Nasim Akter (45), Medical assistant, Lucky Akter (38), Government Hospital Nurse, with 3 children Our landlord claims that each year, rent increases due to rising living expenses. He claims that, in addition to rising holding taxes and municipal fees, gas, electricity, and water costs have also increased significantly over the years. Thus, he continues to include everything in our rent. There is no authority to monitor, and no formal guidelines about what constitutes a "fair" rent. Since apartments in Nayatola are in high demand, landlords are aware that tenants have no other options. We are currently paying Tk. 29,000 for the same apartment that we rented for Tk. 18,000 only a few years ago.

4.2 Current rental problems, according to the tenants' questionnaire survey and testimony

1. Tenants found the rental price to be "moderately to very expensive" because of the additional utility charge that is paid with the current rent. More than half of the households surveyed said they had to make changes to their everyday expenses to bear the rent of the dwelling unit because of the high house rents. This financial burden triggered tenants to reduce expenses for food, children's education, and other consumption.
2. The costs required to purchase a house are equivalent to the savings of a lifetime for many families. High prices of land and apartments, followed by inadequate savings amounts, are the main barriers to homeownership. Apart from that, high bank interest rates and insufficient home loan plans provided by commercial banks, along with high registration costs imposed by the government, are key reasons why people struggle to buy homes/flats easily. As a result, they have to depend on rental housing.
3. Tenants believe the increase in rent rates is due to the cost-of-living standard and the owner's inflation adjustment. They are increasing day by day, which in turn affects the price allocated for house rents. Secondly, the price hike in utility services, such as gas, electricity, and water, along with various taxes, including municipal corporation and holding tax, increases the rent rates. Thirdly, the absence of a standard house rent price set by the government, combined with the lack of monitoring of landlords' rent rates, is the reason. Lastly, the shortage of housing units leads to a saturated housing market, resulting in tenants paying high rental prices for their dwelling units.

As mentioned earlier, to protect the interests of tenants, the government enacted a law entitled 'Premises Rent Control Act 1991'. Initially, the tenants of the selected cases are asked about the Premises Rent Control Act 1991, after which none of the six tenants is even aware of its existence. Afterwards, the act is cross-examined about the Tenant Security Act, as reflected in the survey, and explained.

Table 3: Comparing the Premises Rent Control Act 1991 with the current situation

Issues with tenancy	According to the Premises Rent Control Act 1991	Current Practices
Appointment of Controller	• The government may appoint a controller, an additional controller, or a deputy controller for any area to hear and address complaints submitted by tenants and/or landlords (Section 3-6).	• Appointment of Controller by the landlord and tenant seemed to be missing, as none of the cases have any controller appointed, and the tenants are found to follow the rules set by the flat-owners
Fixation process of Rent	• The Controller shall set the standard rent on any premises based on an application submitted by the landlord or the occupant [Section 15]. The rent can be negotiated between the landlord and the tenant [Section 18(6b)] • If the increased rent exceeds the standard rate, the excess amount is irrecoverable (Section 7), and a penalty will be given (Section 23)	• None of the flat-owners use any controller to set the rent rate • Sixty-six percent of flat owners decided on the rent earlier, without any negotiation. • There is no monitoring committee or controller to check the standard rent rate; consequently, different flats in the same building have varying rent rates due to the decisions of their respective owners.
Duration to increase rent	• The house rent can be raised by tenants every 2 years [Section 16].	• The rents are increased yearly for half of the tenants without giving any prior notice.
Rent increase	• If the increased rent exceeds the standard rate, the excess amount is irrecoverable (Section 7), and a penalty will be given accordingly (Section 23).	• No official mention of the standard rate is found, and the reason for the rent increase is not monitored.

Contract signing for Tenancy period	• There should be a signed contract between the landlord and the tenant to protect each other's interests (section 18)	• No such contract or agreement is found between any of the tenants and their landlords
Rent payment receipt	• Landlords will supply the tenants with a signed receipt for the rents paid and will keep a copy for themselves (Section 13).	• The tenant receives no rent payment receipt. 50% of the tenants received receipts for service charges only.
Advance payment	• The advance payment cannot be more than one month's equivalent rent without the written consent of the rent controller [Section 10, Section 23].	• 33% of the tenants said they would give an advance rent for one month equivalent. At the same time, the rest paid an amount equivalent to 2-3 months.
Repair and maintenance works	• The tenants can do the necessary maintenance and repair work of the rental unit by adjusting the rent, subject to approval from the Controller [Section 21].	• 16% of tenants paid for repair and maintenance work without an adjustment to the rent rate. However, for the rest of them, landlords/flat-owners bore the cost of repairing and maintenance work.
Eviction	• Tenants cannot be evicted or threatened as long as they pay rent at an allowable rate [Section 18].	• None of the tenants were evicted, except for one respondent who was evicted from their previous house without proper notice.

Apart from the Act of 1991, an area-based house rent chart called 'Rate Chart' was published in 2003 by the undivided Dhaka City Corporation, which was updated in March 2008. It was not, however, used for fixing house rents. Instead, it was used to assess the holding tax of a building by the City Corporation (Alam, 2011).

For residential, commercial, and industrial holdings, the Dhaka North City Corporation (DNCC) formulated a differentiated 'Rate Chart'. The rates differ depending on the time of completion, the form of structure, the architecture of the construction, the location, and the conditionality of the transfer of possessions. The '5-year revaluation of holding tax' survey guideline (2015-2016) is used by the Dhaka South City Corporation to set the range of house rents (per sq. ft.) instead of the zone-wise fixed-rate table.

Zone no.	Zone name	Rate of concrete house (per sq. ft. in Tk.)	Rents of average 950 sq. ft.* (Tk.)	Rate of semi-concrete (per sq. ft. in Tk.)	Rents of average 950 sq. ft.* (Tk.)	Rate of Katcha (per sq. ft. in Tk.)	Rents of average 950 sq. ft.* (Tk.)
Dhaka North City Corporation (DNCC)							
1	Uttara	4-11	3,800-10,450	3-10	2,850-9,500	3-9	2,850-8,550
2	Mirpur-Pallabi	5-6.5	4,750-6,175	4.5-5.5	4,275-5,225	3.5-4	3,325-3,800
3	Gulshan-Banani	3.5-18	3,325-17100	2.5-10	2,375-9,500	2-7	1,900-6,650
4	Mirpur, Kazipara, Gabtoli	4.5-6	4,275-5,700	4-5	3,800-4,750	4-4.5	3,800-4,275
5	Kawranbazar	4-8	3,800-7,600	3.25-6.5	3,088- 6,175	3-4	2,850-3,800
Dhaka South City Corporation (DSCC)							
1-5	All areas	6-18	5,700-17,100	5-8	4,750-7,600	3-4	2,850-3,800

Figure 5: Zone-wise rate chart of city corporations and house rents, Source: DNCC, 2015

FINDINGS AND DISCUSSION

The testimonies of the tenants reveal that to secure affordable rental housing, the middle-income group usually faces multidimensional pressure. Even though the Rent Control Act is present to protect the tenants from irregularly increased rents and exploitation, it often fails to do so, highlighting a wide gap between policies that are present but not implemented or monitored effectively.

Affording rental housing for middle-income tenants creates a financial burden on them. Some of the main reasons include the increased cost of living, higher utility bills, and the failure to monitor and maintain standard rent for the houses. Apart from that, the middle-income group cannot save enough money after paying the rent, which forces them to compromise on daily expenditures.

Broadly, tenants have little awareness of the Premises Rent Control Act 1991, which resulted in a poor reflection of the law in tenant security. The experiences of the tenants have been cross-examined with various aspects of the Premises Rent Control Act 1991. Except for rents, in most cases, tenants' interests were least protected legally due to poor implementation of the Act. More specifically, the informalities in the tenancy weaken the tenants' position to seek formal justice and force them to comply with landlords' interpretations of the tenancy. In addition, rent payments without a receipt or a banking system resulted in the government not receiving full revenue. A lack of awareness is the primary reason for the non-implementation of the Premises Rent Control Act 1991. Unless the tenants are aware and legally empowered, their security cannot be ensured.

Furthermore, the Act appears to be outdated. If the legal stipulation regarding fixed annual standard rent were implemented, i.e., 15 percent of the market value of the residential unit, the rents of the residential buildings would have been unbearable for tenants. The prices of land, property, and construction costs have increased since the enactment of the law.

5.1 Policy Implications

- **Housing Shortage and Market Saturation:** Due to the limited housing supply by the government, most housing in Nayatola area is owned by private landlords, which strengthens their bargaining power.
- **Hiked prices of Utilities and inflationary Pressure:** An Increasing rise in taxes and utilities is putting pressure on the tenants, who have to bear the cost without any oversight.
- **Weak Enforcement of the Rental Control Act:** Annual rent hikes often exceed the legal caps, and undocumented leases leave the tenants unprotected and exploited.
- **Standardized Rent Benchmark is absent:** There is no proper implementation or baseline of “fair” rent rates set by the government, which allows landlords to increase rents arbitrarily.
- **Lack of monitoring of the policy by the government:** Even though certain legal Acts have been published but it is not officially monitored properly by any authority, so the landlords do not take any accountability, leaving the tenants helpless and frustrated.

5.2 Policy Recommendation for further exploration

By studying the polices implemented in the regional South Asian countries and the narrative from the tenants following measures could be considered.

- **Rent Stabilization:** India proposed a Model Tenancy Act (2019) (The Financial Express, 2019) that states landlords must register with a Rent Authority with proper rental agreements, they cannot increase rent mid-lease, and the security deposits are capped.
- **Centralized Digital System:** Drawing from the Model Tenancy Act (2019), it emphasizes a transparent, centralized digital system so that any violation of the legal tenancy right can be tracked down and overseen easily. This will help to reduce informal leases.

- **Providing Incentives and expanding Public-Private Housing:** landlords who register through a rent authority system to be given priorities and financial incentives to maintain affordable rent facilities. Public-private partnership in building housing would ease the saturated market.

CONCLUSION

Reducing the gap between housing demand and supply remains one of the key policy goals for governments and policymakers in a rapidly growing metropolis like Dhaka. Housing in Dhaka is quite expensive and often exceeds the standard threshold of affordability. As 68% of the city's residents live in rented properties, special policies and laws protecting tenant security should be implemented and monitored. This study explores the problems faced by tenant during their tenancy period. Despite having laws to protect the interests of the tenant, these laws are not fully utilized due to a lack of awareness. Further weaknesses are embedded in the law, as it did not specify any ministry or government agency, other than the controller, for monitoring tenant security. This provides room for the whimsical behavior of landlords. If a balanced approach is taken, ensuring both the interest of the tenant and the landlord, combining moderate rent caps, incentives to the landlord, increasing the supply of housing, and ensuring stronger enforcement, the present situation might be alleviated.

RECOMMENDATION

The first step in improving the state of housing is to improve the implementation of current laws and policies. Another important part of enforcement is formalizing tenancy agreements. It should be mandatory that all agreements of the tenancy are drafted and signed. Moreover, only through banks can transfers be made. This will mitigate the problems of unreasonable rent adjustments and allow improved tax revenue collection at the same time. In this regard, wider public dissemination of the Premises Rent Control Act 1991 and publicity of information on ward-level rent controllers can be helpful. It is also argued that steps such as determining the specific rent limit of the area and revising the limit at periodic intervals are necessary to prohibit the imposition of arbitrary rents. Further research is required to find a solution to this problem cumulatively.

REFERENCE

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