

Gentrification and the Absence of Inclusionary Zoning in Dhaka: Who Gets Left Behind?

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Abstract – Gentrification is a growing phenomenon in Dhaka, with significant socio-economic consequences for its inhabitants. While gentrification brings modernization, improved infrastructure, and investment, it also exacerbates housing inequality, displaces long-standing communities, and, on top of that, undermines social cohesion. Over the past few decades, Dhaka's urbanization has been fueled by fast-growing populations, migration from rural areas, as well as increased investment in infrastructure. Additionally, this city has expanded outward, with newer developments replacing older neighborhoods. As a result, areas historically characterized by affordable housing and home to low-income populations are now witnessing increasing property values and large-scale urban renewal projects. Although gentrification has been extensively studied in the Global North, its impact in Dhaka is a relatively recent area of research. This paper examines the spatial and socio-economic consequences of gentrification, focusing on neighborhoods that were previously accessible to low-income groups but are now experiencing widespread rental inflation and development-driven displacement. Using qualitative interviews with displaced residents and housing developers alongside spatial analysis, this study reveals that displacement follows a localized, multi-stage pattern with affected households relocating to adjacent lower-cost or peri-urban areas. Findings indicate that the absence of inclusionary zoning and other regulatory mechanisms allows market-driven urbanization to intensify housing inequality, reinforcing socio-spatial segregation. This study argues that adopting inclusionary zoning policies could offer a viable strategy to balance urban growth with social equity. In the absence of such intervention, Dhaka risks deepening its housing crisis with low-income communities increasingly pushed toward peripheral and environmentally vulnerable areas.

Key Words: Gentrification, Inclusionary Zoning, Social equity, Regulatory frameworks, Displacement

1. INTRODUCTION

The concept of gentrification is widely known yet contested. For more than five decades, scholars have been debating the complexities of gentrification. At the heart of these discourses are concerns over who benefits from the process and who is left behind to bear its consequences [1]. Gentrification is commonly addressed as a process of neighborhood transformation, where rising property values, rental inflation, and urban redevelopment lead to the

displacement of low-income communities [2]. However, gentrification does not occur in isolation. It is actively supported by key players, including private developers, construction firms, government bodies, and real estate professionals, who collectively shape urban growth and land-use decisions [3][1]. On the other hand, academic discourse on gentrification is divided into two key perspectives. One viewpoint suggests that gentrification fosters social progress by enhancing neighborhood cohesion and integration [4]. However, the more widely accepted perspective argues that gentrification disrupts social structures, displaces vulnerable populations, and intensifies segregation [5]. While traditionally associated with cities in the Global North, gentrification is increasingly affecting cities in developing countries as well, including Dhaka.

As one of the most rapidly urbanizing cities in South Asia, Dhaka is undergoing a significant transformation in its housing market, driven by market-led urbanization and rising demand for upscale housing. These changes are often framed as indicators of economic progress and renewal. Nevertheless, they come at a cost, particularly for Dhaka's vulnerable communities. The fear of residential and socio-spatial displacement is not merely theoretical now; it is a present reality for low-income and marginalized people. Looking ahead, gentrification in Dhaka is likely to continue as the city expands and modernizes. Without intervention, the risk is that Dhaka could become extremely polarized, with affluent residents occupying prime locations, while the urban poor are pushed to the city's periphery. Urban renewal and modernization are often presented as signs of economic success, bringing both opportunities and challenges. The emphasis, however, should be on fostering renewal and development without causing displacement [6]. Yet, Dhaka lacks formal protections for displaced communities to ensure housing equity. This makes gentrification an even harsher process, where the entire group is gradually displaced with no housing alternatives or social assistance. Historically, Dhaka's urban expansion and development have been heavily shaped by low-income groups, whose contributions to the city's physical and economic growth remain vital to this day [7]. Yet, these same communities now experience the most severe consequences of gentrification, as rising property prices along with redevelopment projects make affordable housing increasingly inaccessible. The relocation of these populations to the urban periphery not only disrupts their social networks but also limits their access to employment

opportunities, education, and essential services, further deepening socio-economic inequalities.

Despite the extensive research on gentrification in cities like New York, London, and other European urban centers, there is a critical gap in understanding how gentrification progresses in South Asian megacities like Dhaka. Existing studies on Dhaka have primarily focused on rental inflation, slum evictions, or the after-effects of transit-oriented development. However, little analysis has been conducted on how gentrification induces socio-spatial consequences in the context of market-driven urbanization. Furthermore, Dhaka lacks regulatory instruments such as inclusionary zoning or any affordable housing mandates to preserve and provide affordable units in order to alleviate gradual displacement. These policy gaps remain largely unexamined in academic discourse. This paper seeks to bridge these gaps by exploring how gentrification has transformed Dhaka's affordable housing and accelerated neighborhood-level displacement. It specifically investigates the difficulties experienced by low-income communities since they encounter the pressures of urban redevelopment, focusing on the central research question: *"To what extent does gentrification reshape Dhaka's housing landscape, and how does the absence of inclusionary zoning exacerbate socio-economic inequalities?"* To answer this question, the paper contextualizes Dhaka's residential gentrification within global urban housing debates and highlights the urgent need for policy interventions that balance economic growth with housing affordability. Moreover, the results will contribute to the ongoing discourse on sustainable urbanization and explore the feasibility of localized inclusionary zoning mechanisms.

1.1 Research Objectives

This paper aims to examine the socio-spatial impacts of gentrification in Dhaka, with a particular focus on its effects on low-income communities and the housing landscape. It seeks to identify key issues in gentrification while analyzing how it manifests across different residential areas. Another key objective is to evaluate the policy gaps that contribute to housing inequalities, in particular, the absence of inclusionary zoning. Furthermore, the study explores the reasons behind the lack of implementation of inclusionary zoning as a policy response in Dhaka.

2. LITERATURE REVIEW

2.1 Understanding Gentrification

Ruth Glass introduced the term gentrification in her 1964 book *London-Aspects of Change*, in order to define the inflow of the gentry into lower-income urban areas. Both the process of population shifts and changes in the built environment are encompassed in this phenomenon. Nonetheless, Glass (1964) used this term to describe how the working-class neighborhoods in London transformed when middle-class individuals moved in, resulting in the

displacement of original inhabitants along with altering the actual fabric [8]. Over time, scholars have broadened the concept. Beauregard (1989) highlights the term's complexity by pointing out that different urban processes have been categorized under it [9]. Its complexities have been further shaped by neoliberal policies and growing decentralization. Furthermore, some address gentrification as one of the methods of urban revitalization, while others underline its role in exacerbating socioeconomic inequalities [3][10]. Clark (2005) suggests that gentrification is characterized by financial investment in urban neighborhoods. He further added the fact that gentrification involves the restructuring of fixed capital, which reshapes the urban environment [11]. As a result, it is often viewed as a product of neoliberal economic policies and globalization. Similarly, Smith (1996) describes gentrification as a capital reallocation process, where an area attracts financial investment, boosting economic growth [3]. However, this influx of capital also raises living costs, forcing long-standing inhabitants to be displaced. Here, the concept of displacement, often noted to be the most severe consequence of this process, remains complex and contested, particularly regarding the distinction between displacement and replacement of the original residents. Studies have reached varying conclusions regarding the scale of the displacement. Some researchers, such as Slater (2006), strongly criticized gentrification [12], while others, like Byrne (2003), highlighted potential benefits [13].

Gentrification is commonly analyzed through two primary theoretical lenses, the production theory and consumption theory, developed by Neil Smith and David Ley, respectively. Here, the first one is the Production side explanation. Smith (1979) argued that gentrification is primarily driven by economic forces, particularly the rent gap, which is the difference between the property's present rental value and its anticipated value after redevelopment [14]. Developers and investors capitalize on this gap, leading to neighborhood transformation. Yet, there are differing perspectives on the sources and conceptualization of the rent gap. The second lens is David Ley's consumer preference model (1986), where Ley approaches gentrification through the viewpoint of human and natural geography, emphasizing shifts in consumer behavior and lifestyle preferences. It suggests that changes in attitudes and consumption patterns influence urban transformation [15].

2.2 Political Economy and Neoliberal Urbanism

Gentrification has been linked to broader neoliberal urban policies that prioritize privatization, real estate dominance, and public-private partnerships [16]. Similarly, Lees et al. (2008) interpret gentrification through the lens of neoliberalism, a philosophy centered on privatization, deregulation, and reduced public intervention. They argue that neoliberal policies, when left to operate freely, inevitably drive gentrification [17]. Sager (2011) highlights that within the framework of neoliberal policies,

gentrification pushes the government to emphasize the physical appeal of urban spaces to attract businesses and high-income residents, often at the expense of vulnerable people [18]. In addition to that, according to Peck (2012), under neoliberal urbanism, housing has been treated as a financial commodity, fueling speculation [19]. Scholars argue that gentrification is not merely a housing issue but a broader process of urban inequality that marginalizes working-class communities, ethnic minorities, and informal settlers [20]. Moreover, neoliberal housing policies have intensified socioeconomic inequalities, widening the gap between higher-income and vulnerable groups [21]. Furthermore, gentrification in the Global South follows distinct trajectories due to informal housing markets, weak regulatory frameworks, and rapid urbanization. Besides, market-driven approaches to urban development have contributed to growing housing costs and displacement [10]. The transformation of the urban housing landscape in Dhaka can also be understood through the perspective of political economy and neoliberal urbanism. For instance, here in Dhaka, government policies permit large-scale real estate developments and land privatization without strong protections for low-income communities. At the same time, the political economy of Dhaka's housing sector is largely influenced by private developers and financial institutions, which shape housing availability and affordability. The absence of regulatory instruments for affordable housing allows developers to target upper-middle to higher-income groups while pushing out low-income renters. The government's focus on economic growth has led to a surge in high-end residential developments, which displace vulnerable communities without offering viable relocation alternatives. This aligns with the idea of the city as a "Growth Machine" [22], in which urban policies benefit private investors and affluent groups rather than long-term low-income residents.

2.3 Key Forces Behind Transformation

Over the past few decades, Dhaka city has expanded beyond its historic core to accommodate the growing population, leading to a housing boom. One of the most evident effects of gentrification is the transformation of the physical landscape. As stated by Phillips (2018), this transformation is a tangible and observable change in the material environment [23]. These changes typically involve modifications to the existing housing situation, including renovations, demolitions, and the construction of new housing. Beyond housing, gentrification reshapes the neighborhood's amenities that cater to affluent groups [5]. Essoka (2010) argues that while investments aimed at refining a neighborhood's physical infrastructure may lead to its revitalization, economically underprivileged residents often do not benefit from these changes [24]. Instead, such developments frequently result in increased property values and living costs. Zukin (1990) asserts that, alongside new housing developments, innovative retail businesses are also

introduced to attract further capital accumulation [25]. These shifts in urban land reinforce socio-spatial segregation [26].

In Dhaka, several factors contribute to gentrification. First, real estate development serves as a primary force, fueled by both local and international investments. As Dhaka has become a globalized city, developers are capitalizing on the demand for modern housing and commercial spaces, targeting affluent residents. Second, urban policy and planning have played an important role in shaping gentrification. Governmental policies aimed at modernizing the city, such as the development of new infrastructure, favor higher-income groups. While these policies are designed to improve urban living standards, they can inadvertently lead to the displacement of lower-income communities. Zukin (1987) captures this condition, stating that economic institutions shape the conditions to which gentrifiers respond [27]. At the same time, urban spatial planning and strategy-making are never truly neutral. As Healey (1998) explains, strategy-making is an inherently political attempt, relying on symbolic linguistics rather than purely technical facts and figures to construct narratives that resonate with commonly shared social denotations [28]. Third, the rise in property values is making it difficult for low and vulnerable communities to remain in gentrifying neighborhoods. As land becomes more expensive, property owners frequently increase rents or decide to sell the house to investors or developers, resulting in displacement.

2.4 Displacement

Displacement is widely regarded as one of the most significant and contentious consequences of gentrification. It refers to the voluntary or involuntary relocation of residents due to rising housing costs, redevelopment, or changes in neighborhood demographics. Although gentrification is often framed as urban revitalization, scholars argue that its benefits are unevenly distributed, disproportionately affecting low-income communities, ethnic minorities, and other vulnerable populations [3]. According to Marcuse (1985), the process of displacement occurs through multiple mechanisms, including direct economic displacement, exclusionary displacement [29], and social displacement. Direct displacement happens when intensifying property values and rental charges force longstanding inhabitants to leave their areas. Studies in various global cities have demonstrated that property speculation and redevelopment projects rapidly transform housing markets, making them unaffordable for existing residents [30]. On the other hand, exclusionary displacement describes how low-income groups gradually become unable to move into certain areas because of the growing costs and limited reasonable housing options [29]. Even if long-term inhabitants are not immediately displaced, that neighborhood becomes inaccessible to new low-income residents, thereby reinforcing socio-economic segregation. In cities with no

regulatory frameworks, such as Dhaka, the absence of affordable housing policies, rent control mechanisms, or inclusionary zoning exacerbates exclusionary displacement. Social displacement is a less visible but equally significant outcome of gentrification. It occurs when residents experience a loss of social networks, cultural familiarity, and community identity even if they remain physically present in a gentrifying neighborhood. Davidson (2009) critiques the traditional approach to studying displacement in gentrification, which often focuses solely on physical out-migration, people being forced to move out because of the rising rents or evictions. He argues that this is too limited because it ignores the deeper, more abstract loss of place and disruption of social relations [31].

2.5 Inclusionary Zoning

According to Calavita and Mallach (2010), inclusionary zoning is typically used to describe a land-use policy mechanism which requires developers to set aside a share of their market-rate housing projects for affordable units [32]. Inclusionary zoning was first proposed as an instrument in the 1970s in the United States. Expanding the availability of affordable housing and promoting socioeconomic integration are the main objectives of this program [33]. It also seeks to lessen the rate at which vulnerable communities are being displaced as a result of rising property prices and rent inflation. Inclusionary zoning has spread from the United States to Western Europe over time, and most recently, it has been embraced in places like South Africa, Australia, and India [32]. In contrast to traditional public housing, which frequently relies on government-led construction, inclusionary zoning functions within the real estate market and balances market-driven growth and affordability. In order to alleviate the financial burdens, developers usually receive incentives such as density bonuses, flexibility in design, tax breaks, or expedited permit approvals [34]. Moreover, multiple empirical studies support the idea that these incentives enhance the number of inclusionary housing units [35]. Inclusionary zoning mechanisms can be either mandatory or voluntary. If it applies as a mandatory mandate, developments must comply with the law, but if voluntary, it comes in exchange for incentives. Hence, this policy helps to mitigate socio-economic segregation by securing access for low-income populations to well-developed urban areas with better infrastructure, schools, and employment opportunities.

However, in cities like Dhaka, where no formal inclusionary zoning mandates exist, real estate development remains mostly market-driven. This has led to the transformation of previously affordable neighborhoods into high-income enclaves. While the National Housing Policy recognizes the need for affordable housing, it lacks concrete zoning regulations or mandatory development requirements. Current planning and zoning regulations under Rajdhani Unnayan Katripakha (RAJUK) encourage affordable housing

projects without making them compulsory. Moreover, government-backed affordable housing schemes like the Ashrayan projects provide free housing for homeless people, yet they are not integrated with private sector developments. Furthermore, large-scale satellite town projects like Purbachal and Jhilmil are addressed as options for low-income buyers, however, their affordability remains highly questionable, which further reinforces socio-spatial divisions in Dhaka's housing landscape.

3. METHODOLOGY

This study employs qualitative and case study approaches to explore the economic, social, and spatial impacts of gentrification in Dhaka. The main case area is Dhaka, with five sub-cases, specifically five neighborhoods, namely Shyamoli, Kallyanpur, Mohammadpur, Rampura, and Banasree, were selected. These neighborhoods were selected for their active urban development and varying degrees of gentrification. Despite sharing a common subject of concern and a context within Dhaka, these neighborhoods vary in geographical location and historical land-use patterns. Both primary as well as secondary data were gathered for this paper. Primary data were collected with the help of semi-structured interviews with fifteen inhabitants, three developers, and five local business owners to capture diverse perspectives. Purposive sampling was used to select participants. Additionally, field observations documented physical transformations such as new constructions, renovations, as well as changes in land-use and social behaviors in public places. Photographic documentation and mapping techniques were also used to record visible indicators of gentrification, capturing lived experiences beyond what interviews and documents could reveal. On the other hand, secondary data sources included census reports, real estate market trends, urban development plans, and socio-economic surveys, which provided a broader contextual understanding. Detailed analysis of urban policies, planning documents, and academic literature further enriched the study by situating the findings within existing discourse on gentrification. Newspaper articles and local media reports were examined to trace narratives around displacement and urban change.

Besides, as this study is contextual, its findings may not be universally generalized. However, selecting varied sub-cases enhances external validity. Internal validity was ensured through methodological triangulation, critical reflection, as well as standardized data collection and analysis methods. During triangulation, interview insights were cross-checked with observational data and policy documents to identify consistencies and contradictions. In order to strengthen reliability, a structured interview guide was developed to conduct the semi-structured interviews. At the same time, indicators and guidelines were also prepared for systematic field observations. Qualitative data were analyzed using Atlas.ti, applying thematic coding, and writing memos. This

process helped to identify patterns related to the consequences of gentrification and potential displacements. By integrating these methods, the study ensures a comprehensive and rigorous examination of gentrification in Dhaka.

3.1 Case Areas

3.1.1 Shyamoli and Kallyanpur

In Dhaka, Shyamoli is located in the northwest corner of Agargaon. Due to the balance of residential and commercial space allocation, this area has recently become one of the most in-demand areas in Dhaka. Moreover, Shyamoli is known not only for several healthcare facilities along with shopping centers, but also for its accessibility. For instance, Shyamoli is well connected by major roads and networks such as Mirpur Road and the Ring Road. These are facilitating easier access to the rest of the city. These connectivity features are also another prime reason for making this area a reasonable choice for middle and higher-income families.

On the other hand, Kallyanpur is identified for its inter-district bus depots and terminal facilities. At the same time, Kallyanpur is known for its public housing clusters. This area is home to several educational institutions, such as technical and vocational institutes. Despite having many public and semi-public housing options for many years, the recent increase in commercial activities and expansion has gradually changed the previous landscape.



Fig. 1: Location Kallyanpur

3.1.2 Mohammadpur

Mohammadpur is one of the renowned neighborhoods of Dhaka, which was originally recognized as a residential area. But nowadays, this picture has been altered due to the substantial commercial growth and real estate interventions. This area is home to a diverse population; at the same time, it holds both the older housing types and current high-rise themed apartment complexes. Among its several significant landmarks, the Geneva camp is one of Dhaka's largest settlements of Bihari Refugees. Furthermore, Mohammadpur's locational advantage is also prominent. Its

closer proximity to Dhanmondi and Lalmatia has made it more convenient for commercial and residential investments.

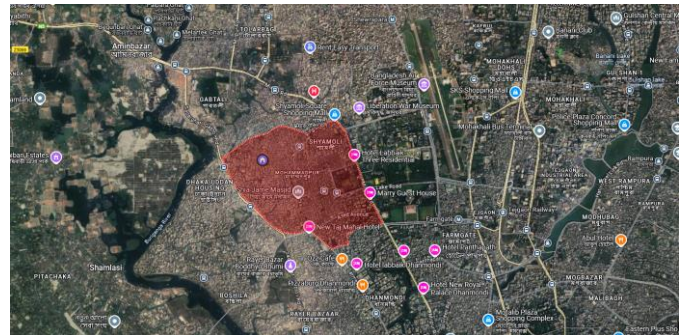


Fig. 2: Location of Shyamoli and Mohammadpur



Fig. 3: Location Rampura



Fig. 4: Location Banasree

3.1.3 Rampura and Banasree

Rampura is a highly populated neighborhood, yet its community growth rate is relatively steady. This area is popular among students and young professionals due to the affordable rental options. It is regarded as one of the vital transit points as it connects eastern Dhaka to its commercial hubs. Moreover, the Hatirjheel project has further enhanced its accessibility and real estate value.

In contrast, Banasree is organized in a grid pattern associated with numbered blocks. This area resides next to Rampura and is framed as a planned residential area. Because of its increasing popularity, it has been witnessing a

significant increase in the number of high-rise complexes along with the emergence of smaller business hubs.

4. FINDINGS

The findings of this paper highlight the multifaceted effects of gentrification in Dhaka, particularly in areas such as Shyamoli, Kallyanpur, Mohammadpur, Rampura, and Banasree. The following is an analysis of the socioeconomic transformation, spatial changes, and community responses due to rapid gentrification.

4.1 Socio-Economic Transformation

Interviews with residents and business owners reveal significant demographic and socioeconomic shifts in these neighborhoods, and these are primarily driven by an increasing presence of upper-middle to higher-income groups. Long-term residents reported rising property prices and rental expenses, making housing unaffordable for low-income families. As a result, several lower-income occupants are forced to reduce their living spaces or relocate to more affordable areas, mostly on the city's periphery.

Local business dynamics have also undergone considerable changes. For instance, traditional small-scale businesses like tea stalls and small grocery stores are gradually being replaced by new upscale cafes, chain restaurants, and branded retail outlets. Additionally, field observation also indicates that Shyamoli Ring Road has become a hub for high-end cafes and brand-name shops. All these transformations have contributed to altering this road into a commercialized zone that has shaped the area's upscale image. Similarly, in Banasree and Rampura, the development of the Hatirjheel project has played a vital role in increasing unit prices and commercial activities. The addition of recreational facilities has amplified the popularity of these areas to major commercial chains. Although some business owners recognize that these changes bring in a new customer base, they also underline the fact that older businesses that used to serve low-income residents are being marginalized. As commercial spaces grow more expensive and consumer preferences shift, many local enterprises struggle to survive, leading to a slow and steady loss of the neighborhood's diversity and affordability. A longtime Rampura resident who has called the area home for over a decade shared his frustration:

"I used to pay 10,000 taka for a two-bedroom flat. Now, even a single-bedroom unit costs almost the same. Families like ours have no choice but to move further out. We have had to leave behind our neighbors, the schools our children used to attend, and the community we have been a part of for years. It is not just about finding another place to live, but it is about starting over in an unfamiliar area, often with fewer facilities. This may sometimes cause a longer distance from work. It feels like the city is pushing us out, making room for those who can afford it."

Similarly, business owners reported difficulties in surviving due to growing rents and consumer preferences. A grocery store owner in Shyamoli shared:

"Before, most of my customers were locals buying daily essentials. Now, with these new apartments, people prefer supermarkets."

In contrast, developers and new business owners viewed these changes positively. One developer in Banasree stated:

"These areas were underutilized for years. Now with high-rise apartments and commercial spaces, we are bringing progress and better infrastructure. I admit this may be the reason for property value increase, but it creates new opportunities for investment and employment, you see."

Hence, these transformations have created a socio-economic divide as well as economic opportunities. The table below summarizes the contrasting impacts of different groups.

Table -1: Contrasting impacts of different groups

Aspects	Low-income residents	Affluent residents & Private investment
Housing accessibility	Decreases due to rising values	Expanding with high-end developments
Social networks	Disrupted due to displacement	Strengthened within exclusive areas
Economic impact	Loss of affordable rental spaces	Increased investment opportunities
Access to services	Relocated to peripheries, reduced access	Improved facilities & infrastructure
Political influence	Minimal representation in planning	Higher influence on urban policies

4.2 Shifts in Housing Dynamics and Displacement

As mentioned earlier, gentrification intensified the housing markets in areas like Shyamoli, Kallyanpur, Mohammadpur, Rampura, and Banasree, they became increasingly inaccessible to low-income families. Many were left with little choice but to move to more affordable but less developed neighborhoods on the urban periphery. Displacement, whether voluntary or involuntary, often goes unnoticed, making it difficult to quantify, yet it remains one of the most significant social costs of gentrification [36]. Many displaced residents fade into the urban periphery, and their struggles are largely invisible in mainstream urban development narratives. While forced evictions were rare, economic displacement was a recurring issue, forcing families to relocate due to unaffordable rents and increased costs of daily necessities. Interviews with developers revealed contrasting perspectives on these changes. While acknowledging the rising housing costs, they emphasized the demand for modern living standards and commercial

expansion. Some justified gentrification as a necessary step toward urban progress, arguing that urban growth inevitably leads to higher property values and increased investment. A real estate officer in Banasree explained:

“Dhaka is expanding, and people want better housing. Yes, prices rise, but that’s how cities grow. We are building apartments with improved infrastructure.”

For low-income residents, however, these transformations came at a high cost. Many displaced residents from Shyamoli, Kallyanpur, and Mohammadpur moved to less central areas such as Gabtoli, Rayerbazar, Bosila, Beribadh, and parts of Hazaribagh. Bosila has become a key spillover area for those priced out of Mohammadpur. While low-income pockets in Rayerbazar still offer cheaper rentals, these too are undergoing changes. Along the Beribadh area, informal settlements are expanding as displaced households seek lower rents, often settling in precarious conditions with limited access to basic services. Similarly, those displaced from Rampura and Banasree are often relocated to Badda and parts of Merul Badda, areas that lack adequate infrastructure, reliable public transport, and fewer opportunities. Over the past year, property prices and rents have surged across the selected areas, with Shyamoli and Kallyanpur, particularly Shyamoli, experiencing the most dramatic increases, a 42% rise in prices and a 45% hike in rent, driven by new commercial developments and infrastructure improvements. Mohammadpur, Rampura, and Banasree saw more moderate growth.

Table -2: Property price and rent growth trends for the last 12 months

Areas	Average property price (Tk. Per sq. ft)	Growth / last 12 months	Average rent (Tk. Per sq. ft)	Growth / last 12 months
Shyamoli-Kallyanpur	Tk. 7,800/sq. ft	42%	Tk. 22/sq. ft	45%
Banasree-Rampura	Tk. 5,900/sq. ft	5.0%	Tk. 18/sq. ft	20%
Mohammadpur	Tk. 5,600/sq. ft	4.4%	Tk. 20/sq. ft	15%

Source: Author’s analysis and real estate reports

While displacement is a crucial indicator of gentrification, it is not the sole defining factor. Gentrification also entails a broader transformation beyond relocation, including shifting social composition and changes in the built environment. With limited access to public services, fewer job prospects, and longer commute times, many families face financial and social insecurity. This pattern of exclusion not only erodes livelihood opportunities but also reshapes the housing dynamics, concentrating wealth and modern developments in certain areas while pushing marginalized populations further to the fringes. As a result, economic inequality

becomes embedded within the city’s geography, reinforcing cycles of social and spatial segregation.

4.3 Spatial Transformation

Field observations and photographic documentation show major changes in the selected neighborhoods, mainly due to the rapid construction of high-rise apartments, commercial buildings, and renovated infrastructures. Many single-story houses and older apartment buildings have been demolished or converted into large real estate projects, completely changing the character of these areas.

The most visible changes are in Mohammadpur, Shyamoli, and Banasree, where new residential and commercial buildings have transformed the skyline. Mohammadpur, once a quiet area with mostly low-rise private houses and a few mixed-use buildings, has changed significantly over the past 15 years. Previously, Japan Garden City was the only large high-rise project in the area, but now new developments like Baitul Aman and Adabor housing have introduced many multi-story buildings, replacing older homes and empty plots. Better infrastructure and developments have further intensified this transformation. On the other hand, the Hatirjheel-Rampura corridor has made it easier to travel, increasing the demand for this area. The Hatirjheel-Begunbari Development has turned Hatirjheel into a recreational and visually appealing space that has also boosted property values, brought more businesses, and made the area more desirable to live in. A resident in Rampura noted:

“Rich people want clean roads and new buildings, but where do people like us go? They don’t think about that. Every day, we see our neighborhoods changing, houses torn down, and rents rising beyond what we can afford. Those in power talk about development, but for people like us, it means losing our place. It feels like this city is only meant for those who can pay while the rest of us are forgotten.”

Similarly, patterns of transformation can be seen in Shyamoli and Kallyanpur, where the emergence of new commercial developments has further intensified land-use changes. Even though in Kallyanpur, there are still a few affordable housing and public housing projects where low-income people reside. However, many informal settlements and low-cost housing options have been displaced in recent times, forcing long-term residents to seek alternative housing. One of the key drivers of change in Shyamoli is the construction of the Mohammadpur-Beribadh road and the widening of the Mirpur Road. These changes have made commuting easier. Additionally, the expansion of shopping centers, hospitals, and educational institutions has also increased the area’s appeal. The entire streetscape has been transformed by high-rise developments. A long-time resident of Mohammadpur reflected on these changes:

"Our neighborhood used to have open spaces and empty plots. Now, look around, every vacant plot is turning into an apartment. It feels really suffocating. The places where children used to play and families gathered are slowly disappearing. Now children mostly play on the roads, and this is not safe. But there is no other way. There is no sense of community like before. With more high-rises, the streets are getting busier, traffic is worse, and the cost of living keeps rising too."

Real estate speculation and infrastructure renewal initiatives are causing significant spatial changes, which emphasize the increasing tension between displacement and expansion. All of these are finally posing critical questions regarding equity and inclusivity.

4.4 Shifts in Community Dynamics

The study revealed notable shifts in social cohesion as gentrification reshaped neighborhood dynamics. Long-term residents expressed concerns about weakening community ties as the influx of higher-income people led to a decline in informal social networks and everyday neighborhood interactions. Unlike long-standing residents who value street corner gatherings, the local market, and the shared roof, newer residents often prefer privatized spaces like malls, gyms, and exclusive cafes. This shift has altered the fabric of community life, making social interactions more fragmented and selective. Interviews, particularly with women, highlighted how these changes in public spaces affected their mobility and access to shared social environments. Many women noted that traditional gathering spots such as street markets and shared spaces were disappearing, making it harder for them to engage socially in the ways they once did. Furthermore, displacement significantly fades social cohesion, as those forced to relocate lose their established support systems, while those who remain experience disruptions in long-standing neighborhood bonds and cultural connections [37]. Older residents particularly felt the loss of familiar community interactions. A retired school teacher from Shyamoli shared her sentiments:

"Earlier, we knew all our neighbors and helped each other. Now, new people move in and out so frequently that no one even says salaam."

Both women and men expressed discomfort in upscale shopping malls and cafes that cater to a more affluent clientele. In some cases, the transformation of social spaces reinforces economic and social divisions, which makes long-term inhabitants feel like outsiders in their neighborhoods. As Deener (2007) highlighted, gentrification fosters a sense of alienation among actual residents, as urban spaces are reshaped to align with the tastes and lifestyles of the creative and affluent classes [38]. A housewife from Kallyanpur expressed her unease:

"The new shopping malls and cafes are for the rich. They usually don't feel welcoming to people like us who have been living here for many years. In older days, we could gather at tong (local tea stalls) or street markets, places where everyone was comfortable, regardless of how rich they were. But now, everything looks expensive. Also, the prices of local things are too high, and the environment feels unfamiliar. As if our area is changing but not for us."

However, perspectives on these changes were not entirely negative. Younger residents, particularly students and young professionals, have mixed opinions. While some acknowledged the loss of traditional social bonds, others saw the transformation as a step towards modernization. A university student in Banasree shared a more optimistic view:

"It is true that things are changing, but now we have more facilities, like now we have better roads, restaurants, and a few recreational places. It is not all bad, right? Previously, we did not have many options for gatherings, and the streets were often poorly maintained. But now, with better roads and better infrastructure, it's easier for us. And we have more options and places to go out with families and friends. I understand some people may feel left out, but for many of us, all these changes mean progress."

Both the positive and negative views highlight the dual nature of gentrification. On one hand, it brings infrastructural improvements and new opportunities, but on the other hand, it disrupts established community networks. All these create an environment where social interactions become increasingly divided along economic lines.

5. WHO IS LEFT BEHIND

Jucker (2004) emphasizes the link between economic and social justice, pointing out a tension between growth and societal fairness [39]. Within the current framework in Bangladesh, economic progress often benefits a small portion of the population, leaving many others behind. This study reveals that gentrification affects neighborhoods in multiple ways: spatially, socially, and economically, which leads to uneven development patterns across different areas. Despite the growing demand for affordable housing, Dhaka's urban policies have not yet introduced inclusionary zoning, a regulatory tool used in many cities to ensure a balance of income groups in newly built developments. Both the public and private sectors drive urban expansion, with the government playing a crucial role in setting and enforcing policies.

However, Bangladesh's top-down planning approach is complex as well as complicated. Here, the authorities have the power to legalize and design urban development, they depend mainly on the market dynamics in current practice. As a result, there are no authorized rules and requirements to allocate affordable or inclusive housing units, especially

for low-income and marginalized people. In addition to increasing relocation, the absence of inclusionary zoning restricts social integration, thus widening the gap between affluent and marginalized groups in Dhaka’s urban landscape.

Table -3: Key shifts in density and number of family distributions:

Areas	Density Growth	Number of Households		
		Increase in Middle-income families	Increase in high-income families	Decrease in Low-income families
Shyamoli	High	High	Moderate	High
Mohammad pur	High	High	High	High
Kallyanpur	Moderate	High	Moderate	Moderate
Banasree	High	High	High	High
Rampura	Moderate	High	Moderate	Moderate

These raise a crucial concern: why hasn’t inclusionary zoning been implemented in Dhaka? This is due to a number of important factors:

First, the absence of mandatory rules for developers:

Private developers are obligated by law to include a fixed number of affordable housing units in the newly constructed developments in several global north cities, including London, New York, and Toronto. Inclusionary zoning policies are utilized to make sure that new developments provide housing opportunities for people of all economic levels, not only for the affluent. However, given the present situation, Dhaka has no such regulations. The primary driver of private developers in Dhaka is profit. They only focus on high-end constructions that serve middle and higher-income clients. Due to this, there is very little motivation or no encouragement to provide affordable units for low-income communities. The absence of affordable housing solutions as well as policies leads to the ultimate spread of expensive commercial and residential projects, which fuels gentrification.

Second, weak enforcement of land-use regulations:

In Dhaka, developers are not mandated to include affordable units by any zoning rules in high-density areas. This means they don’t have to build units for low-income families when they plan for any new projects in higher-density neighborhoods. On top of that, weak governing systems, corruption, and legal gaps allow developers to sidestep land restrictions when required. For instance, developers may find ways to exploit systematic gaps to build in ways that only benefit them financially without considering the needs

of the broader community. Because of this, Dhaka’s urban growth is continuing without appropriate inclusive planning that takes social justice or equity for all socioeconomic groups into account.

Third, market-driven real estate growth: The high demand for luxury and high-end housing in Dhaka leads to speculative real estate practices, where developers and investors focus solely on maximizing their profits, without government policies or interventions that promote social inclusion, like authorizing that new construction include a specific proportion of affordable housing. As a result, affordable housing options stay limited, and the housing market becomes more exclusive.

6. CONCLUSIONS

Dhaka is undergoing rapid gentrification, fundamentally changing its original urban landscape. The findings of this paper highlight the complex socio-spatial and economic transformations that are caused by gentrification. Interviews and observations reveal both anticipated and nuanced consequences in the selected studied areas. On one hand, improvements in infrastructure, increased commercial activities, and rising land prices indicate urban development. Yet, on the other hand, these changes and transformations are not at all neutral. Instead, they deepened the socio-economic disparities, reshaped housing dynamics, and weakened social cohesion within those affected areas. According to the findings, gentrification in Dhaka involves both direct and indirect displacement, which are very similar to the global trends discussed by scholars such as Smith (1996) [3] and Lees (2008) [10]. Here, direct displacement is immensely noticeable in the growing rents and land prices, which have forced the low-income people out of their areas. This aligns with Smith’s (1979) rent gap theory, which suggests that the economic potential for higher profits in redeveloped areas attracts speculative investment [14]. As a result, housing becomes increasingly unaffordable for low-income groups. Moreover, this paper identified that low-income people are likely to relocate to more peripheral or fringe areas in search of affordable rental options. However, this relocation often results in a loss of access to previous livelihood opportunities and reduced availability of essential amenities. Meanwhile, indirect social displacement occurred in the studied areas due to the shifts in the social composition of neighborhoods, this outcome is highlighted by Zukin (1990) [25]. These disruptions are particularly severe for low-income people whose access to social capital weakens as gentrification reconfigures shared spaces and communal networks. As Lefebvre (1991) emphasized, social relations exist through spaces and that space itself is produced through everyday life and interactions [40]. Davidson (2009) uses this claim and argues that displacement is not just losing one’s home but also losing a way of life and community [31]. The way in which the low-income populations interact is significantly different from

the affluent groups. According to the findings, the participants repeatedly reported that affluent newcomers prefer more exclusive facilities like upscale restaurants and gyms over shared community spaces, reducing opportunities for interaction between different income groups.

Furthermore, the study underlines how Dhaka's gentrification is driven by broader neoliberal urbanism. As argued by Harvey (1989), neoliberal policies mostly prioritize the urban development that is driven by market forces over social equity [16]. Besides, weak regulation, along with such strong, focused private real estate investment, has intensified these transformations caused by gentrification in Dhaka, in turn making housing increasingly exclusive. Despite the recognition of the need for affordable housing by the National Housing Policy, the absence of inclusionary zoning has further allowed developers to drive up the existing property prices without offering any affordable units for low-income families. Some have characterized gentrification as an indication of urban progress, but its unequal benefits eventually pose serious questions about who gains and who loses from these processes. Therefore, in keeping with worldwide patterns, Dhaka's urban development implies that gentrification in the areas under study leads to housing exclusion, which worsens inequality. Moreover, market-driven growth devoid of regulatory measures results in socio-spatial segregation. These results highlight the pressing need for legislative actions that ensure social justice, affordable housing, and significant community involvement in urban planning. The trends of inequality and exclusion could persist in the future in the absence of any policy tools. Future research could look at the long-term impacts of gentrification-induced changes, particularly those related to social integration, community networks, and the coping mechanisms employed by locals to deal with the transformation. Examining alternative housing options and policy implications that strike a balance between societal justice and economic expansion is essential given the city's growing urbanization. This will ensure that development does not result in any inequalities or displacement.

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