

DEBATE OVER DETAILED AREA PLAN

Dhaka's rapid expansion has prompted a clash between sustainability goals and the real estate boom. At the centre lies the Detailed Area Plan (DAP) 2022-2035 for Dhaka, with urban planners and developers offering differing views in recent interviews with The Daily Star

DAP hurts home buyers: REHAB

JAGARAN CHAKMA

Regulations in the Detailed Area Plan (DAP) are limiting housing responses to meet Dhaka's growing accommodation needs, according to realtors, as they argue that current urban policies are doing more harm than good.

"The new regulations may look good on paper, but in practice, they make it almost impossible to build affordable housing," said Abdul Latif, vice president of the Real Estate and Housing Association of Bangladesh (REHAB).

Latif, also the managing director of Basic Builders Ltd, said the floor area ratio (FAR) restrictions in the new DAP are strangling their ability to respond to Dhaka's housing needs.

The FAR defines how much floor space can be constructed on a given plot of land. Under the new rules, the maximum allowable construction has been significantly reduced in many zones across Dhaka and adjacent areas.

REHAB SAYS

- ② New DAP rules slash buildable space, driving up home prices
- ② Middle-class dreams of home ownership slipping away
- ② Blanket policies cannot address Dhaka's diverse housing needs

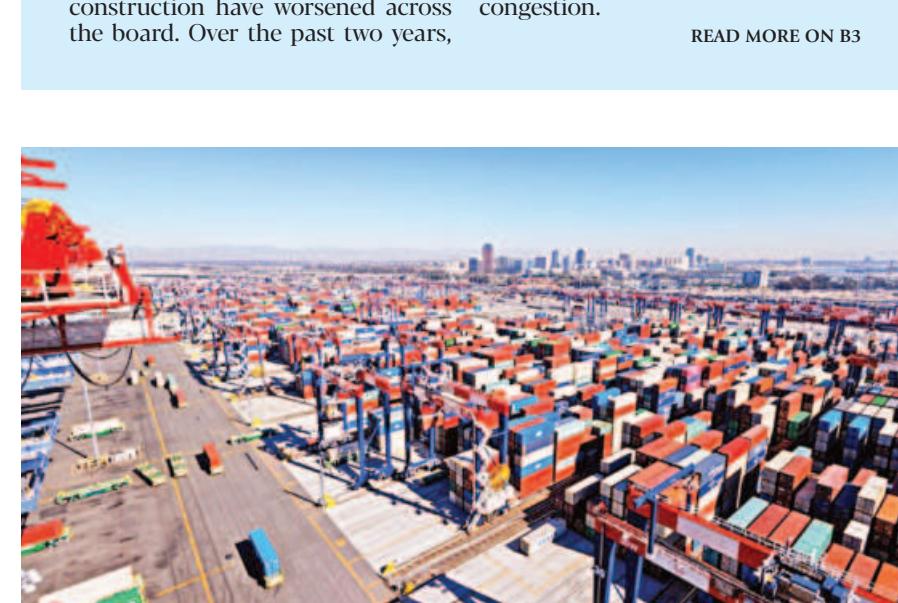
In some residential neighbourhoods, where buildings could previously rise ten to twelve stories, new rules now restrict heights to only four to six stories.

According to Latif, this results in a loss of more than 30 to 40 percent of buildable space, immediately rendering many housing projects financially unviable.

"The cost of land has not gone down. Construction costs are climbing. But we are being told to build fewer units per plot. That math does not work," he said.

He added that projects already in the pipeline are facing redesign requirements, cost overruns, or outright cancellation due to these policy shifts.

While policy restrictions limit supply, the economics of construction have worsened across the board. Over the past two years,



Automated electric trucks transport shipping containers at the Long Beach Container Terminal in Long Beach, California. Some companies didn't wait for Trump's April 2 announcement of massive "reciprocal" trade tariffs: they had already begun shipping more of their goods to the United States.

PHOTO: REUTERS/FILE

Trump trade war pushes firms to consider stockpiling

AFP, Paris

Stockpiling is the reflex response by firms to the imposition of tariffs, but with the rapidly-changing position of the Trump administration, companies are finding that it isn't so straightforward this time around.

Whether it's the luxury, electronics or pharmaceutical sectors, US President Donald Trump's unpredictability complicates the calculations of firms.

Some companies didn't wait for Trump's April 2 announcement of massive "reciprocal" trade tariffs: they had already begun shipping more of their goods to the United States.

In the end, Trump backed down quickly on the "reciprocal" tariffs, pausing them for 90 days except for China.

That still left the global 10 percent



ABDUL LATIF
Vice-president of REHAB

the cost of steel, cement, bricks, and other core materials has risen by nearly 30 percent, driven by global supply chain disruptions, inflation, and rising fuel costs.

Meanwhile, apartment prices have remained flat in many parts of Dhaka as buyer confidence erodes amid economic uncertainty.

"Our input costs have gone up, but demand has softened. Many buyers are taking a wait-and-see approach. Some have cancelled bookings altogether," Latif said.

He pointed out that higher diesel prices and import duties have also pushed up transportation and logistics costs, further straining developers.

"We are running on razor-thin margins now. For many firms, it is no longer a profitable business," he added.

"The DAP promotes density control, but in the wrong places," Latif said. "In high-demand, working-class areas like Mirpur, Badda, and parts of Uttara, developers are being asked to reduce vertical growth. But these are the zones where the housing pressure is highest."

At the same time, luxury zones like Gulshan, Banani, and Baridhara already operate under strict regulations. In many parts of the city, designated "growth zones" still lack basic infrastructure -- such as public transport, sewage, and water -- making development there practically impossible.

Latif emphasised that a blanket policy does not work for a city as complex as Dhaka.

"You cannot apply one rule across such a diverse urban landscape. What Dhaka needs is targeted, data-driven planning," he said.

In response to growing population pressure, the government has pushed for decentralisation -- a strategy aimed at moving administrative functions and industry outside Dhaka to ease congestion.

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Unchecked growth not an option: BIP

JAGARAN CHAKMA

The Detailed Area Plan (DAP) aims to strike a balance between development and sustainability of Dhaka, according to the Bangladesh Institute of Planners (BIP), as it says relaxing DAP guidelines to favour real estate interests would cause long-term consequences to the liveability of the megacity.

"The new DAP introduces area-based population density norms for the first time in Dhaka's history, which is essential for sustainable city planning," said BIP President Adil Mohammed Khan. "We cannot afford to let Dhaka grow unchecked any longer."

A key component of the plan is the regulation of the floor area ratio (FAR) -- the ratio of a building's total floor area to the size of the plot on which it stands.

The DAP 2022 introduces a varying FAR system from the city centre to peripheral areas based on the level of urban area as well as infrastructure, services and utility



ADIL MOHAMMED KHAN
President of Bangladesh
Institute of Planners

density not only affects comfort and convenience, but also directly impacts safety and liveability. Many neighbourhoods in Dhaka already suffer from narrow lanes and unplanned construction. With increased density and relaxed building rules, these areas risk becoming fire hazards.

"We're seeing more cases where fire cars can't enter alleys during emergencies because the lanes are too narrow and congested," Khan said. "If we allow indiscriminate high-rise construction in these same neighbourhoods, we will make the situation worse. In a fire accident, response delays can cost lives."

According to Khan, this loss of accessibility for emergency services -- especially the fire department -- is one of the most critical dangers of poorly planned urban expansion. The consequences are not hypothetical; recent fire incidents in the capital have exposed how fatal it can be when infrastructure is ignored in favour of vertical growth.

The DAP 2022 differs significantly from its predecessor, the 2008 plan. The earlier version prioritised rapid development and was more lenient with FAR values and construction permissions.

In contrast, the updated DAP aims to strike a balance between development and sustainability, emphasising green spaces, improved infrastructure, and population control.

"We are trying to correct the mistakes of the past," Khan said. "The 2008 DAP allowed fast growth but overlooked critical issues like traffic congestion, pollution, and emergency access. This time, we want to build a city that can breathe."

"Developers may see a dip in profits initially, but these policies are necessary for the city's long-term survival," said the BIP president.

"We are not against development, we're against uncontrolled, unsafe, and unsustainable development."

BIP SAYS

- ② Unchecked density risks turning Dhaka into a death trap
- ② Relaxing building rules may cripple future liveability
- ② DAP aims to fix past planning mistakes for a healthy city

capacities of particular areas to control density and infrastructure strain.

But developers have pushed back, seeking to raise the FAR limits and revert to a uniform, plot-based system.

Such a move, Khan warns, would be disastrous.

"For example, the FAR in areas like Badda could increase from 2 to 3.4 and dwelling units per katha could increase from 1.6 to 3," Khan explained.

"That means the number of families on a two-katha (1,440 sqft) plot could double from three to six. Multiply that across hundreds of neighbourhoods, and you're looking at density levels exceeding 50,000 people per square kilometre -- well beyond what any liveable megacity should sustain."

He added that high population

Heidelberg Materials Bangladesh's profit drops 50% in Q1

STAR BUSINESS REPORT

Heidelberg Materials Bangladesh saw its profit decline in the January-March quarter of 2025 due to lower sales.

The cement producer's profit slumped 50 percent year-on-year to Tk 19.6 crore in the first quarter of this year, according to its financial statements. Its earnings per share (EPS) fell to Tk 3.48 in the first quarter from Tk 6.96 in the same period a year earlier.

Shares of the company declined 3.17 percent to close at Tk 225.8 on the Dhaka Stock Exchange (DSE) yesterday. The net operating cash flow per share (NOCFPS) also dropped, standing at Tk 2.97 in the negative compared to Tk 23 a year ago.

The cement manufacturer attributed the fall in EPS to a lower net sales price per tonne and reduced sales volume.

The decrease in NOCFPS was due to lower sales volume and collection, the company said in the financial statement.

The company noted that its net asset value per share rose during the January-March period, mainly supported by the net profit recorded in the first quarter.

As of March 31, 2025, sponsors and directors held 60.67 percent of the company's shares, while institutional investors owned 28.42 percent, foreign investors 0.04 percent, and general stakeholders 10.87 percent, according to the DSE data.

Heidelberg Materials Bangladesh is one of the largest cement producers in the country. Part of the global Heidelberg Materials Group, which operates in over 50 countries, it strengthened its local presence by establishing a floating terminal and packing facilities in Chattogram, as per its website.

Runner Automobiles back in profit in Q3

STAR BUSINESS REPORT

Runner Automobiles returned to profit in the third quarter of the fiscal year (FY) 2024-25, buoyed by a rise in revenue from its three-wheeler business.

The company recorded a profit of Tk 4.88 crore during the January to March period, according to a disclosure on the Dhaka Stock Exchange (DSE) yesterday. This marks a turnaround from a loss posted in the same quarter a year earlier.

The company's consolidated earnings per share (EPS) stood at Tk 0.43 for the third quarter of FY25, compared to a loss of Tk 1.35 during the corresponding period of FY 2024-24.

Despite the improved performance, shares of Runner Automobiles fell by 3.03 percent to close at Tk 28.8 at the DSE.

Over the first nine months of the current fiscal year, from July 2024 to March 2025, the company reported a consolidated EPS of Tk 0.07, a recovery from a loss of Tk 3.57 recorded during the same stretch of the previous year.

Runner's consolidated net operating cash flow per share (NOCFPS) also rose, increasing to Tk 14.28 from Tk 13.18 a year earlier. The company credited the improvement to higher sales collections.

It said the surge in three-wheeler sales not only boosted overall revenue but also contributed to achieving a positive EPS in the latest quarter.

As of 31 March 2025, sponsors and directors collectively held 49.93 percent of the company's shares, while institutional investors owned 24.86 percent and general shareholders 25.21 percent, according to DSE data.

Harnessing the potential of digital payments to accelerate economic growth

SABBIR AHMED

Our country has made remarkable strides in digital payments recently -- adopting debit cards, QR codes, credit cards, mobile wallets and e-commerce -- embracing it all. There is immense potential for digital payments as we move towards a Digital Bangladesh.

Visa has been in Bangladesh for over three decades and is deeply committed to its digitisation journey. We work closely with partners across the financial ecosystem to enable simple, secure payments for consumers and businesses. As per GSMA, smartphone users in Bangladesh will rise to 63 percent by 2025, unlocking opportunities through democratised internet access.

Deepening contactless payments for everyday use

More people in Bangladesh are using debit and credit cards, with increased digital spending online and in-store, buoyed by the popularity of mobile financial services (MFS) and linked cards.

Domestic contactless payments, with their inherent value, convenience and speed, have tripled in one year and are a part of our daily lives, allowing users to tap their Visa cards to pay. World over, contactless cards are commonly used in retail stores, restaurants, transportation and daily commute. In many countries, one can save card details on smartphones and pay, eliminating the need to carry cards.

Visa is also working closely with digital wallets to enable wallet top-ups or direct payments using Visa on the app, digitally

enabling more people with better payment experiences.

Strengthening security and fraud prevention

Security and privacy are crucial for consumer trust. Visa has globally invested \$12 billion in cutting-edge security technologies over the past five years alone and is working closely with partners every day to secure payment experiences.



Our fraud prevention tools help detect and stop fraud, alongside dispute management solutions that safeguard the ecosystem.

Two powerful products, Visa Advanced Authorization (VAA) and Visa Risk Manager (VRM) give global issuers integrated, comprehensive fraud risk management for informed decisions, enhancing cybersecurity and protecting consumers.

Encouraging adoption for accelerated growth

At Visa we understand the needs of different segments and tailor how we serve them with customised card offerings, SMB digitisation initiatives and investing in

technology.

Businesses in Bangladesh, both big and small, can gain a lot from digitising payments -- managing cash flows better, securing transactions and tracking expenses conveniently. By using commercial cards, businesses can be part of a more efficient and transparent financial system. Plus, digital transactions make it easier to monitor financial activities and advanced technology helps to protect against fraud.

Looking ahead

Scalable digital payments should enable one to pay anytime, anywhere. We have seen transit payments visibly boost digital adoption. Imagine if you could just tap your smartphone to pass through your daily commute. Visa has implemented 750+ public transit projects globally and enabled open-loop transit payment systems for more efficient, user-friendly public transportation in cities like London, Osaka and New York.

At Visa we are committed to enhancing the digital payments ecosystem in Bangladesh with our promise of trust, security, simplicity, and efficiency. With technology and key partnerships, we aim to strengthen financial inclusion, making digital payments accessible for everyone. As Bangladesh continues to embrace digitisation, the potential for economic growth and financial inclusion is huge, and Visa is here to help pave the way for a more prosperous and inclusive economy.

The writer is the country manager (Bangladesh, Nepal and Bhutan) at Visa.