

Real Estate Business and its Impact on Urban Growth: A Study on Jalma Union, Batiaghata Upazila, Khulna

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Abstract

Real estate business is now treated one of the main sources of revenue earnings from the developing sub-urban areas of Bangladesh. There is a high possibility that money will be invested in the real estate sector. Definitely real estate business generates the multiplier effect of invested money by creating formal and informal employment opportunities for different income groups. The real estate business is flourishing day by day in the fringe areas of Khulna city. Transformation is a continuous process. Resources, ecosystem biophysical environment, and land use on the surface of the earth undergo changes over time. This study shows that the land use pattern is changing rapidly and land price is being increased at a high rate without considering proper future development. The agricultural land and water bodies are being converted without plan degrading the land quality and damaging the biodiversity of the area. This study tried to find out land use transformation in one of the fringe areas of Khulna city during 1999 to 2014. The study has provided some findings about the changes in the diversity of development. The results of the analysis showed that the residential land use increased gradually during the study period and the agricultural land use decreased over the period. The real estate business of Khulna city plays an important role in the expansion of the city, but it cannot be considered a positive growth of urban area. That is why land use planning with proper policy guidelines are needed to address the emerging problems associated with real estate business and land use transformation in the fringe areas of the city.

Introduction

In the present world, land is a wealth-creating resource for sustenance. It provides the means for livelihood and shelter. It has potential to contribute significant amount to government revenues if it is managed properly. The contribution of the real estate sector to the exchequer is a substantial one. Real estate business in the fringe areas of Khulna city plays an important role for urban growth. According to land use, urban land can broadly be classified as residential, commercial, industrial, residential cum commercial etc. Every land use shows different land price in terms of urban service and facilities, location, land use type, social and environmental factors. Rapid urbanization increases the land price in urban areas. Urbanization rate is increasing due to the high natural population growth and rural urban migration. Total population of the country was 114.4 million in 1991 and the urban population was 20.1% while in 2011 total population was 152.9 million and the urban population was 28.4% (BBS, 2011). This rapid increasing of population creates pressure on urban land and increase the land price. Transformation is a constant universal process, but learning is elective. Resources, ecosystem biophysical

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environment, and land use on the surface of the earth undergo changes over time. Studying land use transformation in the Urban Fringe areas can be treated as a contemporary issue. Despite land use transformation in the Urban Fringe Areas got a significant role in both urban and regional planning and development, it has long been ignored by planners, development experts and other related researchers as well. From the perspective of the above statements, it becomes evident that in-depth studies of Urban Fringe Areas land use, particularly in the developing countries like Bangladesh. Land use transformation in the Urban Fringe areas contemporarily treated as an interesting issue in the field of real estate business. The agricultural use of land in the southern-west part of Khulna city transforming into the category of residential use purpose rapidly and unplanned way due to the uncontrolled business activities performed by most of the registered and unregistered real estate companies. Though the real estate companies of Khulna city is playing the vital role on urban growth, their activities in most of the cases got a question mark from the perspective of legal aspects of planning and development. This study intends to detect and resolve some of these problems in some selected urban fringe areas of Khulna City.

Methods of the Study

Every study is a series of activities, which are logically and operationally linked. Jalma Union under Batiaghata Upazila has been selected as a study area. The Jalma Union represents most of the fringe areas of Khulna city and fulfills the criteria of the fringe areas. Jalma Union is located under Batiaghata Thana in Khulna district. It is located west southern side of Khulna city. Mainly the Mayour river lies between the study area and Khulna City Corporation in west southern direction, which mainly makes major portion of the study area.

Primary data has been collected mainly by two ways - survey of real estate developers' sites and their offices. Secondary data includes various books, research works, journals, newspapers, magazines etc. These are collected from the respective institutions and organizations. Bangladesh Bureau of Statistics, Khulna Master Plan, AC Land Office of Batiaghata Thana, Khulna Development Authority (KDA) and Jalma Union Parishad office were the sources of these secondary data. This paper is based on the findings of the research.

Analysis and Results

After completion of the Khulna city bypass, the land use pattern is changed in south-western part of Khulna city. Zero point is a well-known intersection and it is the outcome of this bypass. People of this area prefer to use land for residential purposes than agricultural activities. For this reason, the land price beside Khulna city bypasses, Khulna to Shatkhira road and Khulna to Chalna road are increasing day by day. At present, Zero point plays very important role as a commercial place. There are many restaurants that attract people of all classes and it is also being used as bus, truck station. All of these opportunities attract real estate developers and they purchase land from land owners. They sell this land as plots by providing amenities like road, electricity, drain etc. Real estate business companies are always trying to develop fringe areas and these activities play vital role on the expansion of urban area. Rural to urban migration is

occurring in Khulna city for different reasons. The people of middle class and higher middle class in Khulna want to purchase plot for rapid growth of Zero point. This mentality of people plays important role on urban growth.

Table 1: Existing situation of real estate business in Jalma union

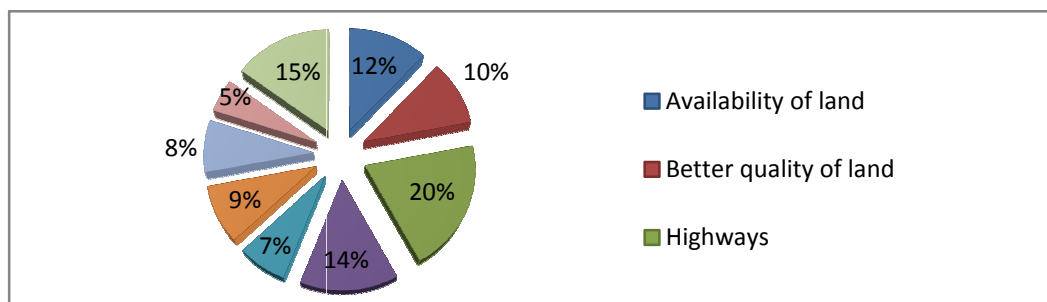
Number of Real estate/ developers company	Coverage area (accre)	Percentage of coverage area (%)	Previous land status
25	450.75	3.46	Agricultural, Water body

Source: Field Survey, 2014

Table 1 shows that there are 25 real estate business companies actively working in Jalma union. The total area of Jalma Union is 13011 acres and real estate business companies cover 450.75 acres. Real Estate Business Company covers 3.46% of total land. The land uses in this sector its previous condition was agricultural or water body. There are 7 real estate business company are working besides Zero point to Rupsha Bridge and 8 real estate business company are working besides Khulna to Koya bazar. On the other hand, there are 11 real estate Business Companies that are working beside the Khulna to Batiaghata Bridge. They provide better road for well transportation and to get plan for making house from KDA. According to KDA at least 20ft road wide must be required to get housing plan. But most of the developers company provide road wide less than 20ft, only two Developers Company provide road wide 20ft. So a question to KDA, how people get housing plan with less than 20ft road width? The answer of KDA planners is that people are committed to provide their land to fulfill 20ft of road width.

Factors which Attract Developers

Real estate business is treated one of the main sources of revenue earnings from the developing sub-urban areas of Bangladesh. In the fringe areas of Khulna city, lots of the private real estate companies are playing a major vital role on the urban development and city expansion. There are many factors for which developers are interested to continue real estate business in Jalma union. From developers survey some main factors are find out which attract developers. Figure 1 provides the information.

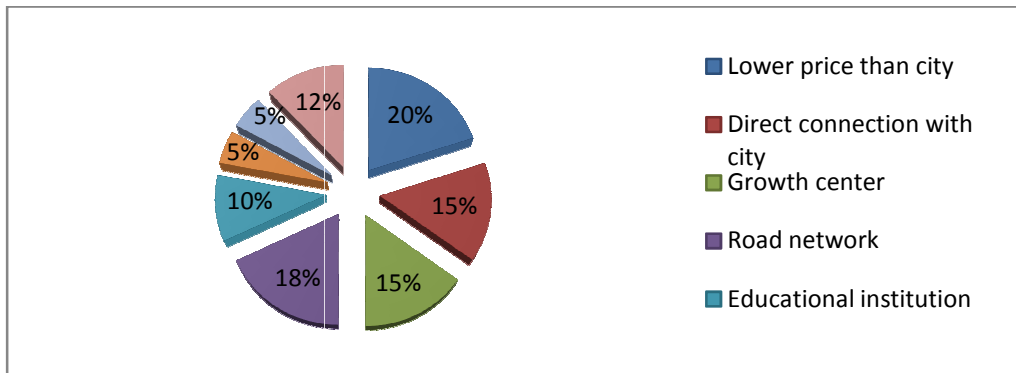


Source: Field Survey, 2014

Fig 1: Factors which attract developers

Factors which Attract Buyers

From the developers view point there are many factors for which buyers are more interested to buy plot in Jalma union. Buyers consider mainly the following think, lower price than city 20%, direct connection with city 15%, growth center 15%, road network 18%, educational institution 10%, Security 5%, water quality 5%, electricity 12% (Figure 2).



Source: Field Survey, 2014

Fig 2: Factors which attract buyers

Settlement Land Transformation

Due to the increasing population the demand for houses is increasing, by this region the Maximum fellow land, vegetation land, water body and agricultural land transforming into Settlements and its associate land use (Table 2).

Table 2: Settlements land use (in acre)

Category of Land Use	1999		2005		2010		2014	
	Amount	% of total land	Amount	% of total land	Amount	% of total land	Amount	% of total land
Settlements Land Use	2776.547	21.34	2853.312	27.93	4082.852	31.38	4829.683	37.12

Source: Field Survey, 2014

The information in Table 2 indicates about settlements and its associated land use in different years. In the year of 1999 it was 2776.547 acres, in 2005 it was 2853.312 acres, in 2010 it became 4082.852 acres and in 2014 it was 4829.683 acres. Settlements and its associated land hold 21.34 percent, 27.93 percent, 31.38 percent and 37.12 percent of total land respectively in the year of 1999, 2005, 2010 and 2014. Each year on an average 0.826% or 107.471 acres of the total land of Jalma Union transforming or developed as settlements.

Agricultural Land Transformation

Jalma Union is adjacent to Khulna city and going to be an urbanized area as a result agricultural land is decreasing day by day. Maximum agricultural lands were transformed into different purposes. The land value of agricultural land is increasing as a result it is being transforming into non-agricultural purposes.

Table 3: Agricultural land use (in acres)

Category of Land Use	1999		2005		2010		2014	
	Amount	% of total land	Amount	% of total land	Amount	% of total land	Amount	% of total land
Agricultural Land Use	3514.271	27.01	2675.062	20.56	2494.209	19.17	1854.068	14.25

Source: Field Survey, 2014

Table 3 indicates that in 1999 this category of land use covered 3514.271 acres or 27.01% area of total land of the study area but it decreased to 1854.068 acres or 14.25% in 2014. Each year 1.022% of the area or 132.96 acres of land were decreased from agriculture on an average. It also indicates a downward trend of agricultural land use changing pattern. Due to the increasing rate of settlement and its associated land use, real-estate business and commercial activities in the study area agricultural land use is transforming into others type of land use more rapidly.

Water Bodies

In the study area number of water body was increasing up to 1995 because of shrimp farming and pisci culture was one of the prominent sectors of the economy in the study area up to the year 2000. But suddenly it started to decrease with the rapid growth of real-estate business. Basically after the year 2000 people started filling the water bodies because of the increase in land value. The most alarming thing is that in Jalma Union real-estate business man now filling the natural water bodies like canals for the purpose of road construction, which is playing an important role to change the overall land use changing pattern of the study area. Table 4 provides the information.

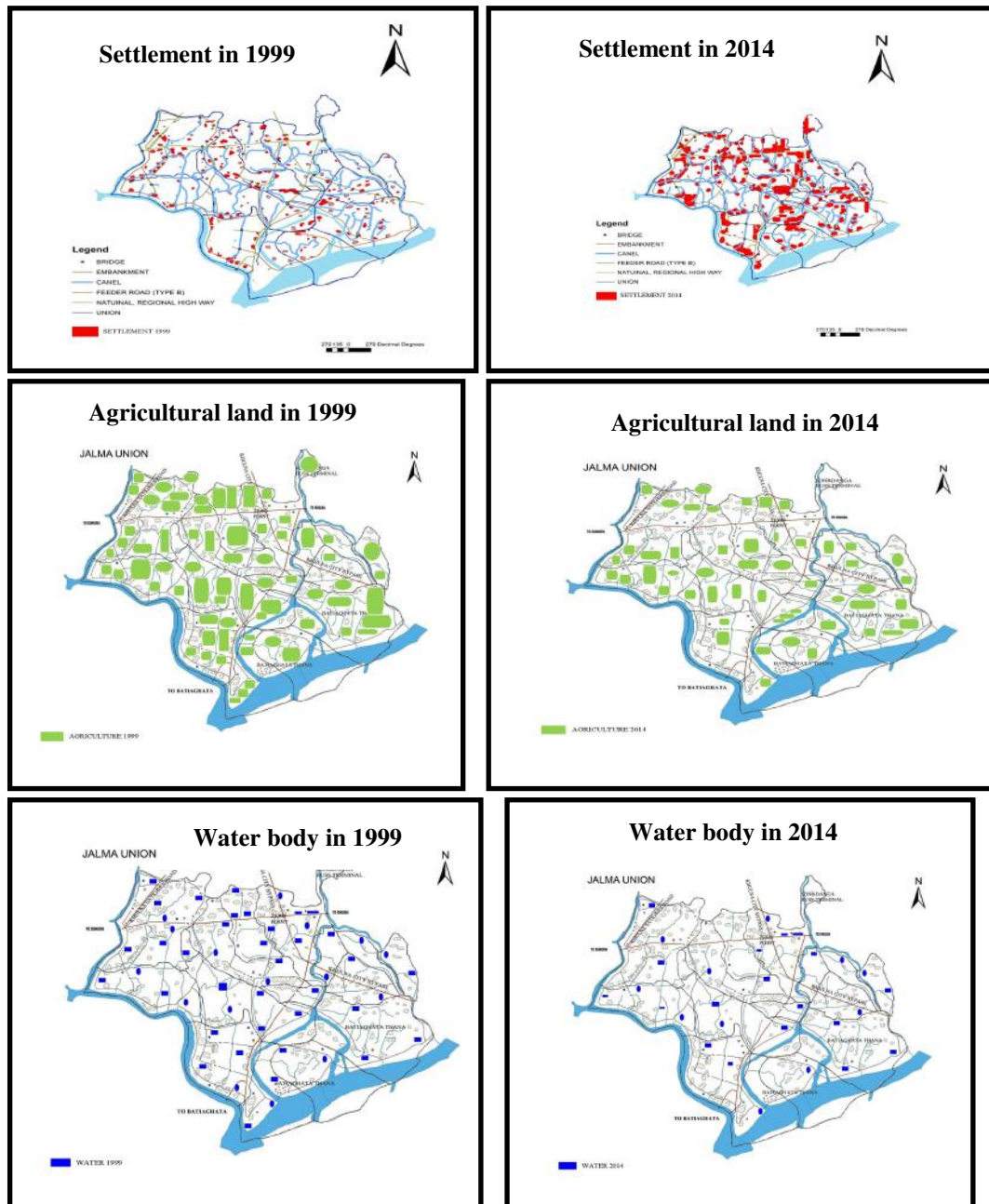
Table 4: Land use changing pattern of water bodies (in acres)

Category of Land Use	1999		2005		2010		2014	
	Amount	% of total land	Amount	% of total land	Amount	% of total land	Amount	% of total land
Water body	2546.253	19.57	2293.839	17.63	1891.80	14.54	1176.194	9.04

Source: Field Survey, 2014

From 1999 to 2014, each year 0.658% of the area or 85.629 acres of water body transformed into different types of land use on an average. Figure 3 presents the scenario

in 1999 and 2014.



Source : Authors, 2014

Fig. 3: The land use transformation over time.

Expansion of Urban Area

Urban areas grow gradually, like a living thing, with stages of growth that are

predictable. The concentration of population into ever-expanding urban centers was the most important development in population distribution in the first half of the 20th century. While rural people moved into metropolitan areas, the dense populations of central cities emptied out into the surrounding fringe area and then land use of fringe area become changing (Islam, 1998). Khulna district was established in 1882 and Khulna Municipality was created in 1884. Khulna attained the status of a metropolitan in 1984 and in 1990 it was transformed into a City Corporation. Khulna, a metropolitan city, having a population of 2.9 million with a higher density of population (i.e., 18,424 per square km. in 1998) has been also facing the problem of organic urban growth due to inadequate government initiatives and interventions (KDA Interim Report, 1997). Jalma Union is such an area where 55 % people are migrant from others areas and they influence the land use pattern of the study area.

Discussion

The real estate business is flourishing day by day in the fringe areas of Khulna city. It always tries to develop fringe areas and these activities play vital role on the expansion of urban area. There are 25 real estate business companies actively working in Jalma union. They provide better road for well transportation and to get plan for making house from KDA. According to KDA at least 20ft road wide must be required to get housing plan. But most of the developers company provide road wide less than 20ft, only two Developers Company provide road wide 20ft. So a question to KDA, how people get housing plan with less than 20ft road width? The answer of KDA planners is that people are committed to provide their land to fulfill 20ft of road width. But reality is opposite when people get plan for housing, they violate their commitment. So it is not the proper expansion of urban area.

In KDA master plan, Land zoning is made for proper development like residential, commercial, industrial, recreational, educational etc. The Zero point is now a well-known intersection and it is the outcome of this bypass. KDA has a great plan to make a model city around Zero point. KDA provide a master plan where Zero point is the center of model city and its radius is 500m. There are 3 real estate business companies working in this zone for residential purpose. From the information provided in tables, graphs and maps show that the land use pattern is changing rapidly and land price is also being changed at a high rate without concerning proper future development. The associated land of real estate developers' sites is changing rapidly. The agricultural land, water bodies are changing in high rate without plan. It degrades the land quality and damage the biodiversity of the area. In conceptual framework, the study defines urban growth are two types - positive growth and negative growth. The real estate business in the fringe areas of Khulna city plays important role on city expansion but it is not the positive growth of urban area.

Conclusion

In Bangladesh, Real-estate started lately, but has flourished in a higher rate than any other countries in the world. Real-estate development is creating a significant impact on social, economic and environmental situation. In conclusion, it is to be noted that the study has made a comprehensive analysis of real estate business and urban growth

pattern of the urban fringe area of Khulna city. As Khulna is the third largest metropolitan area of Bangladesh, so the study has added to general understanding of the pattern and processes of land transformation in the fringe area. Knowledge of the dynamics of land use change in the fringe area should be followed by proper policies to address problems resulting from such changes. Development control is an instrument for forecasting proper type of development in a particular area. On the other hand, developers pay little attention to building code, rules and regulations. The integration of economic, social, physical and environmental planning and its coordination at various levels should be the ultimate aim. It is therefore, necessary to draw policies, plans and programs for fringe area development in a comprehensive manner.

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