

Internship Report
On
“Present Situation of
Gazipur Upa-Sahar Ltd.
(On Basis of Real Estate Sector of BD)”



Present Situation of Gazipur Upa-Sahar Ltd.

(On Basis of Real Estate Sector of BD)

Prepared For
Riyashad Ahmed
Assistant Professor
BRAC Business School

Prepared By
Md. Azharul Islam
ID: 12264062
Course Code: BUS-699
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Riyashad Ahmed

Assistant Professor

BRAC Business School

BRAC University

Subject: *Submission of report on “Present Situation of Gazipur Upa-Sahar Ltd. (On Basis of Real Estate Sector of Bangladesh)”*

Dear Sir

With humble respect I would like to convey you the matter that I have prepared my report on the *“Present Situation of Gazipur Upa-Sahar Ltd. (On Basis of Real Estate Sector of Bangladesh)”*. I have tried our best to prepare the report in consistence with the optimal standard. I believe that, people; who want to know about the overall condition in the real estate sector in Bangladesh, will be able to obtain a better idea from the report.

I am grateful to you for assigning me this type of report, which has helped me a lot to gain practical experience about the situation that influencing the business of real estate. I would be very grateful if you kindly accept this report. I have tried heart and soul to make this report a complete one. It would be a great pleasure for me if this report can serve its purpose.

Respectfully,

MD. AZHARUL ISLAM

ID No. 12264062

BRAC Business School

BRAC University

Acknowledgement

At the inception of preparing this report I would like to express gratitude to the Almighty Allah for special blessing in completing it. Preparing a report is really a great task. A lot of efforts and study has gone in to make this report a reality. This would not have been possible only by me without the genuine support and assistance from others.

Firstly, I respect my honorable course teacher namely **Riyashad Ahmed**, Assistant professor, BRAC Business School, BRAC University, who give me the proper direction to complete this report. Secondly, I am indebted to all the people, with whom I approached during the various stages of writing this report, for their kind advices, suggestions, directions, cooperation and proper guidelines.

I am indebted to the Deputy Managing Director of Gazipur Upa-Sahar Ltd, M.U.Firoz Mrinmoy, and I am extremely grateful to Md. Moniruzzaman, Assistant Manager and also I would like to thank to all of the employees of Gazipur Upa-Sahar Ltd. who have directly or indirectly helped to complete my internship program.

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Executive Summary

The real estate sector is the growth center for the development of an economy. Bangladesh, being one of the densely populated nations in the world, has been experiencing severe of houses shortage for its citizens. Although majority of the population is segmented into the middle and the low income groups, still housing for all has been a fallacy in Bangladesh. The gap between demand and supply is still joy wide. Despite inadequate policy preparations, these real estate developers have been successfully making business although the middle and the low income households are still untapped.

Gazipur Upa-Sahar Ltd. was established in the year 2010 with REHAB membership, and Gazipur Up-Sahar Ltd. is one of the growing real estate and developers companies in Gazipur. Gazipur Up-Sahar Ltd. provides quality and innovative real estate and developer's product to the targeted group. As an intern, I got the chance to attach at GUSL for 12 weeks. The internship is a way to relate practical knowledge with the theoretical knowledge. In this report, I discuss and analysis the real estate industry and GUSL separately. Also I identify some internal and external factors that influence this sector and also the organization.

The existing marketing strategies are almost the same to all the developers. The main objective of the company is to find out clients and motivate them to buy apartments. This objective accomplished by several developers in several ways.

The company has a good future. It is successfully meeting the consumer demand by providing a wide range of real estate and developers products. It is playing an important role in our economy too by providing quality housing product. It also creates huge employment for the people of our country. The company has many scopes to expand its operation, and it has a future plan for expansion

However, to pave the way for the organic development of the industry, the problem of long existent inadequate financing availability at lower burden of terms and costs must have to be removed immediately and wider scope has to be created for Non-Resident Bangladeshis. With many other issues, this study attempts to identify the current status of the private housing real estate in Bangladesh, presents deeper insights of the critical factors for increasing its coverage, and thus finally recommends some immediate measures which will be helpful for both the organization and the industry also.

Chapter-1
THE ORGANIZATION

1.0: Brief description about Gazipur Upa-Sahar Ltd.

1.1 Vision, mission, goals, and objectives of GUSL

Vision

Company views business as a means to the well-being of the investors, employees and the society at large, leading to accretion of wealth through financial and moral gains as a part of the process of the human civilization.

Mission

Company's mission is to provide quality & innovative product for accommodation to the customers, maintain stringently ethical standard in business operation.

Objective:

The main objectives of the company are

- I. To be a major player in the Real Estate industry
- II. To offer higher standard of living for the people
- III. To offer a better location for every project
- IV. To offer a quality and comfortable living for human being
- V. Profit maximization

1.2 Historical background of GUSL

Establishment year of Gazipur Upa-Sahar Limited is 2010. Gazipur Upa-Sahar Limited is a real estate development company which is flourishing towards the frontline housing companies in Bangladesh. With a team of devoted human resources with diverse and widespread knowledge about housing business made **Gazipur Upa-Sahar Limited** very sharp in the competitive environment.

Gazipur Upa-Sahar Limited uses the best quality building materials and finishing products to ensure durability and customer satisfaction. The main concentration has been focused in the prime and attractive locations in the Gazipur city, the emphasis being on sound construction and aesthetic design. In addition, **Gazipur Upa-Sahar Limited** has tried to provide accommodations suitable for small families while creating scope for development of residential lands in the vicinity of the Gazipur city. Efforts are underway to cater to the needs of clients in every market segment. The success of such a large construction company requires specialized labors and highly qualified professional backups. **Gazipur Upa-Sahar Limited** has developed a strong team of such highly skilled, experienced professionals to work under its competent management.

Gazipur Upa-Sahar Limited is deeply concerned about the design, quality and time management for the clients' contentment as well as to the social community for ethical and ecological manner. By adopting modern technologies, innovations and strategy, **Gazipur Upa-Sahar Limited** prepared apartments for the nations with comfort, secured and luxury.

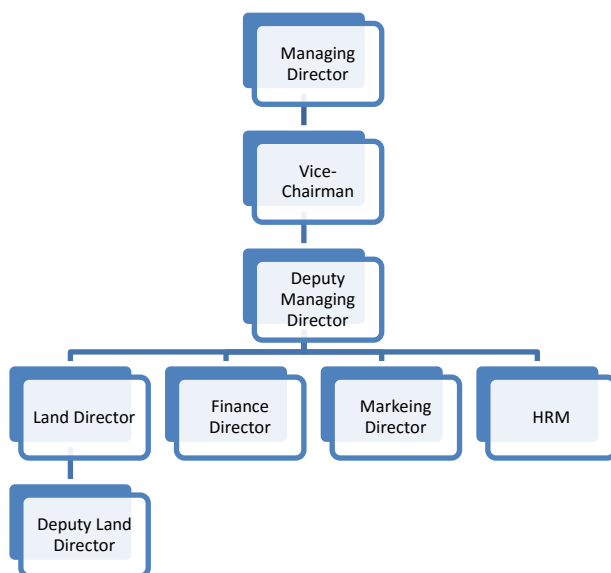
In addition, the confidence in professionalism of **Gazipur Upa-Sahar Limited** will ensure the clients' desire and satisfaction for continuing an excellent relationship in the future. The success and endeavor to develop apartments of **Gazipur Upa-Sahar Limited** is not only a business for an individual but also a commitment to the society for the progressive living standard.

Company Name	Gazipur Upa-Sahar Limited
Establishment year	8 th September 2010
Address	C/12, Jorpukur Par, Gazipur Sadar, Gazipur-1700
No. of Employees	30
No. of Workers	52
Dealing Bank	Dhaka Bank Limited, Al-Arafah Islami Bank Limited, National Bank Limited
Completed project(s)	Parijat, Ambag, Bonpalashi, Purobi, Rajabari

On-going project(s)	Turag valley, Khamarbari, J & j Tower
Total Land	423 acres

1.3 Organ gram of GUSL

The overall management of GUSL is vested to the Board of Directors which comprises of the following members:



1.4 Brief description about various functional departments of GUSL

Departments of the company:

GUSL contains 7 major departments. The name of those departments & activities are given below:

1. Reception Desk
2. Marketing & Sales Department
3. Administration & Business Department

4. Documentation & Recovery
5. Finance & Accounts Department
6. Procurement Department
7. Human Resources Management (HRM)

Reception Desk:

The main task at the reception desk is maintaining the inward & outward register, office management, & telephone receiving. They also maintain a daily recall file which is known as the Central Recall System.

Marketing & Sales Department:

GUSL has a rich marketing department. A strong sales team & aggressive marketing campaign has brought tremendous sales growth along with a good market share.

Administration & Business Department:

The administration department of **GUSL** always looks after the whole organization. They always run the organization smoothly. If any employee does any fault then the department takes action against the employee. The company reward is given to the employee who has done well.

Finance & Accounts Department:

- I. Final checking of Bank reconciliation.
- II. Checking of Bank Debtor order voucher.
- III. Checking the company financial accounts.
- IV. Give clearance for surrender.
- V. Give clearance for registration.

Procurement Department:

- I. Buying Land
- II. Registration of the sold land

Documentation:

- I. If any customer fails to pay the due in schedule time then this department arranges time extension letter & gives the time extension approval.
- II. For business, if the client is not able to take deed, in this case the officers of this department communicate with the client to take the deed, by this time officers make a rough copy of the deed.
- III. If any change in his/her payment schedule or change the plot then this department arranges all procedure.
- IV. This department also makes note sheet for registration when a client pay all the dues with registration fees.

Chapter-2

INTRODUCTORY PART

2.0: Introduction

2.1 Introduction

The urbanization of Bangladesh is quite similar to that in Latin America, formerly called “over-urbanization” in 1950’s, this is a situation where a rapid rate of urbanization does not lead to corresponding growth in industry and economy but results in a shift of people from low-productivity rural agricultural employment to low-productivity urban employment or underemployment. The major cities of Bangladesh exhibit the clearest symptoms of over-urbanization, where an imbalance between rapid population growth and insufficient employment opportunities led to an increase in poverty and the mushrooming of slum and squatter settlements.

In Bangladesh, the problem of urbanization is further aggravated by limited land supply in urban areas, lower land utilization and the lack of proper planning and land use policy. Due to globalization, the urbanization process is also increased. The ever-increasing urban population is creating an increasing demand for shelter. Article 25 of the United Nations, Universal Declaration on Human Rights (1948-1998) has clearly stated that: “Everyone has the right to a standard of living adequate of the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right of security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control”. (UN, 1948).

Bangladesh has one of the lowest land-person ratios in the world. The situation is further aggravated every year through an irrevocable reduction of per capita share of land for housing, as a result of continuing population growth. Acknowledging the importance of housing, which is one of the five basic needs incorporated in the constitution of Bangladesh, the government is compelled constitutionally to play a vital role in securing housing rights. The constitution of the People’s Republic of Bangladesh states in Articles 15(a) that:“It shall be a fundamental responsibility of the State to attain, through planned economic growth, a constant increase of productive forces and a steady improvement in the material and cultural standard of living of the

people, with a view to securing to its citizens. From the above statement it is quite clear that providing shelter to all the people is one of the fundamental responsibilities of the state. But being a government of a poor developing country, it is almost impossible for the government to ensure housing for all. As the public sector failed to provide this, people have taken their own initiative to ensure their fundamental need for shelter. Government alone cannot provide housing to all and realizing this, they decided to share the task of providing safe decent places to live with Real Estate Developers, to make people a productive resource. As a significant development in the housing question has been the adoption of the National Housing Policy (NHP) in 1993 (amended in 1997). The basic principle of the 1993 NHP is that the government would play the role of an enabler of facilitator in the housing sector (Article 4.2) and not the role of a developer of provider. So the government of the people's republic of Bangladesh is somehow patronizing the real estate developers to contribute in the housing sector of Bangladesh.

Statistics show that Bangladesh will need to construct approximately 4 million new houses annually over the next twenty years to meet the future demand of housing. Estimates for annual requirements for housing in urban areas vary from 0.3 to 0.55 million units. The share of urban population in Asia is 39 percent at present and is projected to be 50 percent by 2016. In Bangladesh, 25 percent of the population (some 45 million people) now lives in urban areas; this proportion will be 40 percent (85 million) by 2016. Dhaka with a total population of more than 20 million is now the 19th largest city in the world. While comparing the growth of the real estate and housing and the construction sector with that of GDP, trend growth in the two sectors for the period 1992-2002 was 4.8 and 7.5 percent respectively, which is much higher than the trend growth in GDP of 4.6 % for that period? The shares of the real estate and housing sector and the construction sector in the GDP were quite high in the year 2002 and accounted for 8.3 and 8.0% respectively. However, the incremental contributions of these two sectors in the same year were also considerably high at 6.0 and 12.8 % respectively (CPD 2003).

The Current trend of urban growth in Bangladesh is about 6-7% per annum. At present 29% of Bangladesh's population live in urban areas, which will be 34% by the year 2025 (REHAB). Considering this situation in this report is to identify the role of Real Estate Entrepreneurs in providing the housing facilities for the growing urban population and how these are influencing the growth pattern of the city and its sustain ability to the trade.

2.2 Summary

The real estate sector is one of the fastest growing and thrusting sectors in Bangladesh. Infrastructural development is highly important for a country to rise as a developed nation and to ensure housing facilities for the citizens of the country. Housing is one of the basic rights of every citizen. "Housing for all" should not merely be an empty political slogan. The government should create an environment with encouraging policies so that the housing industry can flourish, and this will also be a great boon for our national economy. Moreover, Bangladesh is a highly potential country for real estate development. A happy home, a peaceful, secure environment, a planned city is needed and deserved by every human being whether rich or poor. According to statistics, within next 4 years, half of the world's population will be the part of the urban cities. Bangladesh is not out of the picture. If proper urbanization is not made in the hand of the real estate, rather than being Mega city or Mega polis, it may become Mega Problem. It is our duty to develop and help in creating a better place for all irrespective of age, income and status.

Gazipur Upa-Sahar Limited is one of the rising companies in the real estate sector. They are running with some extraordinary human capital, extensive financial resources and distinguished marketing capabilities. Their main strength is their planning and they planned with the marketing knowledge. Their distinctive market dictates that they all well off with their marketing capability. Although the organization has greater future, they must look after some points that might hamper their lightening business. They must look after their valuable and skilled human capital. The organization must motivate their employees in different ways. The organization need to think about that as they have sufficient financial resources, they must use the resource effectively. They must not waste the resource by investing in loss project. In marketing the firm is far better than the other organization. Gazipur Upa-Sahar Limited must change their marketing strategy with the changing environment to adopt the change and retain the growth in the market share. Thus we can say that if Gazipur Upa-Sahar Limited is just concerned about these points and run their business with same excellence as they are running at present, they have the capability to be the best in the real estate sector.

Chapter-3

DESCRIPTION OF THE PROJECT

3.0: Description of the Project

3.1 Objectives of the Study:

Broad Objectives: The broad objectives of the report are:

1. To analyze the current position and performance of Gazipur Upa-Sahar Ltd.
2. To analyze the industry of real estate in Bangladesh.

The **specific objectives** of the study are to:

1. Measure the demand and supply of the real estate industry in our market.
2. Highlight the positive notion of real estate industry in our market.
3. Identify the challenges that are faced by Gazipur Upa-Sahar Ltd.
4. Examine the strong and weak points of Gazipur Upa-Sahar Ltd.
5. Understand the external environmental factors that influence the real estate business.

3.2 Methodology:

An experimental research has been conducted in preparing this paper. Pure basic research approach has been used along with this where theoretical and practical studies have been incorporated. Data have been collected through face-to-face and telephone interview. Questionnaire has been used in gathering primary information from real estate participants. Information has been used from different secondary sources – internet, Newspapers, annual reports, online and printed articles, journals and previous research papers on real estate sector. Opinions have been collected from experts and participants in the real estate sector, which have been very useful in analyzing the data and information and to reach a conclusion. Numerical data have been analyzed and interpreted with concentration and relation to the main issue. Theoretical analysis along with numerical evidence has been used to validate the findings of the study. The analysis has been presented first and then findings have been drawn.

3.3 Significance of the study:

The significance of this study is dual. From an internee's perspective this study gave me the opportunity to apply my knowledge earned in last 2 years education. From the company's point of view this study will help them to look at some problems from a very different perspective which is from the view-point of a person not from the company. This study may help them to evaluate their strategies and policies according to customer satisfaction and renovate their strategies and policies which may help them to achieve their goals.

3.4 Scope of the Study:

This report covers Organizational and Industrial Overview, Management and Organizational Structure and major functional areas, Products and Services performed by GUSL. It also covers the present situation of real estate industry and GUSL, prospects and challenges of GUSL, analysis external and internal environment of GUSL.

3.5 Limitations of the Study:

Though, I got whole-hearted co-operation from employees of Gazipur Upa-Sahar Ltd but during the internship program I have faced a lot of problems to complete the report. In fact, in the short time it is not possible for me to know everything about the total sector.

Problems that I have faced for this report purpose are:

- I did not get up to date information about the sector.
- Most of the developers did not provide me all information that is needed for my study.
- In some cases wrong information is also provided by the developers.
- Time constraint is one of the major obstacles of finishing the project in a limited time.

Some of the data and information are highly confidential for any company. For this reason, it could not disclose for obvious reasons, which could be very much useful.

Chapter-4
INDUSTRY PROFILE

4.0 Real Estate Industry Profile

4.1.1 Earlier Period of Real Estate Industry:

Real estate business especially apartment projects has started in seventies in Dhaka City. But from early '80s the business started to grow and flourish. At present, about 1500 companies are active in business. But still 95% business is dominated by of top 15-20 Companies. Presently this market is growing at the rate 15% per year.

- The concept of real estate construction business is introduced in Bangladesh by 'Eastern Housing Ltd.(EHL)'. During 1964, EHL started the real estate business at Bangladesh (former East Pakistan).
- The second company in Bangladesh (former East Pakistan) real estate industry was Ispahani Group, which is one of the oldest business houses in the Indo-Pakistan sub-Continent, established 200 years ago. But at present they have no more operation activities in real estate industry in Bangladesh.
- During 70s there were 5 real estate companies had operated this business. From the early 80s the business has started to flourish and in early 90s in reached at one of the highest growing sector in Bangladesh. In 1988, there were 42 real estate developers worked at Dhaka city.
- At that time the leading real estate companies felt the necessity of forming a trade association to strengthen the role of the real estate industry & ensure the ethical practice in construction. 'Building Technology & Ideas Ltd' (BTI) took the leading step to establish the association of the real estate companies. In 1991, Real Estate & Housing Association of Bangladesh (REHAB) was formed with 11members of real estate companies.

4.1.2 Present scenario of Real estate Industry:

- In 2010, the total member of REHAB is exactly 1081. But there is also many non-member of REHAB is continuing their real estate business. Around 500 non-registered real estate developers are doing business in this sector

- REHAB members companies have delivered around 9000-10000 numbers of apartment units per year. In last 20 years, the real estate companies delivered approximately 100,000 no. of apartment units. The current demand of apartment is 600,000 to 800,000 units all over the country. Particularly in Dhaka this demand is estimated to be 60,000 units of real estate apartments combined with 200,000 units of replacement plus backlogs (REHAB, 2004).

- By REHAB estimation, the real estate industry have approximate turnover of 28 Billion taka per year. This industry provides government revenues of 2 Billion taka per year. This industry's contribution to Bangladesh's GDP is around 8- 10% of the total GDP.

- Currently more than 2.5 million of skilled & unskilled direct physical labors are employee in this industry, this indicated that it have a great contribution over Bangladesh economy & employment.

- Direct employment by Real estate Industry –

Architects	:	500
Graduate Engineer	:	3,000
Diploma Engineer	:	10,000
Management Official	:	20,000
Direct Labor	:	2.5 million

[Source: REHAB, real estate sector at a glance]

4.1.3 Major Players:

By REHAB's judgment, though there are now more than 1000 real estate companies, but still more than 80% of total real estate business is dominated by the top 18 to 20 leading real estate companies.

In the recent period the leading real estate companies are –

- East West Property Development (Pvt.) Ltd.(A sister concern of Bashundhara Group)
- Building Technology & ideas ltd.(BTI)
- Navana Real Estate Ltd
- Concord Real Estate & Building Product ltd.
- Advanced Development Technologies Ltd.
- Bashati consortium ltd
- Sheltech(Pvt.) Ltd.
- Eastern Housing Ltd
- Sagufta City Developers Ltd.
- Suvastu Development Ltd.
- Asset development & housing Ltd.
- BRAC Concord lands limited
- RANGS Properties
- Mohammadi Housing ltd.

Also the other companies that are operating business successfully are Assurance Developments Limited, Rupayan Real Estate company, Urban Design & Development Ltd., Globe Construction Limited, ANZ Properties Limited, DOM-INNO Builders Ltd, Abode Properties ltd, Tropical Homes Ltd, Assort Housing & Engineering Ltd. Manama developments, Anna Corporation, Family Living Ltd, PrasaadNirmaan ltd, Agrani Apartment Ltd, Xenovalley Model Town Limited, Dhaka Shelter (Pvt) Ltd.,Shahjahan& Group, City Axis Ltd, Western Developers Ltd., Kashba Housing Private Ltd., United Pacific Builders Ltd., Century Reality ltd, Ideal Home Bulders Ltd, Borak Real Estate (Pvt.) Ltd, Russell Lodge Holdings Ltd., Amin Mohammad Lands Development Ltd, ABC Real Estate Limited, Keari ltd., etc.

4.1.4 Regulatory Environment:

Before 2004 there were no mandatory building regulations or laws in Bangladesh. There is “Bangladesh National Building Construction Code 1993”, which is not mandatory and well enforced by the government. The government has taken initiative to make it mandatory. According to newspapers, many developers do not follow the codes, which put the customers in risk. In 2004 “Land Development Act for Private Residential Project 2004” has been passed which is mandatory and to be complied by the developers. Government amended The Building Construction Act of 1952 in February 2006. The Bangladesh National Building Code (BNBC) of 1993 came into effect on November 15, making it mandatory to comply with in any building construction under The Building Construction Act of 1952 and to ensure accountability in the management of overall building construction and safety of the buildings. Developers also have to comply with the Dhaka Metropolitan Building Rules of 2008 to ensure safe building constructions. To protect the interest and ensuring safe investment of the buyers, the Government of Bangladesh has designed the Real Estate Management Ordinance 2008 but it is yet to be approved by the Govt. or passed lay the Parliament.

4.2: Company Profile

4.2.1 Overview of Gazipur Upa-Sahar Ltd.:

Gazipur Upa-Sahar Ltd. was established in the year 2010 with REHAB membership, and is now the promising and pioneering company in the real estate of Bangladesh. With the rapidly increasing demand for land and development for housing, Gazipur Upa-Sahar Ltd. started the development of land in various locations of Gazipur and sold over several apartments. Gazipur Upa-Sahar Ltd. has also played a pioneering role in the construction and selling apartments to substantial number of Gazipur city dwellers. During the past years, it has successfully completed a good number of apartments and also focusing on delivery land toward customers.

Since that time, (2010) the company has progressively consolidated its expertise in developing projects and has gained a high reputation in successfully completing its assignments. It is very serious in their commitment to hand-over its ready flats. Essentially, company manages and develops community and affordable housing for people on low to moderate incomes.

They provide clients with a range of housing options, from income-based community housing rental to shared-equity house purchases. Company characteristic is always to perform their task with the specialized workers (i.e. with the right man for the right job) all construction materials and equipment are procured with great care so as to ensure highest possible standard.

4.2.2 Financial Position:

Non-Current Asset:

	As on 30.06.2014	As on 30.06.2013
Property, Plant and Equipment	13,312,800.00	8,062,800.00
Preliminary Expenses	85,620.00	85,620.00
Un-Allocated Revenue Expenses	1,925,480.00	1,925,480.00

	15,323,900.00	10,073,900.00
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Current Asset:

Inventories	31,063,250.00	26,542,150.00
Advance, Deposit & Pre-Payments	83,692,500.00	52,400,000.00
Cash & Cash Equivalents	625,845.00	1,770,406.00
	115,381,595.00	80,712,556.00

Total Assets **130,705,495.00** **90,786,456.00**

4.2.3 Project Status of GUSL:

a) List of Handover Project:

SL	Name of the Project	Location	Size of Project Lands	Types (Com. /Res.)	Project Cost	Project Started Year	Date of Handover
1	Parijat	Gazipur	100 Bighas	Project		2010	-
2	Ambag	Gazipur	14 Kathas	Residential		2011	2014
3	Bonpolashi	Gazipur	12 Kathas	Residential		2011	2014
4	Purobi	Gazipur	9 Kathas	Residential		2012	2015
5	Turag Valley	Gazipur	179 Bighas	Project		2012	-
6	Rajabari	Gazipur	51 Bighas	Project		2013	2016

b) Ongoing Project:

J&J Tower:

- 8 Stored Building
- No. of Apartments: 26
- Types of Apartment: 3[800Sqft, 950Sqft, 1750Sqft]
- 24 hrs Elevator.
- Earthquake resistance

c) In Future Project:

GUSL has many empty lands in Gazipur for future projects. They will use those lands mainly in commercial and residential projects in future. But due to ongoing unfavorable economic situation, slowness in sales and financial problem, GUSL is very much calculative and selective in choosing new projects. However, they are hopeful that, very soon they will be able to make an agreement for 2-3 projects at Sripur Upazilla. GUSL believes in qualities and give emphasis on great life styles, facilities and location. Their aim is to provide a luxury and affordable life.

Lake City Gazipur (Upcoming):

- Housing: 5 Buildings, 10 Stored each.
- Commercial: 1 building, 6 stored.
- No of Apartments: 216.
- Types of Apartments: 14 Varieties[Based on sizes(Sq. FT)].
- 60% open space
- Play ground.
- Cineplex.
- Indoor sports zone.
- Convention Centre.
- Fitness Centre.

- Inter connected Basement parking.
- Vehicle Free walkway.
- 1 passenger lift & 1 Trolley lift for every building.
- Own Fire-fighting equipment.
- Waste Management.
- Amphitheater for cultural practice.
- Health Centre

Chapter-5
SITUATION ANALYSIS

5.0 Situation Analysis:

5.1 Industry Situation Analysis:

5.1.1 Demand Analysis:

Now in Bangladesh the demand for residential real estate unit is rapidly increasing. The current urbanization rate is 5-6% and 50% people will be living in the cities by 2025, according to experts. Population is increasing rapidly in Bangladesh. The population in Gazipur, the industrial city, is increasing very fast. This rapidly increasing people need more housing facilities. More and more increase in house rent implies that people would become less interested to stay in rented house and would try or tend to buy home. This is also increasing the demand of apartments in Bangladesh especially for the middle or upper middle class people in the society. This huge lift in the urban density and rush of the people to Gazipur city has created great demand of accommodation and housing services. Moreover the real estate developers have started targeting the middle-income groups in the last few years to sell apartments. As the major portion of the society belongs to the middle-income group, its demand is essentially high. According to REHAB there is a demand of about 60000 residential units plus 200000 units of backlogs and replacements every year. But REHAB members can supply only 8000 to 10000 units each year. People are now interested to move from Dhaka but to near Dhaka city. Industries are also creating demand for housing in Gazipur city. Now in this intense situation of rapidly growing demand the existing number of developers cannot satisfy the current demand. This scenario ensures us a higher demand in future as the gap between demand and supply is increasing.

5.1.2 Supply Analysis:

Certainly the supply of apartments in the residential sector is increasing everyday with high pace. REHAB at the time of its inception had only 11 members who were developers & builders. In 1988 the number grew to 42. In 2004 it was 200 and now about 450 REHAB members and more than 350 non-members are there in the market.

The huge demand gap has lured a steady growth in the number of real estate developers in the market. Therefore supply also increased at a good rate though it is far below the demand level. In the last 18 years apartments supplied by REHAB members show a steady growth in supply. Currently REHAB members are supplying 5000-6000 units of apartments and 4000-5000 units of plots on an average per year against huge demand of housing. In the last 20 years REHAB members have supplied 50000 apartments approximately which is much less than the demand in the market. The large unsatisfied demand is partially satisfied by real estate developers who are not the members of REHAB. REHAB could supply only 6000 against demand of 8000-10000 which is approximately 10% of the demand. Thus 90% of demand is supplied by the independent developers and the consumers. That's why it is expected that there is a vast opportunity to sell apartments & plots in the market. It presents an attractively growing scenario for the market players. REHAB is expecting to supply 20000 to 25000 additional units of apartment from the next year if all environments are favorable. Currently, according to REHAB statistics, in Dhaka city there are 2240 dwelling units under construction, which includes 49703 apartments. Outside Dhaka city, around 80 projects are currently under construction, which can supply merely 2663 apartment units (REHAB, 2004).

5.2 Company Situation Analysis:

5.2.1 An Overview on Company Situation:

GUSL is one of the growing companies in the industry though it was established in 2010. The current growth rate of the company is about 10%. Their experienced top management is concise about the changing market behavior. They are flexible in their management style. They recruit young personnel for their mid-level management to get maximum benefit from those fresh men. As market behavior is continuously changing so they need to arrange some training programs for their young personnel to achieve their objectives.

Moreover recently the company is in financial crisis for that reason their number of current projects are going down. So they need to borrow money from the outside of the financial institutions as the financial institutions are not interested to give it. Their logistics and construction department are also not structured enough and all of these incurred higher production cost. To be market leader they need to improve their department efficiency. To know better about the company situation we need to analysis its external and internal environment:

5.2.2 External Environment Analysis:

It is very important for real estate industry to analyze its external environment. An external environmental analysis studies information about a business's industry, competition, and political and social environments. These factors affect the business from the outside of business where they have not any control. An analysis of the external environment includes a list of factors in a business's external environment and their influence on the business. There are some components of external analysis; here we mainly focus on PEST analysis.

PEST Analysis:

Every organization operates in a larger macro environment of forces that shape opportunities and pose threats to the company. The four major forces that are: Political, Economic, Social and Technological forces that affect the developing and the real estate industry as a whole which are discussed below:

I. Political & Legal Forces:

As one of the biggest problem of our country is political chaos & instability. This continuous political problem hampers the continuation of the project and delays completion of project, and so sometimes the companies become unable to handover the apartment on the due time and fail to maintain their commitment. This increase the overall cost for the companies. This political instability also hampers the image of the companies as they failed to maintain their commitment, and it may have a long run effect on sale & business profit margin.

For the last 5 years Bangladesh is being defending champion in being ‘most corrupted country’. Again to start a construction a real estate company has to take approvals of nine different government agencies. This picture really indicate how much extra unseen illegal cost the real estate companies have to bear to start a construction project. Again one another problem facing the real estate companies is ‘illegal toll collection’ by the local people (mastan) where the project work incurs.

The legal and regulatory framework concerning the housing and real estate development includes laws such as Building Construction Act (1952), Town Improvement Act (1953), Dacca Master Plan (1959) and Building Construction Rules (1984). But these laws are not adequate to facilitate resolving habitation problems. Other limitations of these rules included a lack of appreciation about the differences between planning and building rules, the outdated nature of such rules and the inability of the rules to address the demands of an expanding city and targeting only the middle and high-income groups. There is no standard housing plan for Gazipur City.

Bangladesh does not have any separate code for the design & construction of earthquake resistant structures. The building earthquake society has recently published a Bengali translation of the guideline for earthquake resist non-engineered construction, written by the international association of earthquake engineering.

Till now there are no specific rules & regulations for constructing high rise buildings. But a new rule of construction of high rise building is waiting for final approval of the ministry.

Before start a construction project every developer has to take approval of different agencies for the specific project. Most of the construction work delayed due to the lengthy & time consuming & bureaucratic procedure. This process also incurs a handsome amount of unseen/illegal cost for the developers.

The approvals are required from the following governmental department –

1. Rajdhani Unnayan Kortipokkya (RAJUK)
2. Ward commissioner of the specific project site
3. Water & sewerage authority (WASA)
4. DESA / DESCO
5. TITAS
6. Fire service
7. Department of environment (DEO) (Sources: REHAB).

II. Economic forces

- **Bank loans to the customers & it's interest rate :**

Definitely it has a positive effect on the growth & prospers of the real estate business. In Bangladesh the housing & construction loan to customers are basically provided by DBH, IDLC, HBFC etc. For this housing loan facilities many middle income groups can get the opportunity of having own living permanent shelter, which basically opened a new horizon of business for the real estate companies. But the matter of fact is that the rate of the interest for the housing loan is very much high which is not easily affordable for the middle income group. So basically the high income group is mainly exploiting the opportunities. Currently the average compounded interest rate 13% - 15%, which is too much high, compare to the other foreign countries.

- **Bank loans toward real estate companies :**

The well established companies are less dependent on the bank loan, as because those establish companies can finance their projects by own capital & most of the amount actually comes from the customers' advance installment payment. But for the small & unknown companies sometimes they have to rely on the bank loan or loan from third parties as they may cannot sale their apartment units in advance.

- **Inflation & Economic Breakdown:**

For the uneven fluctuation of the price of supplies materials for the construction, the real estate companies also have to increase the price of the apartment. The main raw materials of construction are basically cement, steel, ceramic mosaic, paints etc. we have seen that due to the inflation the price of these material is ever increasing. According to REHAB, there had been average increase of 15%-18% in overall prices of building construction materials in 2012 than that in 2011. REHAB and industry experts estimate amplification of this price trend in the long run. Again from 2003 till now the price of rod has been increased by a devastating 100% approximately.

Economic crisis is also a big concern of our real estate companies for that reason after the collapse of the share market and recent bank crisis average sale in real estate industry has fallen near about 40% to 50%, because people(basically middle-income) have not enough money to effort a new house.

- **Impact of changes in foreign currency exchange :**

The basic supplies of real estate are cement & steel. The most of the raw materials for producing cements are imported from foreign countries, mostly from India; again the raw materials of producing steel is coming from the scraps of the foreign ships. So the instability in foreign currency exchange definitely has impact on the price of cement & steel. But in terms of dollar our currency does not fluctuate very much and this is a good point for the cement & steel manufacturers.

III. Social & Demographic Forces:

- **Population Growth & un-availability of vacant space land :**

Population is increasing rapidly in Bangladesh. Basically, the population in Dhaka, the mega city, is increasing very fast. In 1991 the Dhaka city population growth rate was more than 10 %, and in recent 2001, this rate was 4.34%, which is also much higher than the country population growth. (Source: REHAB). This rapidly increasing people need more housing facilities. More

and more increase in house rent implies that people would become less interested to stay in rented house and would try or tend to buy home.

Researches indicate that only 30% population in Dhaka city has occupied already more than 80% of residential areas with human settlements and supportive infrastructure. Economists and real estate experts state it as highly significant because in this way land is becoming increasingly inadequate to provide individual housing solutions. For this, people are moving from Dhaka to the nearest comfortable locations like Gazipur, Savar etc. Moreover, land is quite unavailable in Gazipur a suitable location for individual housing fulfillment. For huge demand and inadequacy of land, price of land is very high in the urban area according to the real estate participants. This is making more people inclined to build and share apartments.

- **Recent pattern of Family structure :**

The family structure is undergoing some qualitative & quantitative change. The families become small & joint families are facing extinction. Commercialization & urbanization has resulted into breakdown of traditional large families into nucleated one. In the recent trend every new couple are interested of having their own tiny apartments to dwell with two or three rooms. As for this social change there is an increased demand for new housing, which also influenced the flourish of the real estate business at Gazipur city.

- **Reluctant of individual to spend time & energy in building construction :**

Now a days, in this fast moving globalizing condition, people have less time to spent on purchasing & constructing the home individually. As the real estate companies offering the readymade houses, people are now try to avoid the hassles of constructing the house by themselves. As one has to face many bureaucratic harassment to start a building contraction, people are now more interested in apartment purchase.

- **Security Purpose & various services :**

One of the main reason of growth of apartment business is security purpose. In an apartment there is a society, and so people feel more secured & safe life. But the own built house cannot provide such security in people's life.

Again , many service facilities such as garbage disposal, central satellite TV connection, roof top facilities, lift, generator, playground for children, gym & prayer facilities etc., so apartments services saves time, & make the peoples life more easier. Monthly Rent of the apartments is also comparatively higher than the rent of privately constructed house units. That is the other reason of increasing popularity of real estate business.

IV. **Technological Forces**

Technology plays a vital role in this industry. Compare to foreign countries, Bangladesh real estate industry is lack behind in implementation of advance & new technology. As in Bangladesh labor is cheaper, it is used as a substitute of advance technology. But in fact of Time-frame, manual man power cannot be a perfect substitute of technology. Though we have skilled manpower for constructing high rise building & also architecturally creative buildings, only for the lack of technological support it is not possible in Bangladesh.

In Japan, to struggle against the earth quake disaster, 'spring' system technology is used at the base foundation of the building. Whereas Bangladesh, which is also considering an earth quake probability zone, doesn't have any machine to measure the rector- scale of the earth quake. Again in the technologically advanced countries, they use 'Alukabond' technology to build high rise building made by steel.

In Bangladesh some industry leading companies are now taking the help of advanced technology. As like 'Bashundhara Group' is started to utilize technological facilities. They are using technology like- Ready-mix concrete truck, Electronic ground scanning (EGS), vibra technology, Crain to carry heavy materials from one point to another point. 'Advanced

Development Technologies' also have plant for ready –mix concrete supply through special form of trucks; and enjoying lower cost as it reduces the timeframe for a construction project.

5.2.3 Internal Environment Analysis:

It is very important for a real estate company to analyze its internal environment. An internal environmental analysis studies a business's strong points, weak points and opportunity along with threats in their environment. These factors affect the business from the inside of business where they have some control over it. An analysis of the internal environment includes a list of conditions, entities, events, and factors within an organization that influence its activities and choices, particularly the behavior of the employees. There are some components of internal analysis; here we mainly focus on SWOT analysis.

SWOT Analysis:

A SWOT analysis is a structured planning method used to evaluate the strengths, weaknesses, opportunities, and threats involved in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. The SWOT analysis of Gazipur Upa-Sahar Limited is given below:

Strengths:

- **Market Share:** Gazipur Upa-Sahar Ltd. has got over 12-15% market shares in this business covering both apartment and land for housing. (Source: Direct interview with the employee of GUSL)
- **Reputation:** The strength of the company is its reputations that turn into its competitive strengths and helps them to sustain in the market. With a valuable brand name, innovative

formats, customer service focus and quality control, the company can compete against its competitors.

- **Expertise:** Gazipur Upa-Sahar Ltd has many experts in different department. These experts, with their many years of experience in the Real Estate industry, now help in the day-to-day operation of the business.
- **Price, Value & Quality:** With a minimum reasonable price, company sale their products (land, apartment, commercial complex), which have a great quality.
- **Customer service:** Gazipur Upa-Sahar Ltd. provides high quality infrastructure and management services that meet client needs.

Weaknesses:

- Lack of adequate marketing (advertising & promotional) effort.
- Employee shortage and lack of training facilities for them.
- Small number of ongoing project.
- Lack in increase equity from share market.
- Higher employee turnover rate.
- Lack of motivation and remuneration facilities.
- Don't have /cannot afford the high technology as other foreign countries.
- Higher overhead expenses due to borrow money from third parties.
- Weak balance sheet as sales is going down.

Opportunities:

- In Bangladesh, as a developing country there is a high growth of urban areas.
- The population of Gazipur city is growing at much more faster rate, and as urban population increases it is increasing the demand of new house.
- As the land price of Gazipur increased, the demand of apartment also increased.
- A very wide scope is prevailing for foreign investor.
- A high profitable investment opportunity for individuals as well as financial institutions.

- Change the pattern of family increases the demand of more housing.
- Less effective substitute in current scenario.

Threats:

- In Bangladesh the housing loan interest rate for customers is much higher than foreign countries. In Bangladesh it is 14-16%, whereas in foreign countries it is on an average 5- 8 %.
- The companies have to go in a long time-consuming bureaucratic process of getting approval of 9 different government agencies to start a construction project.
- Most of the urban population falls into middle income group those cannot afford luxurious apartments.
- Due to inflation & uneven foreign currency exchange the price of raw materials is ever increasing.
- Political & economic instability increases the cost as well as hurts the growth of the industry.
- Strong competition among the existing players of the industry.
- Lack of vacant land in the city area of Bangladesh.

Chapter-6

PROSPECTS and CHALLENGES

6.0 Prospects and Challenges of Real Estate Industry:

6.1 Prospects in Bangladesh

The positive trends of global expansion in the real estate sector in the neighboring countries also show a possibility of such growth in Bangladesh. According to the above graph and past record of INDIA and USA, we see that the real estate sector market experiences an average annual rise of 5-10% if it starts once. In Bangladesh, before 1985, people in Dhaka city never thought of buying an apartment for living. Before 1995, people thought twice before buying an apartment. But in the last couple of years, interest in buying apartment has increased rapidly. The boom in Bangladesh real estate market took place between 1988 and 1991. But it faced fall in 1991-1992 gaining rise again in 1993-1994. From 1995-1998 there has been not so high growth but the market was stable. From 1999 to 2004 it has been growing rapidly caused by huge household demand, lack of enough land, rapid urbanization etc. in Dhaka City. The present rate of urbanization is 5-6% annually. About 25% of the people of Bangladesh are now living in urban areas and 34% will be living by 2015. Only 40% of the people of Dhaka city have standard or below standard housing facilities. Thus from the comparative analysis, experts assume that according in the trend of the global market and in the neighboring countries, the growth of housing demand will stay for the next couple of years. The main reasons for positive expectation have been presented evidently in the following points.

➤ Increasing Urbanization:

Statistics & studies show that in 2000-2015, urban growth rate is expected to be at an average of 3.7% for Bangladesh. India, one of the most attractive markets of global real estate, is expecting 4.9% growth of urbanization. Moreover which India is estimated to have 36% people living in urban areas by 2015, Bangladesh is expected to have 34%.

Table-1: Urban growth Rate Projection (%)	Population Growth (million)			Projected Annual Average Growth (%)
	1975	2000	2015	2000-2015
Bangladesh	9	25	34	3.7
India	21	28	36	2.7
Nepal	5	12	18	4.9
Sri Lanka	22	24	32	3.1

Source: Making Cities Work, Urban Fact Sheet, USAID

Thus in South Asia, Bangladesh holds the second position in terms of urbanization rate and proportion of urban population. This scenario tells that, as India is a rapidly growing real estate market in the world, Bangladesh also may attract more real estate than before.

By 2015, Dhaka is estimated to have about 20 million people that show about 55% growth from 2000 whereas every year more than 0.5 million is added to this mass (Source: Rural and Urban Development Case Study- Bangladesh, Oxford Policy Management, June 2004). With this amount of people Dhaka is estimated to be the 5th largest city in the world by 2015. This fast urbanization needs enough accommodation and housing supply, which is expected to create a huge market for the real estate sector in Bangladesh.

➤ **High Rate of House Rent Inflation:**

House rent has been increasing in Bangladesh since 1990 at a high rate. Although inflation rate is declining in the long term, the rate of increase in house rent is still higher when compared with the real income growth especially of the middle income group in Bangladesh. In 1990 and 1995 the inflation rate in house rent was around 25%. The declining inflation rate in house rent can be the result of increased supply by the private real estate suppliers, government initiatives, and self-housing schemes. Though in the recent times this inflation has been a little bit lower, still in 2004, statistics shows an increase of house rent at about 10% in the country (Source: CAB, 2005). According to the real estate participants, the inflation in the house rent is encouraging people to buy apartments not bearing the increasing expenditure of house rent. A recent study

conducted by Consumers Association of Bangladesh (CAB) shows that house rentals in Dhaka have more than doubled (249.62 percent) in the last 17 years. The rentals in Dhaka witnessed a jump in 1991 by over 23% and it continued for some years, finds the study. The increase was around 17% in 2007 and 16% in 2006. Recent estimates indicate that over 70% of housing is rented in Dhaka and there is requirement of over 60,000 new homes per annum (Karnad R. S., 2004). Tenants who are from upper middle, middle, lower middle and lower income groups are the worst victims of the rising trend of house rentals. This section of the population spends nearly 50% of their monthly income in house rentals alone.

➤ **Growing Easy and Available Financing:**

Financing the apartment purchase for individual has become easier more and available. In 1952 Bangladesh House Building Finance Corporation (BHBFC), the first of its kind was established a government organization to finance the middle-income household civil servants. Now there are a number of private specialized housing finance institutions, financial institutions and banks, which provide house finance facility up to 70% to 80% of the value of the house or apartment. Interest rate is competitive ranging from 12% to 16%. Maximum amount that can be financed is BDT 5 million to 6 million with maximum 20 years repayment option, which varies with the different financing institutions. Loans can be taken to buy apartments or for construction purpose in any part of the country.

➤ **Inadequate and costly land:**

Researches indicate that only 30% population in Dhaka city has occupied already more than 80% of residential areas with human settlements and supportive infrastructure. Economists and real estate experts state it as highly significant because in this way land is becoming increasingly inadequate to provide individual housing solutions. Moreover, land is quite unavailable in Dhaka at suitable location for individual housing fulfillment. For huge demand and inadequacy of land, price of land is very high in the urban area according to the real estate participants. This is making more people inclined to build and share apartments.

➤ **Targeting the middle class:**

Studies reveal, only in Dhaka city 5% of the population belongs to the high-income group. Thus 45% of the total population falls into the middle-income group and the rest 50% in the low-income group. Economists and real estate participants see the middle-income group as a huge market for the real estate sector. Builders have started building apartments for middle-income class of 600-900 square ft. The large unsatisfied middle-income class is expected to be boosting market for the real estate business.

➤ **Encouraging Remittance Flow:**

The Government of Bangladesh has declared the foreign remittance inflow through banking sector as tax-free and any purchase of fixed assets by Non-Resident Bangladeshis will not require producing any Tax Identification Number or TIN. It increased remittance inflow to Bangladesh in the recent years. According to the economists, non-resident Bangladeshis are vital investors for the real estate sector in Bangladesh as they are continuously supporting it.

➤ **Other Issues:**

There are hazards which customers face in purchasing lands, which encourages them to buy apartments rather than lands. Construction and maintenance of buildings require spending huge time and energy, which make the people reluctant to build houses on their own. The influence of western culture and housing design is attracting people more to buy apartments. These reasons are contributing to the decision of individuals to buy apartments.

6.2 Challenges in Bangladesh

There are some challenges that GUSL has to face in operating business. These are as follows-

➤ Increased Price of Construction Materials:

One of the major challenges of Gazipur Upa-Sahar Ltd is to maintain the construction cost of project due to the price hike of construction materials. The price of construction materials is consistently increasing thereby increasing the construction cost and apartment price.

According to REHAB, there had been average increase of 15%-18% in overall prices of building construction materials in 2005 than that in 2004. REHAB and industry experts estimate amplification of this price trend in the long run. Again from 2003 till now the price of rod has been increased by a devastating 100% approximately. As imported items, price for electrical wire has gone up by 50% recently. The price scenario with large jumps for basic raw materials has been shown below:

Year	Brick (TK./Piece)	Sand (Tk per cft)		Cement (Tk/Bag)	Steel Reinforcement 60Grade(Tk./ton)
		Fine	Coarse		
1990	1.10	4.73	6.70	115.00	11,500.00
1995	1.50	7.00	8.50	162.00	13,500.00
2000	2.50	7.80	10.50	193.00	21,300.00
2005	3.15	8.00	22.00	283.00	39,700.00
2010	7.00	10.50	29.00	365.00	54,400.00
2011	9.10	13.50	30.50	378.00	60,800.00

Source: Sheltech, 2011

➤ **High Property Transfer and Registration Fee:**

Besides, high apartment cost, fees pertaining to property transfer and registration impose extra burden to the buyers. According to new procedure, fees include Gain Tax (2%), Stamp Duty (3%), Registration Fees for the central government (2%) and City Corporation (2%) and fees for sub-registrar (0.5%) which together account for additional 9.5% cost of an apartment. In addition, the buyers have to pay advance Income Tax (up to tk. 2000 per sq. meter) along with a 1.5% VAT which further worsens the affordability of the buyers.

➤ **Technological Advancement:**

Bangladesh real estate industry is lack behind in implementation of advance & new technology. Though GUSL have skilled manpower for constructing high rise building of 20 to 25 storied, only for the lack of technological support it is not possible in Bangladesh. In Japan, to struggle against the earth quake disaster, 'spring' system technology is used at the base foundation of the building. Whereas Bangladesh, which is also considering an earth quake probability zone, doesn't have any separate code for the design & construction of earthquake resistant structures. Again in the technologically advanced countries, they use 'Alukabond' technology to build high rise building made by steel.

➤ **High Employee Turnover:**

High employee turnover in the biggest challenge for any firm, GUSL is not out of that. The average employee turnover rate is 25% to 30%, which is a concern for them. Basically, GUSL follows a traditional remuneration & promotional policy. They do not offer satisfactory compensation package and effective training to their employees in mid and lower level, so that they do not satisfy with their job and they try to switch in another company to get a better compensation package and remuneration.

➤ **Rising funds for projects:**

Now it is a big challenge for GUSL to raise funds for their current projects and daily business operation. As a private limited company it could not raise funds through IPO or share market.

A well established companies is less dependent on the bank loan, as because those establish companies can finance their projects by own capital & most of the amount actually comes from the customers' advance installment payment. But for a small company like GUSL, has to rely on the bank loan as they may cannot sale their apartment units in advance. Now the situation is worsen after the collapse of share market and current bank scandal. At present banks and financial institutes are more selective in giving loan. So GUSL has to rely on third party at an interest rate of 30% to 35% obviously it will increase their cost of production and it will be a biggest challenge for them.

➤ **Increasing sales:**

In our country political & economic crisis starts and ends without any alarm but it brings a long term disaster in our business world. Our real estate industry is the victim of that situation where after the collapse of the share market and recent bank crisis average sale in real estate industry has fallen near about 40% to 50%, because our middle income people have lose their all savings in share market and they have no enough money to effort a new house. Moreover, like most of the small company GUSL also does not go for aggressive marketing strategy. In that situation increasing sales is major challenge for them.

➤ **Expanding number & types of project:**

As GUSL is under financial crisis and they could not find better location for next project in main Gazipur city so, it is major challenge for them to increase the number and types of project. Though GUSL offers two types of product units like residential and commercial unit but because of proper location they could not go for commercial units. So, they have to live with their narrow product line (residential units)in a particular location.

Chapter-7

RESULTS and DISSCUSSION

7.0 Results and Discussions

7.1 Findings of the Study:

- GUSL has small number of ongoing project which is hindering in achieving its economies of scales and financial solvency.
- Market is very sensitive with the economic conditions of the country, even with the fiscal policy of the Government.
- Political unrest, bureaucratic problem & unseen cost are the major issue in handover the project on due time and encoded cost.
- GUSL has not any technological support for that they cannot go for technological advancement.
- There are a large number of competitors in the market.
- Most of the projects of GUSL are located in some specific locations.

GUSL needs to focus on using their resources properly.

7.2 Recommendations

The recommendations for Gazipur Upa-Sahar Limited, based on the findings are as follows:

Gazipur Upa-Sahar Limited should concentrate on the construction of high-rise apartment complexes rather than the small one by technological advancement. If they go for high-rise apartment projects targeting low and middle-income group and may comfortably stay in competition in relation to big operators.

1. The company should increase the number of current projects to capture the market by constructing major housing projects in the exclusive and premier zone of Gazipur city. Here, they may raise funds by moving public limited company or may try to make joint ventures with international real estate operators.
2. The company should arrange the advertising program for the advertisement in TV media or any other electronic media that its competitors are doing and should study its outcome.
3. GUSL should undertake strategic plans and action to increase market position in real estate industry.
4. The company executives should be more caring to the customer's speeches and to improve the customer service such as maintenance service after handover of the projects.
5. GUSL should arrange training programs for their employees to improve their lack of dedicated behavior and functional skills.
6. Government should be flexible in providing utility facilities in residential building and reducing the bureaucratic ladders.
7. Political parties should be more responsible in declaring any political activities.

Chapter-8

CONCLUSION

8.0 Conclusion and References

8.1 Conclusion

The report does not cover all the factors and parameters for identifying the present scenario of GUSL. But it is very positive for GUSL that, the real estate sector is growing and shows tendency of future growth. Because of the rise in house rent, increasing demand for housing, getting easy financing facility, rapid urbanization, inadequacy of land, remittance flow towards the sector and many other factors are creating huge scope for this sector to grow.

On the other hand, technological advancement, increased price of construction materials, raising the sales and raising the project funds, number & types are the challenging issue for GUSL as well as for whole industry. Regulatory environment has been helpful for the sector to grow except the bureaucratic problem and the recent Real Estate Management Ordinance 2008 which is yet to be passed and is likely to be very important for protecting buyers' interest. Government should be more flexible and friendly to the developers as they are the only chance in providing the basic need of shelter.

Finally, the product developer of GUSL should develop an augmented product around the core and actual products by offering additional consumer services and benefits. On the whole, this study finds a very promising and positive tone of growth, provided this sector is given proper attention and facilities. It has certainly become very necessary to satisfy the increasing housing demand and minimize the supply gap in the country where people basic need will be fulfilled and their living standard will be increased.

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