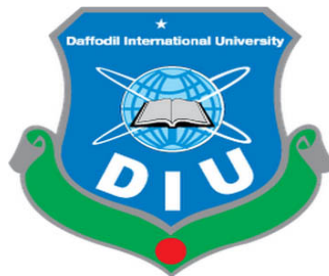


Internship Report
On
Prospects and Challenges of Real-Estate Business in BD:
A Study on Shema Developers Ltd.

Prepared For
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Fall-2019



Daffodil International University

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Letter of Transmittal

December 31st, 2019

Dr. Md. Abdur Rouf

Associate Professor

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Ashulia Model Town, Dattapara.

Ashulia, Savar, Dhaka

Subject: Submission of Internship Report on Prospects and Challenges of Real-Estate Business in BD: A Study on Shema Developer Ltd.

Dear Sir,

I am intended very happy to submit my internship report entitled “**Prospects and Challenges of Real-Estate Business in BD: A Study on Shema Developer Ltd.**” which I accomplished on my practical experience from Shema Developer Limited. I have followed your guidelines as per your important direction and tried enough to provide all the materials. During the completion of the report, I came across lots of practical experience that will help me greatly for building my career.

I will be very thankful, if you kindly accept this internship report. If there is any query regarding this report, I will be pleased to answer.

Sincerely Yours

Samia Afrin

ID: 152-11-241

Program: BBA

Acknowledgment

First of all, I would like to give my special thanks to Almighty Allah to give me the ability to complete this Internship report properly and keep me well.

Internship Program is an integrate part of BBA degree. Every BBA student is deputed to different organization to learn something within the pre-stipulated time by observing their organization daily practices. For the internship program I was placed in **Shema Developer Limited**, under the supervision of **Dr. Md. Abdur Rouf**, Faculty of Business and Entrepreneurship.

I am very thankful to **Dr. Md. Abdur Rouf** sir for providing, me the valuable suggestions and guidelines to make this report from the very beginning to end with a friendly behavior.

I am grateful to the Management of Shema Developer Limited for providing me all sorts of facilities requested from time to time. My practical working knowledge in this organizational institute helped me a lot. I am lucky and feel proud to get this opportunity for preparing this assignment. I have learned many things from this reputed organization in a short time.

I would like to take the opportunity to express my gratitude to my fellow friends, near and dear ones who offered encouragement, information, inspiration and assistance during the course of constructing this report.

Student Declaration

I am **Samia Afrin ID: 152-11-241**, the student of Bachelor of Business Administration (BBA), Under the Department of Business Administration at Daffodil International University declaring that this internship report on the topic of “**Prospects and Challenges of Real-Estate Business in BD: A Study on Shema Developer Ltd.**” have only been prepared for the fulfillment of the course of Bachelor of Business Administration (BBA).

I hereby declare that this report has been solely prepared by me and to the best of my knowledge. It contains no materials previously published or written by any other person which have been accepted for the degree at DIU or any other educational institution, except the quotations and reference which have been duly acknowledged.

It has not been prepared for any other purpose, reward, or presentation.

Samia Afrin

ID: 152-11-241

Major in Finance

Program: BBA

Supervisor Declaration

This is to certify that is internship report on the “**Prospects and Challenges of Real-Estate Business in BD: A Study on Shema Developer Ltd.**” has been prepared by Samia Afrin ID: 152-11-241 from Daffodil International University and which has only been prepared for the partial fulfillment of the BBA course.

The Report has been prepared under my guidance and supervision. This report supports the topic title and fulfills the entire requirements. I instructed him to prepare. Here by, I accept the report as the successful completion of the course requirement.

During the program was she was sincere, active and attentive to her work and I wish him every success in life.

.....

Dr. Md. Abdur Rouf

Associate Professor

Faculty of Business and Entrepreneurship

Daffodil International University

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Executive Summary

The land division is the development community for the advancement of an economy. Bangladesh, being one of the thickly populated countries on the planet, has been encountering serious of houses lack for its residents. In spite of the fact that greater part of the populace is sectioned into the center and the low pay gatherings, as yet lodging for all has been a paradox in Bangladesh. The hole among request and supply is still delight wide. In spite of insufficient approach arrangements, these land engineers have been effectively making business despite the fact that the center and the low salary family units are as yet undiscovered.

Shema Developers Ltd. was built up in the year 2011, and is currently the promising and spearheading organization in the land of Bangladesh. As an assistant I found the opportunity to join at Shema Developers for 12 weeks. The entry level position is an approach to relate functional information with the hypothetical information. In this report I talk about and examination the land business and Shema Developers independently. Likewise I recognize some inner and outer variables that impact this area and furthermore the association.

In any case, to make ready for the natural improvement of the business, the issue of long existent deficient financing accessibility at lower weight of terms and costs must be expelled promptly, and more extensive degree must be made for Non-Resident Bangladeshis. With numerous different issues, this investigation endeavors to recognize the present status of the private lodging land in Bangladesh, presents further experiences of the basic variables for expanding its inclusion, and hence at long last suggests some quick estimates which will be useful for both the association and the business too.

Part 1

Introductory Part

1.1 Introduction

The land division is one of the quickest developing and pushing segments in Bangladesh. Infrastructural improvement is profoundly significant for a nation to ascend as a created country and to guarantee lodging offices for the residents of the nation.

Recognizing the significance of lodging, which is one of the five essential needs fused in the constitution of Bangladesh, the administration is constrained intrinsically to assume a crucial job in verifying lodging rights. The constitution of the People's Republic of Bangladesh states in Articles 15(a) that "It will be a central obligation of the State to achieve, through arranged financial development, a consistent increment of beneficial powers and a relentless improvement in the material and social way of life of the individuals, with the end goal of verifying to its residents "The arrangement of the essential necessities of life, including nourishment, attire, asylum, instruction and restorative consideration"

From the above explanation it is very certain that giving haven to every one of the individuals is one of the major obligations of satisfy. However, being a legislature of a poor creating nation, it is practically outlandish for the administration to guarantee lodging for all. By understanding this circumstance, they chose to share the undertaking of furnishing safe conventional spots to live with Real Estate Developers.

BBS claims there was a lodging deficiency of 4.6 million units for 43.43 million individuals in 2010. The lack is anticipated to arrive at 8.5 million units for 60 million urban individuals by 2021. On the off chance that the complete urban populace arrives at 100 million by 2050, at least 0.1 million lodging units ought to be provided in the market each year.

In that circumstance, Shema Developers Ltd. was set up in the year 2011. In the wake of setting up, the organization has effectively come up to the present through careful administration and viable customer fulfillment and is currently the promising and spearheading organization in the land of Bangladesh.

1.2 Research Aim

A study without aim cannot reach the destination. My internship program was also directed to some particular targets. The main aim of this study is "Prospect and Challenges of Real Estate Business in Bangladesh: A Study on Shema Developers Ltd."

1.3 Research Objectives

The research objectives of the practicum report are divided into two parts, Broad objective, and Specific Objective.

This following report has two types of objectives which are described as follows:

1.3.1 Broad Objectives

This study is aimed at providing me the valuable knowledge about Real Estate Business in our Bangladesh. It will also help me to develop my concept about Prospect and Challenges of Real Estate Business in Bangladesh from Shema Developers Ltd.

1.3.2 Specific Objectives

The supporting objectives are as follows:

- To analyze the current position and performance of Shema Developers Ltd.
- To identify the prospect and challenges that are faced by Shema Developers Ltd.
- To identify the problem and the recommendations of Shema Developers Ltd.

1.4 Methodology

A test explore has been led in setting up this paper. Unadulterated fundamental research approach has been utilized alongside this where hypothetical and functional examinations have been fused. Information have been gathered through up close and personal and phone meet. Poll has been utilized in social occasion essential data from land members. Data has been utilized from various optional sources – web, Newspapers, yearly reports, on the web and printed articles, diaries and past research papers on land segment. Sentiments have been gathered from specialists and members in the land part, which have been valuable in breaking down the information and data and to arrive at a resolution. Numerical information have been examined and translated with focus and connection to the primary issue. Hypothetical examination alongside numerical proof has been utilized to approve the discoveries of the investigation. The examination has been displayed first and afterward discoveries have been drawn.

1.5 Scope of the Study

As an understudy, my degree was especially constrained and confined. I had kept up some official custom for the assortment of information of my report. What's more, this report covers Organizational and Industrial Overview, Management and Organizational Structure and major practical zones, Products and Services. It likewise covers the current circumstance of land industry, current position and execution of the organization, commitment of Real Estate Sector in Bangladesh and difficulties for Shema Developers Ltd.

1.6 Limitations

In spite of the fact that, I have filled in as an internee, I got entire hearted co-activity from representatives of Shema Developers Company in Main Office. All the day, they were so occupied, yet they gave me much time to make this report appropriately. In any case, they were not ready to give me numerous reports that I would require, in transit of my investigation; I have confronted the accompanying issues that might be terms as the impediment of the examination.

➤ Limitation of time

The first discourage is time itself. Because of as far as possible, the degree and measurement of the report has been diminished. I couldn't invest adequate energy for my report on the grounds that as far as possible given for presenting the report was short.

➤ Data inadequacy

Since every one of the officials were especially occupied, they were not constantly ready to give me much time, I got co-activity from the authorities. Since Shema Developers Ltd. is one of the most up to date in Real Estate, there isn't sufficient information to dissect the best possible development as indicated by showcase economy. Also, all vital data is preposterous to expect to gather

➤ Lack of records

Deficient books, distributions, Facts and figures limited the extent of exact investigations.

➤ Fear of revelation

Another confinement of this report is Shema Developers approach of not revealing a few information and data for clear reasons, which could be particularly valuable.

- As an assistant it was impractical for me to gather all the vital mystery data.
- I needed to finish this report inside a limited capacity to focus time that was not adequate for examination.

- Because of the restriction of data, a few suppositions were made. My recognition about some perception may not be right.

1.7 Ethical considerations

This report carefully considers the following ethical issues:

- The data used in this report was maintained carefully to preserve confidentiality.
- The report is prepared only for academic purpose.
- Customers' responses were maintained carefully to keep their confidentiality.

Part 2

Overview of the Organization

(Shema Developers Ltd.)

2.1 Company Profile

2.1.1 Shema Developers Ltd.

Shema Developers Ltd is an all-around rumored Real Estate Company in Bangladesh that started its activity on 2011 to make a genuine and persuading dream regarding cover needed individuals. By guaranteeing responsibility, quality and responsibility to the good customer, they are going towards of their adage.

Presently a day's convenience issue of our nation is expanding step by step which symbolize red caution to what's to come. Be that as it may, here they are, to tackle this hazardous issue certainly. Not at all like huge Real Estate creating establishments, are which in the matter of creating items and then being advertised to their client. Then again, their items are in the business for fulfilling the necessities of their clients by using exceptionally custom fitted arrangement inside most ideal way.

2.1.2 Overview of Shema Developers Ltd.

Shema Developers Ltd. was built up in the year 2011, and is currently the promising and spearheading organization in Mirzapur. With the quickly expanding interest for land and advancement for lodging, Shema Developers Ltd began the improvement of land in different areas of Mirzapur and sold more than a few condos. During the previous years, it has effectively finished a decent number of condos and furthermore concentrating on conveyance land toward clients.

Since that time, the organization has dynamically merged its skill in creating ventures and has increased a high notoriety in effectively finishing its assignments. It is intense in their promise to hand-over its prepared pads. Basically, organization oversees and creates network and reasonable lodging for individuals on low to direct livelihoods.

They give customers a scope of lodging choices, from pay based network lodging rental to shared-value house buys. Organization trademark is consistently to play out their undertaking with the particular laborers all development materials and hardware are obtained with extraordinary consideration in order to guarantee most elevated conceivable standard.

2.1.3 Company Vision, Mission, & Objectives

- **Company Vision**

“To create some new look structures, comfortable living with competitive price.”

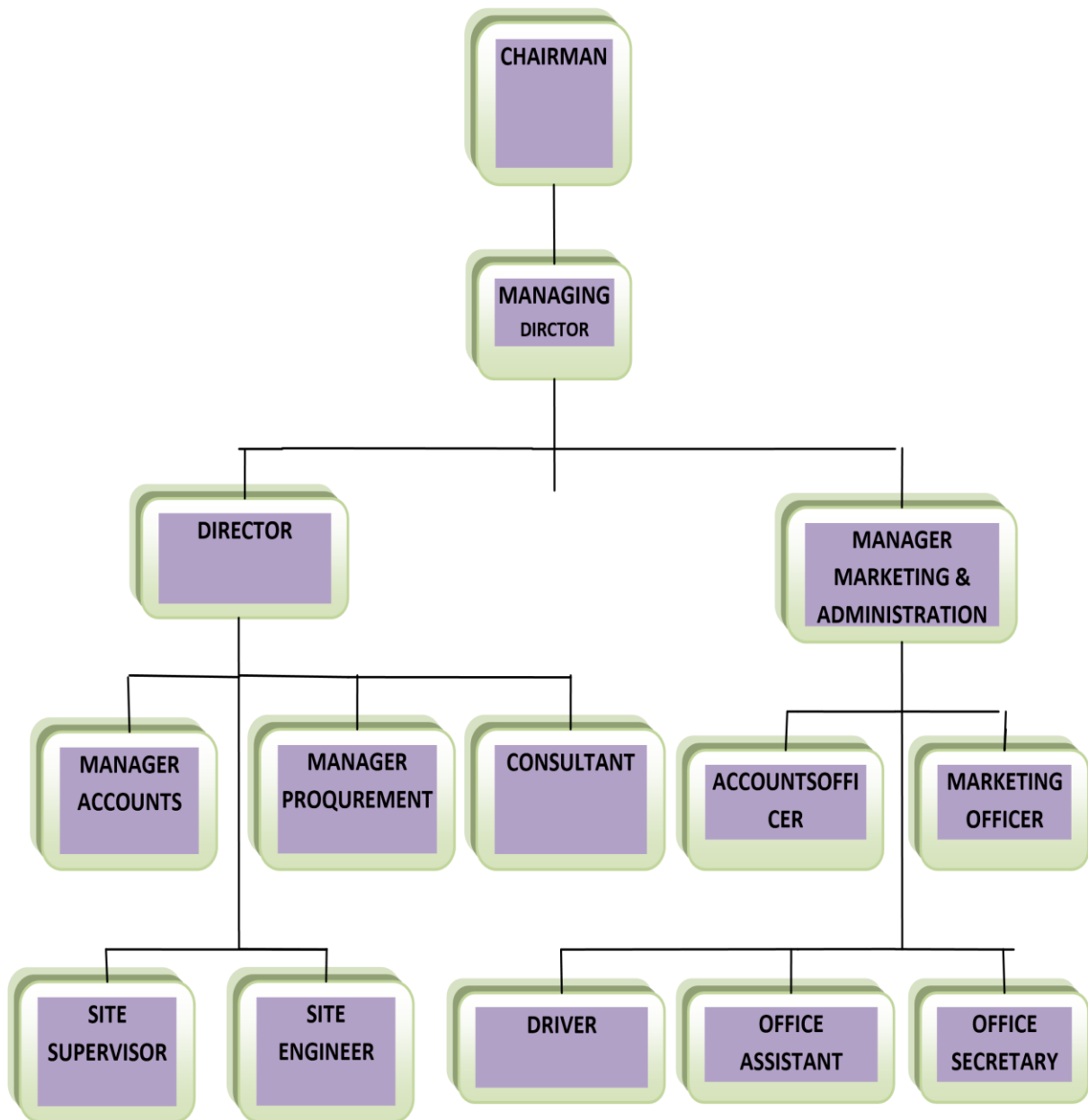
- **Company Mission**

“To safely and profitably serve our clients' construction needs while maintaining a reputation for quality, integrity and employee satisfaction.”

- **Company Objectives & Goals**

- To ensure equitable and fair access to affordable housing for people in very low, low and moderate income households.
- To provide cost effective and efficient housing management services.
- To provide high quality infrastructure and management services that meet client needs.
- To provide security of tenure to tenants meeting their tenancy obligations.
- To be managed prudently in order to become and remain financially self-sufficient in accordance with good commercial practice.
- To promote and seek to provide quality diverse living environments and housing forms that reflect cultural and community values, energy efficiency and ecological sustainability.
- Seek to provide affordable housing that is well positioned in terms of access to transportation and services.

2.1.4 Company Structure



2.1.5 Project Status of Shema Developers Ltd

- **List of Handover Project:**

SL	Name of the Project	Location	Size of Project Lands	Size of Buildings	Types (Com./Res.)	Project Cost	Project Started Year	Date of Handover
1	Nahar Garden	Mirzapur	3 Kathas	8 Storied	Residential	2.8 Crores	2012	2015
2	Mir Plaza	Tangail	3.75 Kathas	8 Storied	Commercial	3.1 Crores	2012	2016
3	Shikdar Tawor	Gorai, Mirzapur	3 Kathas	8 Storied	Residential	2.7 Crores	2013	2017
4	Eden Paragon	Uttara, Sector 11	3 Kathas	6 Storied	Residential	2.5 Crores	2012	2015
5	Dream Mergia	Savar	3 Kathas	6 Storied	Residential	2.4 Crores	2014	2017

- **List of Ongoing Project:**

Name of the Project	Location	Size of Project Lands	Size of Buildings	Estimated Project Cost	Project Started Year	Present Status of the Project	Date of Handover
Syed Monsur Tower	Mirzapur	5 Kathas	10 Storied	5 Crores	2017	65%	2021

- **In Future Project:**

Shema Developers has many void terrains in Mirzapur, Gorai and Tangail for future activities. They will utilize those grounds essentially in business and private ventures fundamentally in Tangail and Mirzapur they had 125 kathas land where they will begin a business venture in future. In any case, because of continuous negative monetary circumstance, gradualness in deals and budgetary issue, Shema Developers is especially calculative and specific in picking new activities. In any case, they are confident that, very soon they will have the option to settle on an understanding for 2 or 3 tasks at Uttara division 10, area 13 and Savar. Shema Developers has confidence in characteristics and give accentuation on extraordinary ways of life, offices and area. Their point is to give an extravagance and moderate life.

Part 3

Company Analysis

3. Company Situation Analysis

3.1.1 An Overview on Company Situation

Shema Developers is one of the developing organizations in the business however it was set up in 2011. The present development pace of the organization is about 10%. Their accomplished top administration is brief about the changing business sector conduct. They are adaptable in their administration style. They select youthful staff for their mid-level administration to get most extreme profit by those crisp men. As market conduct is constantly changing so they have to mastermind some preparation programs for their young faculty to accomplish their destinations.

Also as of late the organization is in monetary emergency hence their number of current undertakings are going down. So they have to acquire cash from the outside of the money related organizations as the budgetary foundations are not intrigued to give it. Their coordination's and development division are additionally not organized enough and these brought about higher creation cost. To be advertise pioneer they have to improve their area of expertise effectiveness.

To know better about the company situation we need to analysis its external and internal environment.

3.1.2 External Environment Analysis

It is significant for land industry to investigate its outer condition. An outside natural examination ponders data about a business' industry, rivalry, and political and social situations. These components influence the business from the outside of business where they have no control. An investigation of the outside condition remembers a rundown of variables for a business' outer condition and their impact on the business. There are a few parts of outer investigation; here we predominantly center on PEST examination.

PEST Analysis

Each association works in a bigger full scale condition of powers that shape openings and posture dangers to the organization. The four significant powers that are: Political, Economic, Social and Technological powers that influence the creating and the land business all in all which are examined underneath:

Political and Legal Forces

As one of the most concerning issue of our nation is political shakiness. This ceaseless political issue hampers the continuation of the venture and defers fulfillment of undertaking, thus once in a while the organizations become unfit to handover the condo on the due time and neglect to keep up their dedication. This expansion the general expense for the organizations. This political precariousness additionally hampers the picture of the organizations as they neglected to keep up their responsibility, and it might have a since quite a while ago run impact marked down and business net revenue.

Throughout the previous 5 years Bangladesh is being shielding champion in being most undermined nation. Again to begin a development a land organization needs to take endorsements of nine diverse government offices. This image truly demonstrate how a lot of additional inconspicuous illicit cost the land organizations need to stand to begin a development venture. Again each other issue confronting the land organizations is "illicit cost assortment" by the nearby individuals (mastan) where the undertaking work going.

Bangladesh doesn't have any different code for the plan and development of quake safe structures. The structure seismic tremor society has as of late distributed a Bengali interpretation of the rule for quake oppose non-built development, composed by the global relationship of tremor designing.

Till now there is no particular guidelines and guidelines for developing tall structures. However, another standard of development of elevated structure is hanging tight for definite endorsement of the service.

Before start a development venture each engineer needs to take endorsement of various organizations for the particular task. The greater part of the development work deferred due to the extensive and tedious and bureaucratic system. This procedure additionally brings about an attractive measure of inconspicuous/illicit expense for the Developers.

Economic power

- **Bank advances to the clients and it's financing cost**

Certainly it positively affects the development and succeeds of the land business. In Bangladesh the lodging and development credit to clients are fundamentally given by DBL, IDLC, HBFC and so forth. For this lodging advance offices many center pay gatherings can get the chance of having own living perpetual asylum, which fundamentally opened another skyline of business for the land organizations. In any case, the obvious reality is that the pace of the enthusiasm for the lodging credit is especially high which isn't effectively reasonable for the center salary gathering. So essentially the high pay bunch is for the most part misusing the chances. As of now the normal intensified loan fee 13% - 15%, which is a lot of high, contrast with the other outside nations.

- **Bank advances toward land organizations**

The settled organizations are less reliant on the bank credit, as in light of the fact that those build up organizations can back their ventures by possess capital and the greater part of the sum really originates from the clients advance portion installment. Be that as it may, for the little and obscure organizations in some cases they need to depend on the bank advance or credit from outsiders as they may can't deal their loft units ahead of time.

- **Inflation and Economic Breakdown**

For the lopsided variance of the cost of provisions materials for the development, the land organizations likewise need to expand the cost of the condo. The principle crude materials of development are fundamentally concrete, steel, fired mosaic, paints and so forth we have seen that because of the swelling the cost of these material is consistently expanding. As indicated by REHAB, there had been normal increment of 15%-18% in generally costs of building development materials in 2019 than that in 2018. Recovery and industry specialists gauge enhancement of this value pattern over the long haul. Again from 2005 till now the cost of bar has been expanded by a staggering 100% roughly.

Monetary emergency is likewise a major worry of our land organizations therefore after the breakdown of the offer market and late bank emergency normal deal in land industry has fallen close about 40% to half, on the grounds that people(basically center salary) have no enough cash to exertion another house.

- **Impact of changes in outside money trade**

The essential supplies of land are concrete and steel. The a large portion of the crude materials for delivering concretes are imported from outside nations, generally from India; again the crude materials of creating steel is originating from the pieces of the remote boats. So the shakiness in outside money trade unquestionably has sway on the cost of concrete and steel. Be that as it may, as far as dollar our money doesn't vary without a doubt and this is a valid statement for the concrete and steel makers.

Social & Demographic Forces

- **Population Growth and un-accessibility of empty space land**

Populace is expanding quickly in Bangladesh. Fundamentally, the populace in Dhaka, the under city, is expanding exceptionally quick. In 1991 the Dhaka city populace development rate was over 10%, and in later 2019, this rate was 3.62%, which is additionally a lot higher than the nation populace development. This quickly expanding individuals need all the more lodging offices. Increasingly more increment in house lease suggests that individuals would turn out to be less intrigued to remain in leased house and would attempt or will in general purchase home.

Looks into demonstrate that lone 30% populace in Dhaka city has involved effectively over 80% of neighborhoods with human settlements and steady foundation. Business analysts and land specialists state it as exceptionally huge on the grounds that along these lines land is getting progressively insufficient to give singular lodging arrangements. Besides, land is very inaccessible in Dhaka at appropriate area for singular lodging satisfaction. For tremendous interest and deficiency of land, cost of land is high in the urban region as indicated by the land members. This is making more individuals slanted to fabricate and share condos.

- **Recent example of Family structure**

The family structure is experiencing some subjective and quantitative change. The families become little and joint families are confronting annihilation. Commercialization and urbanization has come about into breakdown of conventional enormous families into nucleated one. . The normal size of family in Dhaka City Corporation region in 2005 was 4.2. In the ongoing pattern each new couple are intrigued of having their own small condos to stay with a few rooms. Concerning this social change there is an expanded interest for new lodging, which likewise affected the twist of the land business at Dhaka city.

- **Reluctant of individual to invest time and vitality in building development**

Presently a days, in this quick moving globalizing condition, individuals have less time to spend on obtaining and building the home independently. As the land organizations offering the readymade houses, individuals are presently attempt to keep away from the problems of building the house without anyone else. As one needs to confront numerous bureaucratic badgering to begin a structure compression, individuals are currently increasingly keen on loft buy.

- **Security Purpose and different administrations**

One of the principle reason of development of loft business it security reason. In a condo there is a general public, thus individuals feel more verified and safe life. Be that as it may, the possess constructed house can't give such security in individuals' life. Again , many help offices, for example, trash transfer, focal satellite TV association, rooftop top offices, lift, generator, play area for youngsters, rec center and supplication offices and so forth., so condos administrations spares time, and make the people groups life progressively simpler. Month to month Rent of the lofts is additionally similarly higher than the lease of secretly built house units. That is the other explanation of expanding notoriety of land business.

Technological Forces

Innovation assumes an imperative job in this industry. Contrast with outside nations, Bangladesh land industry is need behind in usage of advance and new innovation. As in Bangladesh work is less expensive, it is utilized as a substitute of advance innovation. Be that as it may, in reality of Time-outline, manual labor can't be an ideal substitute of innovation. Despite the fact that we have talented labor for developing tall structure and additionally structurally innovative structures, just for the absence of mechanical help it is beyond the realm of imagination in Bangladesh.

In Japan, to battle against the earth shudder fiasco, "spring" framework innovation is utilized at the base establishment of the structure. Though Bangladesh, which is additionally considering an earth shake likelihood zone, doesn't have any machine to quantify the minister size of the earth tremor.

Again in the innovatively propelled nations, they use "Alukabond" innovation to assemble tall structure made by steel.

In Bangladesh some industry driving organizations are presently taking the assistance of trend setting innovation. As like "Bashundhara Group" is begun to use mechanical offices. They are utilizing innovation like-Ready-blend solid truck, Electronic ground filtering, Crain to convey substantial materials starting with one point then onto the next point. "Propelled Development Technologies" likewise have plant for prepared blend solid stockpile through uncommon type of trucks; and getting a charge out of lower cost as it decreases the time span for a development venture.

3.1.3 Internal Environment Analysis

It is significant for a land organization to break down its inner condition. An inner ecological investigation contemplates a business' solid focuses, feeble focuses and opportunity alongside dangers in their condition. These variables influence the business from within business where they have some command over it. An investigation of the interior condition incorporates a rundown of conditions, substances, occasions, and factors inside an association that impact its exercises and decisions, especially the conduct of the representatives. There are a few segments of inward investigation; here we essentially center on SWOT examination.

SWOT Analysis

A SWOT investigation is an organized arranging strategy used to assess the qualities, shortcomings, openings, and dangers associated with a business adventure. It includes determining the goal of the business adventure or venture and recognizing the inward and outer components that are positive and negative to accomplish that target. The SWOT analysis of Shema Developers Limited is given below:

Strengths:

- **Market Share:** Shema Developers Ltd has more than 2-3% pieces of the pie around here covering both loft and land for lodging. (Source: Direct meeting with the Chairman of Shema Developers)
- **Reputation:** The quality of the organization is its notoriety that transform into its focused qualities and causes them to support in the market. With a significant brand name, imaginative configurations, client care center and quality control, the organization can go up against its rival's preferences of RANGS Properties and so forth.

- Expertise: Shema Developers Ltd has numerous specialists in various division. These specialists, with their numerous long periods of involvement with the Real Estate industry, presently help in the everyday activity of the business.

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.

Opportunities:

- In Bangladesh, as a creating nation there is a high development of urban regions.
- The populace of Dhaka city is developing at significantly more quicker rate, and as urban populace expands it is expanding the interest of new house.
- As the land cost of Dhaka expanded, the interest of condo likewise expanded.
- A wide extension is winning for remote financial specialist.

Threats:

- In Bangladesh the lodging credit financing cost for clients is a lot higher than outside nations. In Bangladesh it is 14 - 16%, while in outside nations it is on a normal 5 - 8 %.
- The organizations need to go in quite a while expending bureaucratic procedure of getting endorsement of 9 diverse government offices to begin a development venture.
- Most of the urban populace falls into center salary bunch those can't manage the cost of sumptuous lofts.

Part 4

Prospects and Challenges

4.1 Prospects in Bangladesh

The positive patterns of worldwide extension in the land part in the neighboring nations likewise show a plausibility of such development Bangladesh. As per the above chart and past record of INDIA and USA, we see that the land area advertise encounters a normal yearly ascent of 5-10% on the off chance that it begins once. In Bangladesh, before 1985, individuals in Dhaka city never thought of purchasing a condo for living. Prior to 1995, individuals reconsidered before purchasing a loft. Be that as it may, over the most recent few years, enthusiasm for purchasing condo has expanded quickly. The blast in Bangladesh land advertise occurred somewhere in the range of 1988 and 1991. From 1999 to 2018 it has been becoming quickly brought about by immense family unit request, absence of enough land, fast urbanization and so forth in Dhaka City. The present pace of urbanization is 5-6% yearly. About 36.63% of the individuals of Bangladesh are presently living in urban territories and 38% will be living by 2025.

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%.

By 2020, Dhaka is estimated to have about 21 million people that show about 55% growth from 2000 whereas every year more than 0.5 million is added to this mass, while 2030 may see as many as 27.3 million residents. The fast-growing population has already put tremendous stress on the city, 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.

➤ Growing Easy and Available Financing:

Financing the apartment purchase for individual has become easier more and available. In 1952 Bangladesh House Building Finance Corporation, 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 housing finance facility up to 70% to 80% of the value of the house or apartment. Interest rate is competitive ranging from 12% to 16%.

- 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 sft. 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. 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.

4.2 Challenges in Bangladesh

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

Increased Price of Construction Materials:

One of the significant difficulties of Shema Developers Ltd is to keep up the development cost of undertaking because of the value climb of development materials. The cost of development materials is reliably expanding in this manner expanding the development cost and loft cost.

As per REHAB, there had been normal increment of 15%-18% in by and large costs of building development materials in most recent multi year. Recovery and industry specialists gauge enhancement of this value pattern over the long haul. Again from 2003 till now the cost of pole has been expanded by an overwhelming 100% around. As imported things, cost for electrical wire has gone up by half as of late. The value situation with enormous hops for essential crude materials has been demonstrated as follows:

High Property Transfer and Registration Fee:

Also, high loft cost, charges relating to property move and enrollment force additional weight to the purchasers. As per new strategy, expenses incorporate Gain Tax (2%), Stamp Duty (3%), Registration Fees for the focal government (2%) and City Corporation (2%) and charges for sub-enlistment center (0.5%) which together record for extra 9.5% expense of a condo. What's more, the purchasers need to make good on advance Income Tax (up to tk. 2000 for each sq. meter) alongside a 1.5% VAT which further intensifies the moderateness of the purchasers.

Technological Advancement:

Bangladesh land industry is need behind in usage of advance and new innovation. In spite of the fact that Shema Developers have gifted labor for building elevated structure of 20 to 25 celebrated, just for the absence of innovative help it is absurd in Bangladesh. In Japan, to battle against the earth tremor fiasco, "spring" framework innovation is utilized at the base establishment of the structure. Though Bangladesh, which is additionally considering an earth shudder likelihood zone, doesn't have any different code for the plan and development of seismic tremor safe structures.

High Employee Turnover:

High worker turnover in the greatest test for any firm, Shema Developers Ltd isn't out of that. The normal worker turnover rate is 25% to 30%, which is a worry for them. Essentially, Shema Developers pursues a customary compensation and special approach. They don't offer good pay bundle and successful preparing to their representatives in mid and lower level, so they don't fulfill with their activity and they attempt to switch in another organization to show signs of improvement pay bundle and compensation.

Rising assets for ventures:

Presently it is a major test for Shema Developers Ltd to raise assets for their present tasks and every day business activity. As a private restricted organization it couldn't rise assets through IPO or offer market. Also settled organizations is less subject to the bank credit, as on the grounds that those set up organizations can fund their undertakings by possess capital and a large portion of the sum really originates from the customers' advance portion installment. Be that as it may, for a little organization like Shema Developers Ltd, needs to depend on the bank advance as they may can't deal their loft units ahead of time.

4.3 Findings of the Study

- Shema Developers Ltd has modest number of progressing venture which is blocking in accomplishing its economies of scales and money related dissolvability.
- Market is extremely touchy with the monetary states of the nation, even with the financial arrangement of the Government.
- Political turmoil, bureaucratic issue and concealed expense are the significant issue in handover the venture on due time and encoded cost.
- Shema Developers Ltd has no mechanical help for that they can't go for innovative progression.
- There are countless rivals in the market.

Part 5

Recommendations and Conclusion

5.1 Recommendations

The recommendations for Shema Developers Limited, based on the findings are as follow:

1. Shema Developers Limited should focus on the development of skyscraper high rises instead of the little one by mechanical progression. On the off chance that they go for skyscraper condo ventures focusing on low and center salary gathering and may serenely remain in rivalry in connection to huge administrators.
2. The organization should expand the quantity of current ventures to catch the market by building significant lodging ventures in the restrictive and chief zone of Dhaka city. Here, they may raise assets by moving open restricted organization or may attempt to make joint endeavors with worldwide land administrators.
3. The organization ought to orchestrate the publicizing program for the commercial in TV media or whatever other electronic media that its rivals are doing and should ponder its result.
4. The organization administrators ought to be all the more minding to the client's talks and to improve the client support, for example, upkeep administration after handover of the activities.
5. Shema Developers Ltd ought to organize preparing programs for their workers to improve their absence of committed conduct and practical aptitudes.

5.2 Conclusion

The report doesn't cover every one of the components and parameters for distinguishing the present situation of Shema Developers Ltd. Yet, it is exceptionally positive for Shema Developers Ltd that, the land division is developing and shows propensity of future development. In light of there is in house lease, expanding interest for lodging, getting simple financing office, fast urbanization, insufficiency of land, settlement stream towards the area and numerous different elements are making tremendous extension for this segment to develop.

Then again, innovative headway, expanded cost of development materials, raising the deals and raising the task reserves, number and types are the difficult issue for Shema Developers Ltd just as for entire industry. Administrative condition has been useful for the segment to develop aside from the bureaucratic issue and the ongoing Real Estate Management Ordinance 2008 which is yet to be passed and is probably going to be significant for securing purchaser's advantage. Government should be increasingly adaptable and well-disposed to the Developers as they are the main possibility in giving the fundamental need of sanctuary.

At last, the item Developers of Shema Developers Ltd ought to build up an expanded item around the center and genuine items by offering extra purchaser administrations and advantages. All in all, this investigation finds an extremely encouraging and positive tone of development, gave this division is given legitimate consideration and offices. It has absolutely gotten exceptionally important to fulfill the expanding lodging request and limit the inventory hole in the nation where individual's fundamental need will be satisfied and their expectation for everyday comforts will be expanded.