

Walk the Talk

Hossain Khaled

Managing Director,
Anwar Landmark Ltd.



The new Detailed Area Plan 2022-35 (DAP) has both good and bad news for the future of Dhaka city, as well as new challenges for the real estate industry. Due to size and height limits, the 2022-2035 DAP could make it harder for people in Dhaka to buy a home. Due to the market price hike, most land and apartment prices went up in Gulshan followed by Dhanmondi, Shantinagar and Uttara.

In terms of the DAP, the government should see if the developers, including pioneers in this regard, REHAB members, top-quality builders and veterans are involved in the dialogue. Unless such a discussion takes place, our issues and what they want will not be properly conveyed to each other.

Also, the government can introduce attractive home loan schemes with low interest rates for all income groups.

Shah A Sarwar

Managing Director and CEO,
IFIC Bank PLC



IFIC Bank, is one of the leading private organisations in this sector, having disbursed more than Tk 13.5 billion among around 31,000 customers across urban and rural areas for the construction or purchase of pucca and semi-pucca houses and apartments.

However, some challenges do exist, which we may overcome by implementing appropriate measures.

One such challenge is obtaining proper documentation while providing home loans to customers. Another challenging issue is that there are several organised groups which are inclined to obtain loans through fraudulent activities.

Besides, as the cost of funds of banks has risen in recent times, it is difficult for banks to continue providing home loans at 9 per cent interest. As the home loan market is intricately linked to the overall development of Bangladesh and holds priority within the banking industry, interest subsidies or stimulus packages can be introduced in the sector, which would facilitate the banking industry and consumers.

Mashid Rahman

Managing Director,
Rangs Properties Limited



The real estate and home loan market faces several daunting challenges. For instance, the interest rates on home loans remain relatively high, hindering affordability for many potential homebuyers.

Additionally, the scarcity of affordable housing persists as the costs continue to rise. To address these challenges effectively, it is crucial to implement targeted measures. Lowering interest rates on home loans can enhance affordability and encourage homebuyers to enter the market.

Simultaneously, strategies to encourage homeownership, such as offering tax incentives for first time homebuyers' and innovative home loan solutions, will encourage more people towards purchases through home loans.

Strengthening financial regulations and fostering collaboration between the policy makers, financial institutions, and stakeholders will strengthen confidence in the market and provide a solid foundation for growth.

Saif Khondoker

Director,
Shanta Holdings Ltd.



Despite being a significant contributor to the country's GDP, the real estate sector faces certain obstacles. Scarcity of land in prime locations and recently reduced density are impacting affordability. Ensuring connectivity and land use guidelines with zoning of civic amenities will be key for successful decentralisation, which are still lacking in the areas planned for expansion.

It's high time to relieve pressure from the city.

Moreover, the impact of the exchange rate and ongoing supply chain issues of both imported items and local ones suffering from the energy crisis are increasing costs and lead times. Delays in authority approval due to clarification and implementation of the new DAP guidelines is also a hurdle.

Furthermore, the next budget should keep in mind that the impact of any increase in registration fees, duties and taxes will have a detrimental effect on the sector and numerous linkage industries.



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