

Internship Report On
**“Amin Mohammad Group Operating Income
Assessment in the Perspective of the Real
Estate Industry”**

Submitted to

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Subject: Internship Report on "Amin Mohammad Group Operating Income Assessment in the Perspective of the Real Estate Industry".

Dear Sir,

I'm pleased to write my research proposal for the Amin Mohammad Group, a reputable business tycoon in Bangladesh's real estate industry, in order to complete the prerequisites for my business administration degree from United International University.

Even for a short while, I felt very privileged to be able to support AMG's expansion and work with a number of intelligent, kind, and modest AMG employees to develop my actual skills. I'm also grateful that Dr. James Bakul Sarkar, a superb examiner, will serve as my mentor while I finish my report at UIU. My boss gave me the chance to finish the report and give it to him, and I want to thank him for that.

Finally, I want to take this opportunity to express almighty my sincere thanks for giving me the perseverance to finish the data in a timely and on schedule.

Best Regards,

Nadia Mustary

ID: 111 172 003

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The Executive Summary

The report outlines the abilities and knowledge I developed throughout the course of my six-month work opportunity with the Amin Mohammad Group. The Amin Mohammad Group is closely examined in this section. It is critical to comprehend how operating property companies operate. For instance, AMG, one of the biggest companies in the nation, has a sizable real estate portfolio.

In this presentation, I talk about my internship with the Amin Mohammad Group. Amin Mohammad Group is addressed in this study, and the financial results, accounting records, financial methodologies, operational procedures, and advertising strategies of the various business units are all extensively analyzed. The research also includes a comprehensive analysis of the industry and Amin Mohammad Group's rivals. Amin and other individuals, 2021

In the first portion of my presentation, I made an effort to explain how and why I became knowledgeable and involved with the AMG while working. I've provided a detailed description of the company in Chapter 2, including a list of its products as well as information on its mission, goals, and direction. I successfully completed my study by putting the analysis chapter first and the two other chapters—the results of the study and its implications and proposals—following.

Research Review

Due to its capital-intensive nature, the real estate industry is highly dependent on finance. This phrase "real estate financing related to real estate" broadly refers to expenditures, funding, and related financial products and services provided by conduits of modes of payment and lending in the framework of the development of real estate, its construction, administration, distribution, and use. Real estate finance realizes and enhances accounting activities while fostering the growth of the property industry thanks to the specific bearer of real estate, which serves as the primary source of revenue and risks.

In order to sustain housing demand and real estate expansion, China has built a lending-based real estate finance system. The real estate finance industry has also aided in home purchases by city dwellers, increased property values, boosted household spending, and encouraged the expansion of the national economy. But the swift expansion of the real estate finance sector has also highlighted a number of problems, including a faulty market, a single financing source, and a constrained ability to develop new technology. The monthly rent is greater than the interest rates on bank accounts and personal mortgage loans, on the one hand. On the other hand, both housing prices and the indexes are still rising quickly. The financial risks related to real estate have increased as a substantial amount of social funds have turned to home purchases in the event that alternative investment channels are closed in an effort to maintain and improve value.

The real estate market also entails significant capital risks that could undermine the security of the entire banking system and potentially jeopardize macroeconomic stability, given the real estate industry's importance to the entire national economy. Research on property investment economic risk is therefore essential from both a philosophical and a practical perspective.

Local academics first investigated the investment burden connected with real estate, then looked at the links between macroeconomics, financial systems, and real estate at both the macro and micro levels, starting with the concept of the value of land. The concept of real estate financial risk and its different classifications are first explained in this article, followed by a summary of the research on real estate bubbles, the generation and transmission of real estate financial risk, as well as the management of real estate financial risk. Miao, Y. (2019).

Chapter One: Introduction of the Report

Contributions I've made to the Company

When I initially came here, I was an apprentice, so I had no idea how such a company operated. When I awoke that morning, I was unsure of my thoughts. But as time goes on, managers and authorities provide me with an understanding of the duties and capacities of the institution. I've engaged in many different pastimes. My main duty was to complete and maintain the financial institution for company unification implementation until June 2022. By researching finances and other financial topics, I was able to gain a lot of knowledge. Everyone was incredibly friendly and attentive, and I quickly gained a lot of knowledge. I was given a list of all of my daily responsibilities at the time by the division supervisor. For example, before completing reconciliation, I used to begin each day by obtaining a bank statement and ledger. He read my work every time I was done with it. I once helped them out in this way with some of their work. The cops nevertheless benefited from my having less to do than they did because having less work on their plate reduced their stress.

Bank Reconciliation: The cash inflows and outflows of a business are shown on a bank statement for a specific time frame. Additionally, management of the bank is under its control. The majority of the company's cash inflows and withdrawals are tracked by the administrators using cash receipts, which also reveal how much money the business believes it has in the bank. It helps the organization maintain trustworthy records, stop unauthorized behavior, and address any other problems. The procedure is refined and simplified by combining manual data entry with bookkeeping software.

The following steps must be taken to complete bank reconciliation: It is essential to gather data about the company, monitor bank deposits and withdrawals, maintain tabs on earnings and expenses, and manage income and costs. One's cash flow and bank statement. Verifying the entire amount owed.

Comparative Analysis of Companies:

- By combining the accounting data for all companies, this eliminates related party transfers. Because money is just sent rather than invested or earned, payables bookkeeping minimizes inaccuracies in tax reporting. Its balances in both banks are equal, making it straightforward to submit the combined tax returns before the end of the year.
- Sales and purchases, borrowing and lending money, as well as the movement of equipment, have all been examples of partially agreeing.
- The reduction of bank financing costs while maximizing liquidity is made possible by swift and accurate interbank rapprochement. Adjustments to transfer pricing are essential for integrating economic situations and understanding the firm's financial viability, which includes the parent business. It is easy to find illegal activity thanks to them. Instead of exaggerating its assets, liabilities, income, and expenses because it might influence business decisions, the corporation prefers to be conscious of its financial situation.

Information Modification:

- In order to get a better result, manipulation requires modifying information either before or after the system processes it.
- This company gave us a little more inaccurate information from its archives, and my owner only gave us a review lesson and a reprimand after that. The process was easy to follow. I utilized Excel to carry out duties including locating certain statistics and percentages, calculating the development's sum, and creating a detailed statement after making the necessary modifications.

CHAPTER TWO: SYNOPSIS OF THE ORGANIZATION'S HISTORY



Concise Business Presentation

Amin Mohammad Group is a company with a goal not just for the company but also for the citizens of the city and the entire nation. The morphology of our cities and the historical background of industrialization in the majority of the industrialized nations have inspired us to have forethought.

For well over two decades, Amin Mohammad Group (AMG) has been a member of the real estate industry. The Amin Mohammad Group's subsidiary, Amin Mohammad Lands Development Ltd. (AMG), after founding this organization in 1993, Mr. M. M. Enamul Haque went on to form Amin Mohammad Foundation Limited (AMFL), a Dhaka-based developer of real estate. Amin Mohammad Lands Development Ltd. (AMLDL), which was founded later in the year 2000, quickly rose to become one of the most well-known land development firms in Bangladesh. After being established later in 2000, Amin Mohammad Lands Development Ltd. (AMLDL) immediately gained recognition as one of the leading land development companies in Bangladesh.

With continued success, we have successfully supplied more than 5,000 residential and business plots to our devoted clientele. Some of our best-known projects include Green Model Town, Green Bonosree, Amin Mohammad City, Ashulia Model Town, Alokito Bangladesh, and Amin Mohammad Town. As we grow to be one of Bangladesh's top residential builders, our mission is to improve the quality of life for those who have put their faith in us.

Based in Dhanmondi, Dhaka, Amin Mohammad Lands Development Ltd. is one of the leading publicly traded real estate companies in Bangladesh. The organization started its incredible journey 22 years ago with a clear vision and goal: to fulfill the desires of the teeming millions by offering great living spaces. Six residential projects that have been a success in Bangladesh over the past 20 years have been built by the company. Offering exceptional construction, property management, and investment services has been our goal for the 22 years we have been in business. We are proud of our unwavering commitment to excellent client service and quality assurance. Amin Mohammad Lands Development Ltd. has made an indelible impression across all asset classes over the past ten years, solidifying its position as one of Bangladesh's top and most successful real estate developers.

Hardly any companies have followed in Amin Mohammad Lands Development Limited's successful footsteps in the history of Bangladeshi real estate. Our business has become one of the most innovative and well-rounded property developers in the nation over the past 20 years. Over the years, we have remained committed to our aim of "making a better world" by turning deserted regions into planted green belts holding upscale commercial, residential, and recreational businesses.

Mission: By providing the best services possible while adhering to values and ideals, we hope to prosper in the real estate sector. We always value and guarantee the satisfaction of our consumers in order to keep their business for life and secure their happiness.

Our aim is to develop superior residential and commercial properties that please our customers. to gain our customers' respect and trust. We respect and abide by the laws, regulations, and safety standards. We believe we can learn and develop by adopting innovations and listening to client feedback.

Vision: Our main goal is to make Amin Mohammad Land Development Ltd. (AMLDL) a leading organization in the real estate development sector. To do this, we go above and beyond for our clients and create excellent walled compounds from our projects.

Subsidiaries: AMG is a major business tycoon with a lot of subsidiaries that help it increase its market dominance.

Brands of AMG: AMG is a wholly-owned real estate firm, thus its primary goal is to build adequate apartments for tenants or simply to make the land comfortable for the deserving individuals who want to remain safe and sound. From this angle, they must concentrate on building various residences, especially in the vicinity of the megacity.

Land: In both urban and rural locations, AMG has focused on building large flats with contemporary amenities. To accommodate the inhabitants, they built high, raised structures on a large amount of plain ground. The Ashulia Model Town in Ashulia, Savar Dhaka, and the Green Model Town in the Motijheel neighborhood of Dhaka City are the two most noteworthy projects. AMG typically offers highly enticing prices for their apartments in order to draw people in and encourage them to buy from them. In Bangladesh's real estate industry, they often attain the status of tycoons.

High-rise Buildings and Commercial Space: An additional brand of AMG is commercial space and high-rise structures near Dhaka City's key locations. The deserving customers enjoy buying from them and recommending them to others because their pricing is rather attractive. On account of this, they establish themselves as a well-liked builder.

The consumers also have faith in them because they have a reputation for delivering the flat on time and in accordance with their commitments to the customer. AMG also adheres to very high safety and security standards when choosing the building materials they utilize.

Ready-Mix Concrete: Another item made by AMG is ready-mix concrete. A unique kind of concrete called ready-mix concrete is typically prepared by mixing cement, water, admixtures, and other ingredients. When the ready mix is ready, transport it to the construction site using a mixer truck and pour it there. For the benefit of their deserving clients, they create high-rise structures using cutting-edge technology in this manner.

The right ratio is crucial for preparing and creating a structure, making the technology employed by the AMG the ideal combination.

AMG Manufacturing is located in Ashulia, which is around 30 minutes outside of Dhaka. A computer-controlled cementitious incubation apparatus and two limestone bunkers are both located inside the factory. The components' exact ratio ensures high levels of craftsmanship while reducing costs. All of the component elements were properly measured and blended by the PLC. In order to meet the needs and preferences of the customer while maintaining the grade, AMG can mix concrete. Using travel blender vehicles, Portland cement was transported to the client's construction site with the appropriate droop and durability. Their batching operation can produce at least 75 to 250 M3 of concrete every eight hours, despite the sophisticated computer batching system for aggregates.

Purposes of the report:

First Objective: As an intern, I must complete the report in accordance with my supervisor's instructions. Without a doubt, this is the primary goal I have for the report.

Second Objective:

- In order to earn the maximum number of credits allowed by the university, I must complete either an internship or a project, as required by the institution. So, did I complete the internship and write the report?

To watch real estate tycoon AMG's financial appraisal.

Development of the AMG's current EPA status through offering policy suggestions.

- Get some practical experience to enhance your classroom learning.

Study Methodology:

I gathered various forms of data for this research from a variety of sources. For completing the internship at AMG, I also drew on my knowledge, concepts, and practical experience from academia. I made an effort to assess the financial performance using a specific measurement that I had previously learned from my past academic pursuits.

So, I used both primary and secondary data to accomplish this research.

Secondary versus Primary Data Types:

Primary Data Accumulation Methodology:

- Data were obtained through personal inquiries,
- Meetings with the various AMG designated personnel, routine office activities, and self-observation.
- To gather information for my thesis, I visited many AMG departments.

Additional Sources of Information for Gathering:

AMG's website is a great place to start gathering information. We used Google, the internet, and a variety of AMG publications to find the information we needed.

Sample size: After receiving permission to participate in the interview, officials from various offices were contacted and invited to attend despite having demanding schedules. As a result, I am once again deeply appreciative of their dedication to helping me prepare my report. Instead of helping me, everyone treats me as their own younger sister or younger workmate. I assured them that my report was just written for educational purposes and pledged to maintain anonymity. Eventually, I was able to obtain the information in a face-to-face interview.

Sampling technique: I didn't use the probability method to collect the fundamental data. Everyone who worked for the company's accounting and finance department was eligible for the interview. The reason is that I assumed it would be a crucial method for gathering the ideal information to enhance my report.

CHAPTER THREE: ANALYSIS OF FINANCIAL PERFORMANCE

Reimbursement Procedure:

Pay, prospects for career growth, and perks have a significant impact on this same vast majority of employees. The provision of just remuneration and benefits is AMG's top priority, and the company is committed to maintaining a flexible and fair compensation structure. Owners' total income consists of their wage, living allowance, and insurance premiums. Along with paid time off, health insurance, financial aid for education, pension plans, and performance enhancements, the corporation also provides these benefits to its employees. By carefully considering rewards and incentives, the organization encourages employee engagement.



Figure: Compensation practice of AMG

Financial Efficiency:

Analyzing an organization's financial situation is crucial for planning future growth and revenues. The fiscal sustainability of an institution can be assessed using a variety of comparisons. Ratio analysis is significant because it provides information on a company's finances, stability, profitability, volatility, sustainability, potential, operating excellence, and resource allocation. Additionally, it provides a historical baseline or timeline of the company's financial performance, which may help investors decide where to focus their financial flexibility. The following figure shows the present status of key important financial ratios for AMLDL:

Current Ratio of the Company:

The current proportion tells us how well-capitalized a sector is, or how well-positioned it is to pay off its short-term or yearly borrowing commitments. The term cash and cash equivalents at times is also used to describe it. The probability of the business being able to pay back the bank is decreased by a low current ratio.

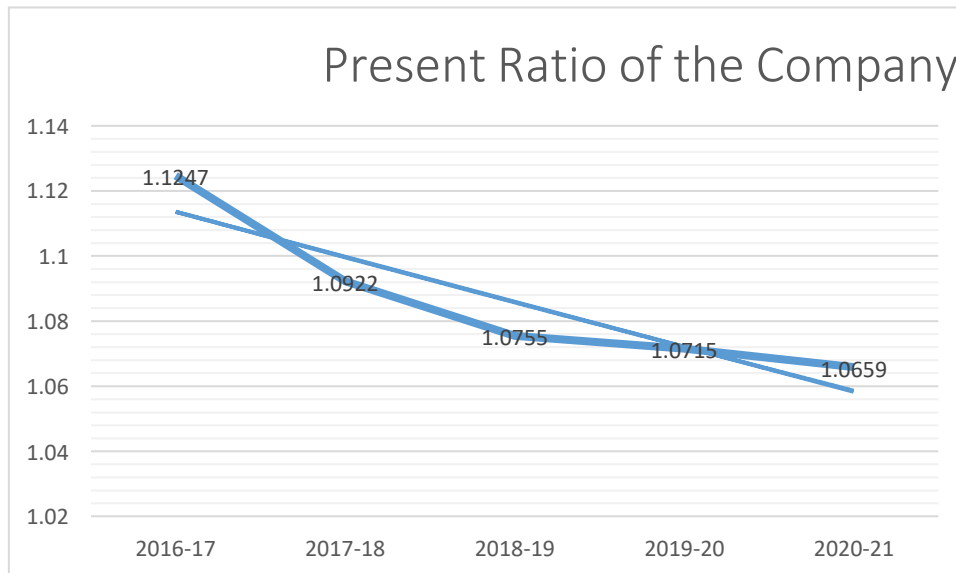
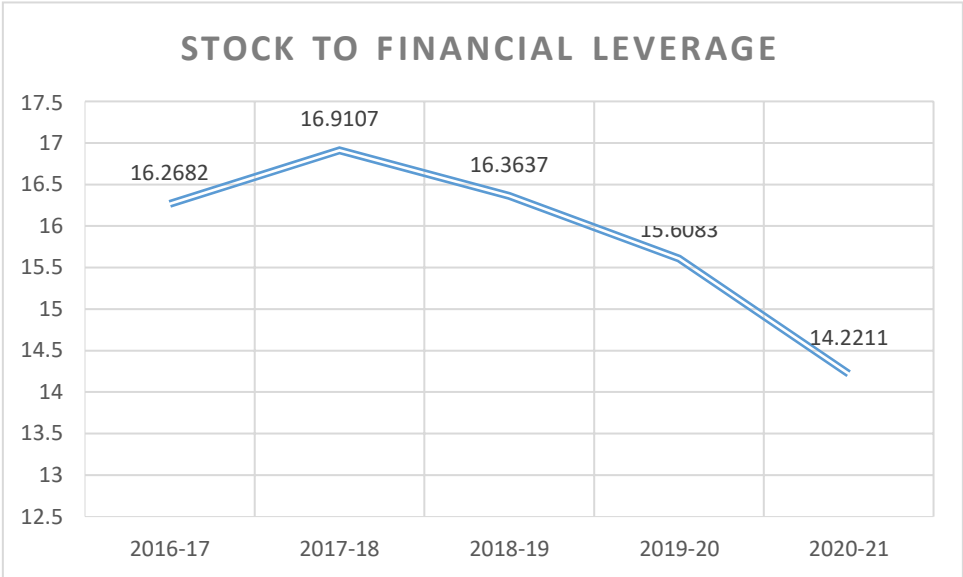


Image of present Ratio from 2017 to 2021

Stock to Financial Leverage:

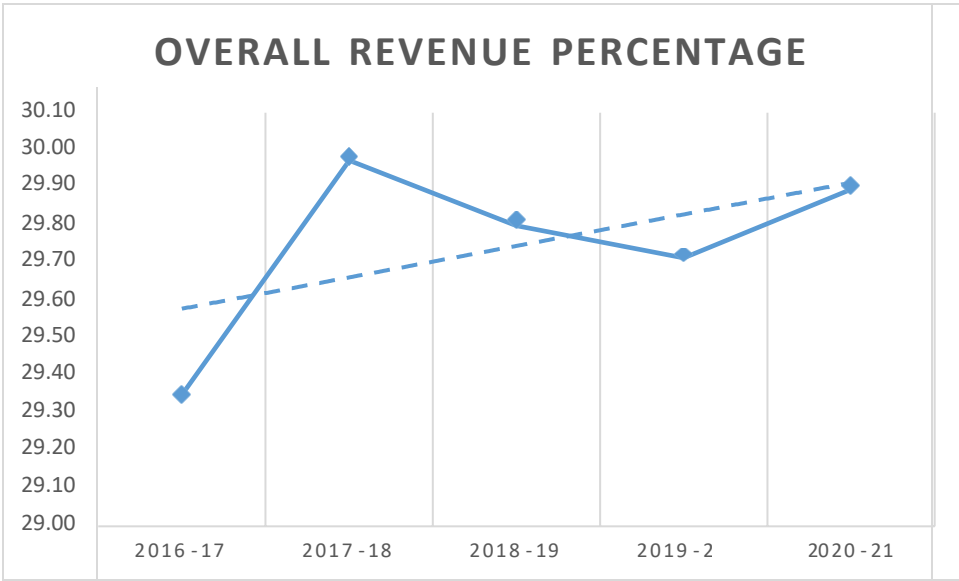
The cost of borrowing is an essential tool for figuring out how frequently a company is under additional pressure. The sector's deficit proportion is calculated by dividing the total debt by the ownership held by investors. A business can determine how much of its expenses are supported by equity assets versus outside borrowing using this figure. It merely displays how much capital is now being spent and how much may be used to pay off all obligations in the event that the company collapses. To ease the concerns of its shareholders and other creditors, the company should work harder at reducing its deficit proportion.



Stock to Financial Leverage from 2017 to 2021

Overall Revenue Percentage:

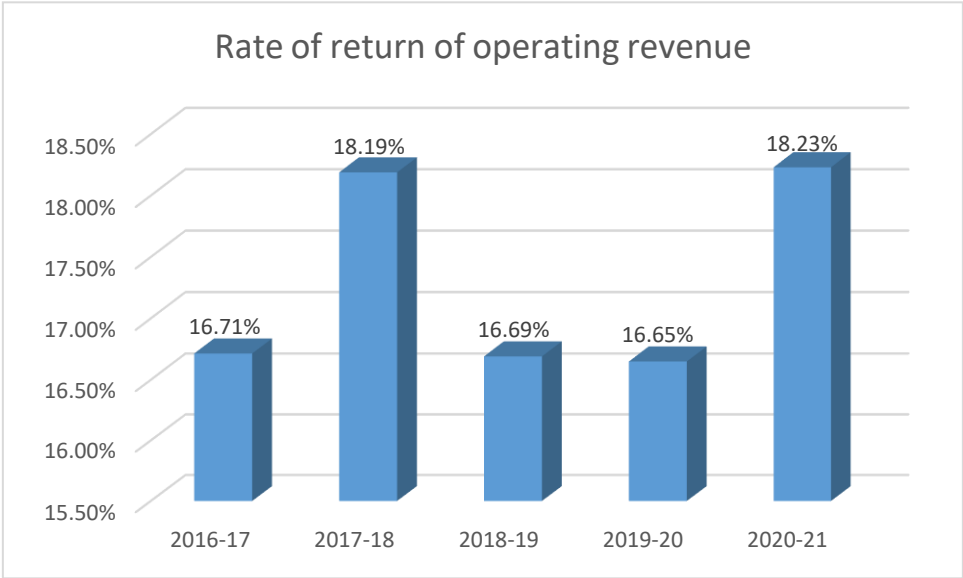
Auditors can determine the status of a financial statement (COGS) by calculating the amount that remains after deducting the cost of goods sold from the overall sales of the company's products. It is common to measure the proportion of gross profit as a share of total sales using the gross margin ratio, also referred to as the gross profit percentage. The gross profit margin significantly increased in 2018 over 2017 before falling in 2020 and then rising in 2021. However, it started to increase in 2021, and as of right now, the percentage is higher than in 2017.



Overall revenue percentage 2017 to 2021

Operating Revenue Return Rate:

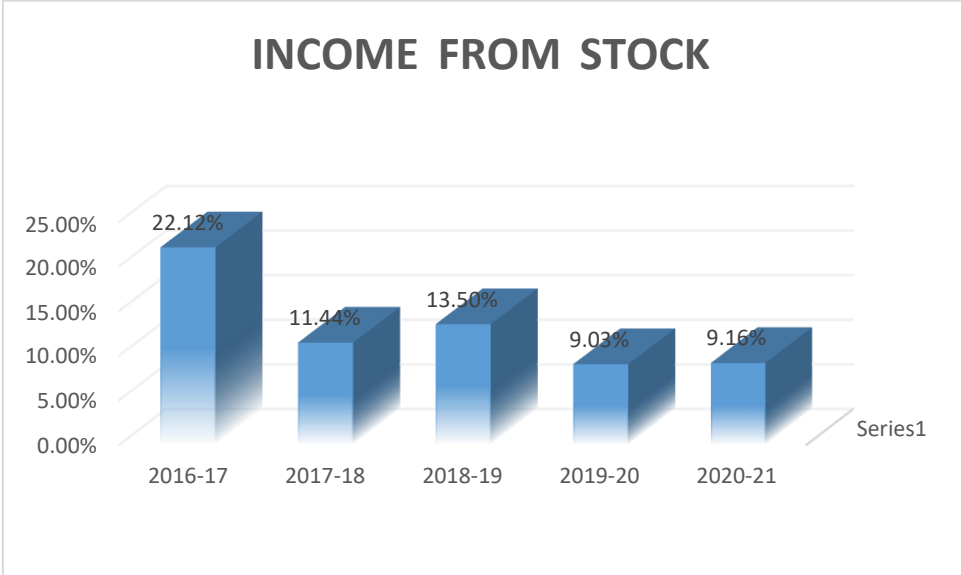
The ratio of a company's revenue earnings or profits to sales is known as relative specific profitability, which is also more usually referred to as total income. This expression denotes the ratio of an industry's or corporate company's entire net income to its global revenue. The amount of net revenue that was withheld in 2018 falls sharply in 2019 and 2020 before climbing once more in 2021. Nevertheless, it started to increase in 2021, and as of now, the share is higher than in 2017.



Rate of return of operating revenue 2017 to 2021

Income from Stock:

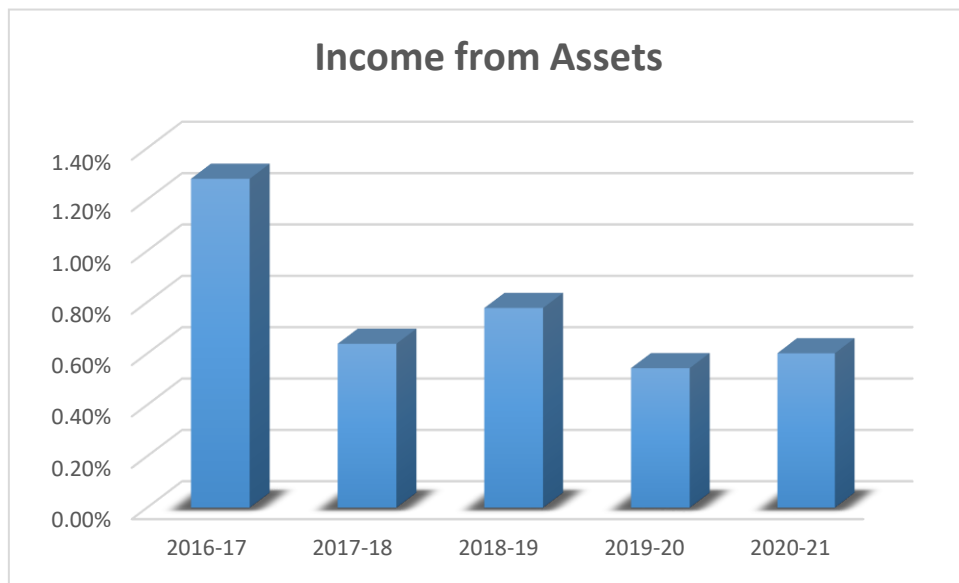
One can evaluate the effectiveness and caliber of a company's established retail business by looking at its financial performance. A company's profitability in relation to the capital that its owners hold is measured by its return on equity, or ROE. AMLDL's revenue has decreased during the last five years, which is a symptom of stagnant competition and inefficiency. It demonstrates that the business is not generating enough revenue and income.



Income from Stock from 2017 to 2021

Income from Assets:

The term "revenue on assets," or "ROA," in finance refers to the amount of money a company generates in relation to the total value of all of its holdings. The return on investment, or ROA, is a metric that shows how well a company makes money from its holdings. Executives, specialists, and investors use the return on assets (ROA) number as a tool to evaluate a company's financial viability. The corporation's return on assets (ROA) for the preceding five years shows how the AMLDL's output and earnings evolved over time.



Income from Assets from 2017 to 2021

Accounting Techniques:

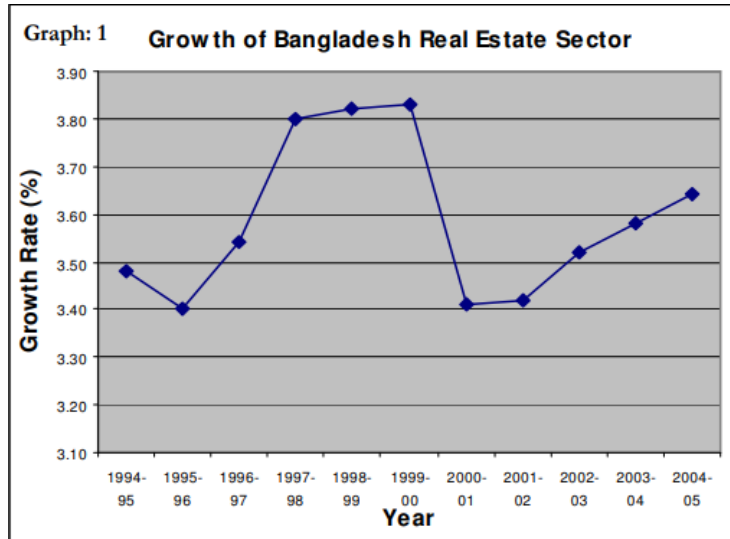
The creation of the financial accounts that are revealed in financial statements requires the use of accruals, the supposition of a successful framework, and the accepted accounting convention. The revenue statements were created in conformity with all relevant laws and regulations, including the Companies Act of 1994, the Bangladesh Securities and Exchange Commission Ordinance 2000, and any others that may have been relevant.

The international accounting standards (IAS), also referred to as the international financial reporting standards (IFRS) (IAS), are among these laws. Every year, the Corporation frequently files accounting transactions and conducts business in Bangladesh Taka (BDT). The financial statements contain a summary of the basic accounting principles, a financial statement, a statement of provided mainly, a revenue statement and cost statement, a statement of cash flows, and other pertinent information. The internal ERM system maintains and/or improves the logbook and journal.

CHAPTER FOUR- THE OUTCOME OF THE RESEARCH

Results of the Analysis:

In the modern era, one of Bangladesh's most attractive sectors for capital investments has become the real estate investment sector. As the population of the nation increases, there are significant issues. Bangladesh's population as a whole is expected to live in urban areas at a rate of 5% to 6% annually. Bangladeshis should make up 34% of the country's population overall in urban areas in 2015 and 50% in 2025. The current urbanization rate for Bangladeshis is 25%. (2000) Singha There is now a shortage of 600,000–800,000 homes, and as more people opt to live in cities, the problem is only becoming worse. For instance, it's projected that this demand will lead to the construction of 60,000 apartment structures in Dhaka, which, when added to the one million units needed to replace the current ones and handle bottlenecks, equals 400,000 apartments. Dhaka has historically grown faster than every other metropolis in Bangladesh. As a result, there is a significant demand for either residential or housing complex housing. Knowing that supply is exceeding demand is crucial information for potential donors. The government receives 2 billion Tk in tax revenue each year from the real estate industry. Over the previous 20 years, the building and real estate industries have donated to this sector and over 60,000 units. There are just over 2 million individuals working for the organization at the moment. The number comprises other staff members, designers, scientists, as well as former and current personnel. The average annual contribution of this sector to GDP during the past five years was between 12 and 14. The growth of the sector from 2006–07 to 2007–08 decreased from 0.1% to 5.93%. (Amin S., 2008). In comparison to other years, it was much lower (Graph 1).



The Property Sector's Driving Forces are:

Bangladesh's capital, Dhaka, is one of the main elements influencing the city's population expansion and expanding real estate industry. In big urban centers, it is challenging to find undeveloped property. Land is really expensive.

The formation of nuclear families, the potential risks of property ownership, homeowners' desire for financial gain, the quality of apartment building amenities, particularly safety precautions, and the idea that more people could afford to buy homes and condominiums based on an increase in wages are all factors.

Development and Impact of the Property Sector:

Over the previous forty years, property businesses have given the city of Dhaka over 100,000 rental apartments. Over the next three years, they will give the metropolis an additional lucrative bargain on inexpensive housing. In its first ten years of existence, the real estate industry grew at a glacially slow pace. Despite the lower ratio used to calculate growth from 2006, the market has expanded; nonetheless, between 2008 and 2010, the rate of growth significantly accelerated. The following trends are seen when the GDP inputs of real estate, rents, and marketing services are examined.

Year	Total volume(Crore Taka)	GDP Contribution(%)	Growth (%)
2001-02	19440	8.63	-
02-03	20106	8.48	3.43
03-04	20913	8.30	4.01
04-05	21678	8.12	3.66
05-06	22404	7.87	3.35
06-07	23147	7.64	3.32
07-08	24097	7.49	4.11
08-09	24970	7.34	3.62
09-10	25981	7.20	4.05

Source: Statistical Year Book of Bangladesh-2010

The property market has a considerable impact on the development of economic security. This industry, which contributes significantly to economic growth and accounts for 7.96% of GDP, is able to do so thanks to the enormous real-economy impact it has on other commercial activity. The industries helped to strengthen the nation's economy by cooperating with businesses that produce MS bars, asphalt, masonry, concrete blocks, sand, backsplashes, varnish, and similar components. According to data provided by inpatient treatment, this industry and the industries with which it is associated accounted for around 12% of the overall GDP of the country.

It is one of the sectors that generates more overall employment opportunities than the production of prepared goods and farming. Titanium, concrete, tiles, bathroom accessories, cable, electrical equipment, paints, glass, metal, brick, building supplies, and basic commodities are a few of the ancillary industries that benefit from this trend.

The most recent demographic predictions predict 1.14 billion more dwellings by 2030, as opposed to 0.80 million more by 2020. Additionally, that sector directly generates roughly 5.0 million Bangladeshi Taka (BDT) in revenue for the government of Bangladesh each year in the form of taxes, registration fees, utility fees, and other levies.

Real Estate Sector Statistics as of 2020

A Market Worth (BDT Crore)	Annual Growth Rate	Every Year Flats on Demand
58,000	15-17 %	120,000
Numbers Of Registered Real Estate Company	Numbers of REHAB Enlisted Real Estate Company	Homes Constructed By Real Estate Company At Dhaka
1,073	879	42%
Prices Of Apartments Increase In Every Year		
5-6 %		

Source: The Daily Star

The housing industry is currently experiencing difficulties. Buying real estate makes sense in Bangladeshi culture. Increased urbanization is one of many possible defenses. Bangladesh's yearly growth rate is predicted by the World Bank to be 3%. 38% of Bangladesh's populace lives in urban areas. Every major city is already facing a significant supply shortage, and as demand for new houses rises, this issue is only anticipated to worsen.

To maintain property values in the biggest cities in the nation, six to eight million residential units are needed. The dual metropolises of Dhaka and Chattogram, which are home to the majority of Bangladesh's population, contain the vast majority of the state's financial real estate. For just Dhaka, 60,000 dwelling units are required, in addition to 7 million for building holdup and upgrades. Dhaka has experienced the fastest growth in Bangladesh. As a result, there is an increasing demand for land and housing. Due to the size of the industry and the unmet need, this sector attracts investment from both domestic and foreign sources.

A property management business may sell residential construction and real estate investments as commodities. There are universities that specialize in one of these specific sub-disciplines. Accommodations are always available. It's challenging to evaluate service or quality only on the basis of items. Real estate and condominiums come in a wide variety of styles, each with distinctive aesthetics, architectural features, modern amenities, and high-end brand names. Few US businesses genuinely succeed at providing exceptional customer service.

Real Estate Market Size:

Every year, the Bangladeshi real estate sector closes deals worth a total of 6,000 billion Bangladeshi Taka (BDT). Over the previous five years, the percentage of homes with floor plans between 1,200 and 1,400 square feet increased by 39 percentage points. The second-largest municipalities in Bangladesh, Dhaka and Chittagong, both have thriving real estate markets. More people need to live in smaller homes immediately due to the congested urban surroundings of Dhaka and Chittagong.

The Bangladeshi housing industry saw its first boom from 2006 to 2009. There was a second boom between 2015 and 2018. The most likely time for population growth is between 2022 and 2025. The lack of development-ready land, shifting housing market affordability, and shifting racial and ethnic perceptions will all have an effect on the following stage. These elements will combine to produce a new generation. In Bangladesh, there are currently significantly more locations that are permitted by law to be used as residential properties than there were ten years ago. Purbachal, Bashundhara, and Rupayan City are a few of the most recent constructions.

The growth of this market has helped many construction businesses, particularly those that deal with materials for bathrooms, such as sandstone, pavement, priming, porcelain, and MS bars, to name a few. On the open market, more than 60 quadrillion Bangladeshi takas are exchanged between these crossing economic sectors. This kind of financing is being used by the underclass increasingly frequently, as shown by the growth in bank foreclosures. In the 2019–20 budget year, the government requested BDT 1,496 million for housing loans; it is anticipated that in the 2020–21 fiscal year, this demand will rise to BDT 1,544 million. The real estate sector thereby boosts the country's overall economic production more than practically any other business.

Predominant Factors in the Construction Industry:

A lot of people in this nation place a high priority on their real estate holdings. A building's foundation is the earth. Housing is a requirement for property ownership. People, businesses, or organizations in general already possess it. A total of 27% of the nation's land area (9.5 million acres) is dedicated to construction operations like building and road development. The remaining 27% of the geographical area is made up of rural areas. Both rural and urban areas use more land for construction as the population increases.

Most isolated homes are situated on privately owned land. 15% of people who live on farms, especially landowners, build structures on other people's land because they lack their own property. On lots averaging 360 square feet (half a katha), 2 to 10 kathas for the upper class, and larger lots for the wealthy, rural dwellers construct their dwellings. Large urban regions are home to 73% of quasi-households without property and 83% of ghetto households (Urban Health Survey, 2006). Three different families have residences in municipalities, townships, and middle regions. Property prices have substantially increased in almost all large cities; however, Dhaka and other important urban centers have seen the biggest increases. One katha costs 50,000 taka in Gulshan, the most expensive area of Dhaka. In Dhaka, the price

of a plot of land can range from 50% to 90% of the price of an apartment. In this article, the real estate market and potential opportunities are addressed.



Figure: Dominating factors of real estate market

Demographics:

The social data include information on childhood, ethnicity, sexual orientation, the economy, migratory trends, and an average population increase. These frequently ignored realities have an effect on the demand for and price of real estate. Housing patterns may alter as a result of demographic changes over time.

The baby boomer generation, which includes those born between 1945 and 1964, could have an impact on the real estate market. It's expected that the baby boomer generation's exodus, which began in 2010, will last for many years. This large change may have a variety of effects on the housing sector, some of which are listed in the accompanying table: Do more baby boomers retiring have an impact on the demand for vacations? How might people's desire for larger homes be affected by having fewer children and earning less money? These traits, among others, might make it possible for investors to spot prospectively profitable real estate acquisitions before a trend develops.

Debt Levels:

The cost of borrowing has an impact on the economy. If you're considering taking out a loan, compare the interest rates right away. A customer's readiness to purchase real estate may be significantly impacted by the present mortgage rate. As interest rates decrease, it becomes easier to obtain home loans, which raises prices and increases demand for real estate.

The market and real estate values fall when monthly payments rise in lockstep with interest rates. When compared to real estate used for residential purposes, the relationship between bond rates and stock funds like REITs is comparable to that of treasuries. Bond holders become more numerous as a result of falling interest rates and rising dividend rates, but this also drives down bond values. REITs' attractive dividends are becoming more and more alluring, and as interest rates fall, so does the value of these investments. A REIT's revenue and profitability fall as interest rates increase.

The situation of the economy: The business also has an impact on the pricing of real estate investments. To measure this, typically, economic output, unemployment rates, industrial output, and price points are employed. As the dollar plummets, the housing market also weakens.

Different real estate types are particularly impacted by the seasonality of the economy. If a REIT owns more high-rises than hotels, it will be more vulnerable to a downturn. Resorts are susceptible to changes in the economic climate due to the nature of commercial lease arrangements. In the event of a poor economy, customers may choose to cancel their hotel bookings. During economic downturns, office tenants often have longer, non-modifiable leases. It is critical to comprehend the business cycle and how responsive the company is to it.

Government Policies/Subsidies:

Among other things, restrictions may have an impact on supply and real estate prices. The real estate market could be stimulated with the use of tax reductions, rebates, and other incentives. Governmental incentives can be used to examine unethical behavior as well as supply and demand.

2.3 billion People profited from the tax cut, according to the Open Government Office. This plan was created to increase real estate sales during a downturn. Since then, 1.3 million people hold mortgages with variable interest rates. Tax benefits

have a small but lasting impact. That suggests that there might have been more elements influencing the demand for homes. One could have believed that other factors were to blame for the increase in home prices if they were unaware that the increase was brought on by a tax benefit.

Product Costing:

Bangladesh's construction sector significantly boosts the country's GDP. The estimate for the project scope could take building supply costs into account. Numerous variables, including supply and demand, grade, volume, scheduling, locality, buyer, and seller, all have an impact on the price of building materials. Additional considerations include inflationary pressure, material requirements, currency exchange rates, and the availability of new materials.

Building supplies make up a large portion of the development's inputs. The construction sector finds it more challenging to finish projects on schedule and to a high standard as a result of the rising cost of building materials.

Volatility in construction material costs raises potential hazards for suppliers, builders, and customers. The need for various types of housing, inflation, and a limited supply of money have all increased the price of building materials. The cost of building supplies must be taken into account if green initiatives are to be developed and implemented within the required time, budgetary, and quality constraints, as well as to satisfy consumer expectations. The cost of construction has lately grown by more than 20% in Bangladesh as a result of rising raw material prices. Prices for small stones, concrete, asphalt, and metal rod rose as economies recovered from the COVID-19 pandemic the year before. Building supplies that are expensive include brick, cement, iron, asphalt, and foreign stone.

Rising land costs: Since the turn of the century, Dhaka's property costs have increased, which has significantly contributed to the city's high home values.

The Cost of Quality Building Products is rising: Renovation costs have increased by 20% as a result of ingredients. Construction materials increase in price along with the cost of fundamental resources on the worldwide market. It appears like nothing is working in the heavy machinery manufacturers' favor due to unfavorable tax constraints, rising ingredient costs, fierce rivalry, price wars, a deteriorating home economy, and low demand.

Steel:

The pattern of rising metal prices is causing concern in the real estate sector. The price of basic necessities has increased both internationally and domestically as a result of our increased importation of goods. The price for overseas junk has increased from \$ 300–350 a shitload per year to \$ 550—more than a shitload currently. A 57% change has had an effect on the neighborhood market. At the beginning of 2020, metal priced BDT 1.5 million every enormous amount, up more than 51% in only a single year. MS Stainless Grade 65 now costs about USD 80,000 per ton. Analysts predict that increased steel prices will lead to a 10%–15% increase in building expenses.

Cement: The increase in the cost of concrete, a primary raw material for cement, has had an effect on regional pricing. All of the raw materials used to make cement are imported, so local cement producers must increase their prices to cover rising raw material costs. Before the pandemic, 50 kg of cement cost BDT 360; today, the price is BDT 430, an increase of 20%.

Costly building materials have a negative impact on the company as a whole. The cost of coal has increased from BDT 9,000 to BDT 22,000, which has resulted in an increase in brick prices. The price of raw materials has an impact on both real estate and construction. Gemstone costs increased by 56.4% annually. Bitumen costs \$670 a shitload currently compared to \$420 in 2020, a 60 percent increase. Current infrastructure projects might be impacted by increasing energy and component needs. As expenses increase, contractors threaten to violate agreements and ask for price reductions. Maturation may be hampered by specific actions.

Rent prices have increased due to the cost of building supplies. This has an impact on property values. The expenses per square foot (psf) may have increased by 6.4% based on the location and facilities, but it is now anticipated that the department's costs will increase by at least 15%, if not 20%. Since the outbreak, the situation has undergone a significant transformation. Depending on the location, the differences between 2021 and 2019 range from 15-20% to 25%. Living expenses increased by 15% in a single year in Badda, Aftabnagar, Banasree, Mohammadpur, and Adabar. awful price increases 6% of the shifts are given to Gulshan, Dhanmondi, Bashundhara, and Uttara. This change took place as a result of how expensive the

building materials were. Prior to the epidemic, the average price per square foot in Gulshan was BDT 15,900. Then, in 2021, it increased by 4 percentage points to BDT 16,500. Prices per square foot increased by 3 percentage points in East Dhanmondi but by nearly 7% in West Dhanmondi. Prices increased by 11%, 10%, 9%, and 8% in Banasree, Aftabnagar, Adabar, and Mirpur, respectively. All forms of infrastructure development, whether they are finished, under construction, or merely concepts, will be impacted by the rising cost of construction materials.

The table is showing the average price per sqft in different areas of Dhaka

Location	Year- Wise Average Apartment Price per sqft (in BDT)		
	2019	2020	2021
North Badda	4,400	4,800	5,000
South Badda	3,900	4,200	4,500
Aftabnagar	3,800	4,100	4,500
Rampura	4,500	4,800	5,000
Nikunja	6,300	6,500	7,000
Uttara (Sector-3,4,5,6,7)	7,000	7,100	7,500
Uttara (Sector-9,10)	5,300	5,600	6,000
Gulshan-1,2	15,500	15,900	16,500
East Dhanmondi	11,300	11,600	12,000
West Dhanmondi	6,000	6,100	6,500
Mirpur(Section- 1,2,10)	4,200	4,300	4,500
Mirpur(Section- 11,12)	3,750	3,900	4,200
Bashundhara R/A(Block- A,B,C,F)	7,000	7,200	7,500
Bashundhara R/A(Block- Rest)	5,500	5,700	6,000
Banasree	4,300	4,500	5,000
Adabar	5,300	5,500	6,000
Mohammadpur	4,400	4,700	5,000

Property financing:

The vast majority of people who live in impoverished countries face serious barriers when trying to access options for financing rental properties. According to the republican government of Bangladesh (GOB), the absence of acceptable and affordable payment options is one of the major barriers to the industry's ability to improve conditions for people with moderate and low incomes (Hoek-Smit, 1998). Real estate ownership enables people to make what is likely their biggest investment, according to the Microfinance Department of the Worldwide Economic Corporation (IFC), which promotes economic cooperation. A household's wealth is emerging. Around the world, housing expenses frequently account for between 15 and 40% of total monthly family expenditures. The worldwide housing market receives between

15 and 35 percent of all investments. (2006) Chief Finance Property To meet demand, Bangladesh will build more than 3.5 million new homes annually over the next 20 years. In densely populated locations, the annual demand for housing is anticipated to range widely from 0.3 billion to 0.55 million automobiles. 160 million people, or 60% of Bangladesh's population, would reside in urban areas by 2015, up from the current 25%. A whopping 75 million With 1.2 billion people, Dhaka, Bangladesh, is the 22nd largest metropolis in the world. By 2015, Dhaka is predicted to be the fourth-largest capital in the world, and 19,000 people would need accommodation (CPD, 2003). According to recent data on real estate sector growth, both the economy's share of wealth creation and real currency have been steadily rising. Between the financial years 1989–1993 and 1994–1995, when the Second Five-Year Plan was in existence, the amount spent privately on housing and building climbed by more than four times, from BDT 7 billion to BDT 15.89 billion. Private investment in housing and construction during the fiscal years 1997–1998 to 1998–1999 accounted for 47.3% of all private investment, exceeding the target of 16.35 percentage points for this time period. Compared to 1997, the GDP of the country now consists of 4.1% more projects involving housing and infrastructure. (CPD, 2003). In 2000, defaults on foreclosures totaled about BDT 1 billion (\$500 million), and the public sector controlled more than 80% of the economy.

The Financial Scenario for Property Investments in Bangladesh:

In 1952, during the height of the American real estate boom, McKinney, Jr. outlined four options for financing real estate. These four sources included banking organizations, finance firms, health insurers, and savings and loan associations. Banking and savings organizations are growing more quickly than other loan officers, according to Edwards (1964), who also highlighted that they are the main power in the bank lending markets. Unofficial institutions continue to be the main source in many developing countries, despite the fact that housing and urban planning are receiving increasing attention. Since conventional business practices are incompatible with the objectives and conditions of this developing industry, it is believed that between 60% and 70% of the housing units in Brazil and Mexico were constructed illegally (Franck and Ferguson, 2004). Financial institutions and neighborhood "loan sharks," who charge exorbitant interest rates, are the two most typical sources of microfinance (Schmidt and Budinich, 2006). In addition to the government-owned BHBFC, other participants in Bangladesh's housing finance ecosystem include the banking industry, personnel loans, income protection, and informal channels. Construction partnerships are the most popular mortgage financing substitute in rural regions (Banglapedia, 2005). A 1993 assessment by the Asian Bank Corporation found that the landowners' financial assets accounted for

more than one third of the financing for newly built dwellings. The two most popular methods of funding ventures at the time were selling surplus land and borrowing money from friends and family. Only 5% of respondents who were homeowners utilized BHBFC loans, and all of these users were from higher socioeconomic groups, compared to 13% of newcomers who used employer and bank loans (including Grameen Bank loans) (Hoek-Smit, 1998). Construction projects for homes and other buildings are partially funded and completed by the Department of Public Works (PWD), the Municipality Engineering Department (LGED), and a number of city corporations. Shortly after the revolution (in cluster villages), the government started an initiative to aid the needy and destitute in a number of Gusso Grams. Sheikh Hasina's administration started programs like Asrayon (shelter), Gharey Phera (return home), and Ekti Bari Ekti Khamar (one village, one house) (one homestead, one farm) to help rural landless and homeless people. The Grihayan Tahbil (housing) Fund, which also provides nominal finance to quasi-groups and builders in the private sector so they can construct homes for people with low- and moderate-income levels, is managed by the government of the party leader. As of around June 2006, 6 million homes had been built using the BDT 153.56 crores set aside for home financing for the rural poor. Of that sum, BDT 83.74 crores have already been disbursed. According to the Bangladesh Economic Review (2006), debt payments are recovered in 88 percent of cases.

With support from higher-income groups, its government plans to grant property licenses to private enterprises so they can develop housing for middle- and low-income workers. The government will serve as a "facilitating factor" or "enabling factor" in this situation.

Numerous organizations have supported the company's current operations, particularly when it comes to giving the poor access to intervention programs. Private mortgage lenders might operate thanks to the Financial Sector Act of 1993. There are currently 23 private businesses in Bangladesh selling various types of property mortgage securities. The main brands are Delta-BRAC Mortgage Company Ltd. and National Community Finance & Lend. These businesses provide financing for home improvements, new home construction, apartment and home purchases, as well as the purchase of land for future development. The private sector has no accumulating loans (NPLs) at a rate of roughly 1%, despite being relatively young. However, they do charge significantly higher interest rates for loans than the BHBFC, which is supported by the government. For instance, Delta-BRAC Housing may charge a maximum interest rate of 16% on mortgages, which is 1% more than the BHBFC. Companies that offer microcredit, such as Grameen Bank, BRAC, ASA, and Proshika, barely make a dent in the market.

Opportunities in the Real Estate Sector:

The real estate market in Bangladesh offers a wide range of possibilities, including:

Started to present some new regions like Bosila in greater Keraniganj, Purbachal near Kuril, and the suburbs of Dhaka. However, the government can reach this goal by encouraging outstanding educational institutions and developing new transportation infrastructure, such as inter-metro rail, etc.

- Since a successful government must first develop its transportation infrastructure in order to achieve national success, our government focuses on constructing new highways and repairing existing ones. To be a part of the Bangladeshi government, real estate businesses should pay attention to how metropolitan areas are developing in this regard.
- More than 5% to 6% of the population moves to metropolitan regions every year. Around 40% of the world's population is predicted to reside in cities rather than other urban areas in the near future. A different survey revealed that 40% of Dhaka's population is living in average or below-average conditions.
- Take into account the housing options available to persons with low incomes. The need for affordable housing is growing as more people fall into this category. Independent real estate companies have expanded significantly.
- About 68% of residents of Bangladesh's capital city reside in rented homes. 82% of respondents said they couldn't afford to pay the rent (source: ICE Business Times). The success of this website may depend on whether real estate developers can provide affordable apartments. Currently, residences, lots, and condominiums can be bought using nontaxable money. The Trump administration said that the sector generated BDT 3,500 crore in unearned revenue during the preceding six months, carried out with the intention of The Weekly Comet is the source.
- There will soon be a rise in real estate investment due to the smaller loans that banks and other financial institutions are issuing. Purchases by customers will increase. As a result, apartment sales have surged.
- If registration costs were lower, fewer individuals would purchase apartments.

Problems Affecting the Real Estate Industry

Official statistics show that 1,418 more individuals move to Dhaka every day. 80,000 people live in Dhaka per square kilometer. In comparison to Dhaka, which has 12.5 sq. m., Delhi, Bombay, Tokyo, and Shanghai all have more square meters per person. Housing presents a problem for Dhaka's expanding population. (Source: ICE Business Journal). There have been issues with real estate for a very long time. Issues include:

- Dedication is shown by many clients and real estate professionals. In order to protect the interests of real estate buyers, there is no legal structure in existence. Unscrupulous marketing techniques are employed by some businesses engaged in real estate and property investing. Numerous new and established businesses have used deceptive marketing techniques to print advertisements for the acquisition of real estate and the building of homes. According to recent studies, population pressure can be reduced with government incentives. Infrastructure, transportation, healthcare, and education must all be taken into account in urbanization plans. Real estate companies cannot start operating in new places if these construction projects are not finished.

Poor real estate compensation and insufficient collaboration between the 12 city corporations and the 330 towns Qualified HR staff are only available to top-tier real estate firms. Even if it has decreased from 14% to 10%, Bangladesh's flat membership rate is still higher than that of several other Asian nations.

COVID-19 Epidemic's Effects on the Housing Industry:

Due to people's reluctance to spend such a high sum during these trying times, there wasn't much of a market for apartments at this time. As a result, no apartment complex could be built. When maintenance employees and other professionals were told to leave as a result of the lockout, over 6,000 REHAB member initiatives were put on hold. Large companies in the mortgage industry started to worry more about how they were going to pay their employees as a result of a number of customers' inability to pay on time due to a lack of money. A cash flow problem was the root cause of this. The president's decision to decriminalize spending made with cash that is not taxable in order to buy homes, plots of land, and apartment blocks in the spending plan for the current financial year allowed the real estate sector to recover from the emergency COVID-19 decided to declare and the ensuing curfew. This proved that the money used to carry out these transactions had a clear source of origin. Several market participants assert that banks and quasi-financial organizations are offering mortgage loans at bond yields well below 9% in an effort to draw investors looking for secure returns on their money.

Due to the lockout, mortgage brokers are concentrating primarily on work orders before they are finished. The reason for this is that the efforts are indeed one year behind schedule.

According to Tanvir Ahmed, general manager of Sheltech Group, the high demand for apartments is a result of the low interest rates that mortgage lenders are offering to customers. Even the percentage of canceled reservations fell to zero during the previous six months.

CHAPTER FIVE- SUMMARY & RECOMMENDATIONS

Conclusions:

Amin Mohammad Group is a well-known name in the building industry in Bangladesh. All available resources have been used as a result of a recent shift in strategy that places a greater emphasis on the group's goal and vision. According to an assessment of its quarterly earnings over the previous three years, the company has established a significant presence both within and only on the Bangladeshi real estate market.

However, due to the COVID-19 pandemic, Navana and the majority of Bangladesh's real estate companies are unable to meet client demands and continue to be profitable. The company is also offering sensible suggestions to broaden the appeal of its brand portfolio and attract new clients. The history of the organization indicates its commitment to attaining its objectives.

Recommendations:

These are a few recommendations for AMG, which are listed below:

- To maintain employee interest and excitement in their jobs, the company may place a strong emphasis on carefully controlling working hours. The company should also set up training so that employees can concentrate completely on honing their talents and become more motivated.
- Additionally, the company might improve health and safety, especially in the area where patrons typically wait for service. The company ought to provide specific training for new hires. Personal ties and employee cooperation must be cultivated.
- It is suggested that the accountant utilize the suitable software rather than the awkward one offered by AMLDL in order to increase efficiency.
- The management of the organization should quickly decide to implement cutting-edge innovations in order to offer quick service.
- Enhance the working environment to encourage staff to produce higher-quality work.

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