



Accountability the answer to real estate sectors woes

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In 2011, with great hope, Monwara Shameem had handed over her 8.25 decimals of land in Mohakhali DOHS to a reputed developer to construct a six-storied apartment building.

Since it was a prominent realtor, she was certain that her brand new home would be ready for her and her family

to move in in three years' time, and she went about dreaming up the interiors for the space.

But, she never got the chance to do up her longed-for duplex apartment, as she passed away last year -- four years after the promised handover date.

The flats are unlikely to be ready anytime soon: only the skeleton of the six-storied building has been erected in

the last eight years, with no construction work taking place at present.

In the past five years the developer sought extensions many a times, which Shameem had no choice but to go along with. But now, her family's patience has worn thin and they are at wits' end over the issue.

Taking the long winded legal route against the developer, who also has

kept three other landowners in the neighbourhood hanging, appears to be the only option for them to reclaim possession of the plot.

Like them, tens of thousands of landowners and many more buyers from all over the country are in limbo.

The majority of the buyers and landowners' complaint is the delay, said a realtor who has been in the business for 30 years now. He requested not to be named to speak candidly about the issues holding back the real estate sector.

"And they don't have anywhere to go when that happens. So, there should be an accountability authority to look after the buyers and landowners' interests."

If it isn't delays, there are quality issues too: the buyers and landowners are often not happy with the product they are handed over.

"Because of a few bad apples all of us get a bad rap and people are cynical about developers. So, it would be good if we are all under surveillance."

But, it is not that the apartment buyers are never at fault.

"They also put us in difficulty at times. When they commit to buying an apartment from us, we expect a monthly flow of cash from them and plan our finances accordingly. So when they skip out on an instalment it throws a spanner in the works."

There are many developers who are trying their level best to keep their word to their customers but has to put construction works on pause because of the cash flow crisis, he said.

Any construction project is a huge investment and it is not possible to self-finance them, regardless of how big the realtor is.

There are more than 1,200 developers in Bangladesh but not even 10 of them self-finance their projects, according to the realtor, who has ongoing projects in Mohakhali DOHS, Banani, Cantonment, Uttara, Mohammadpur and Mirpur.

"So, when the consumer is not

keeping their commitment, the developer has no place to go. The maximum we can do is send them letters and ask them to pay," he added.

Delays also happen for bureaucracy. It takes more than two months to get planning permissions -- even after paying speed money, said another realtor who recently entered the industry and has three ongoing projects in Rampura, West Badda and Mirpur.

"This kills time," he said upon conditions of anonymity for fear of reprisal. All that the official sees is a drawing of the planned building maintaining the rules and regulations of the area.

"It shouldn't take that long," he added.

The senior realtor echoed the same. "In Malaysia, Singapore, it takes two years to build a 30-storied building. Here, we can build a six-storied building at best in two years. There is no reason to keep us hanging for two months for a matter this straightforward."

Not just that, one has to pay speed money to get the files moving along.

"I can choose not to pay them bribes, but my permission will take longer and the landowner will come and say that so-and-so developer has managed to do it in two months, so why can't you? The system is pushing me to do that and I cannot come out of that process."

Another challenge facing the real estate sector is the astronomical land prices, which push up the prices of apartments.

"It's true that there is land scarcity in Dhaka. Dhaka is the epicentre of Bangladesh, so everybody wants to be here. How far Bangladesh has come as a country and an economy can best be experienced in Dhaka. So, our only option is to go vertical," said the first realtor.

But that still does not explain the land prices in the capital.

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