



## REAL - ESTATE NEWS FEED



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# 1. REAL ESATATE

- **Sri Lanka real estate brokers, agent certification should be formalized: RIU**

Sri Lanka's real estate brokers and agents need to professionalize their services and initiatives to bring about change in the sector, a recent report says.

"Sri Lanka does not have a formal system of registration of certification for real estate brokers and agents," Research Intelligence Unit, a firm which specialize in real-estate market studies said in its quarterly report.

"This topic is one that is currently under discussion and deba

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- **Port City's public area gets wider under EIA plan**

The new Environmental Impact Assessment (EIA) plan presented by the government for the Port City shows an increased public area. The area allocated for public usage according their originally negotiated position of September 2014 was 63ha but now it has been increased to 96ha, which has moved the public land area from 27 percent of the total land extent to 36 percent.

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- **Krrish finally seals Transworks House land deal in Colombo**

Indian real estate company Krrish Group has finally sealed the controversial Transworks House land deal, that drew allegations of huge pay-offs to politicians and officials, signing a lease agreement with the Urban Development Authority (UDA) in October. The new agreement, not known to the public until officials revealed it to the Business Times (BT) on Thursday, involves a block of land slightly smaller in size than the earlier proposed deal. Officials at the Board of Investment (BOI), which has been involved in the negotiations, said they were unaware of the new development but were checking on the query by the BT.

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- **Environmentalists oppose bridge over Kandy Lake**

Environmentalists in Kandy have opposed the proposal of the Minister of Highways and Higher Education Lakshman Kiriella to build a bridge over the Kandy Lake citing Kandy Lake is sacred and should not be touched.

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- **How will the 2016 Budget Impact Sri Lanka's Real Estate Sector?**

Last week, Sri Lanka's Finance Minister announced plans to remove the 15 percent land leasing tax for foreign investors, and reduce the approval period for foreign direct investment requests. The foreigner-friendly budget for 2016 is expected to have great impact on the country's real estate market.

The removal of land lease tax for foreigners is forecast to increase the number of international investment into Sri Lanka's real estate sector. While previous laws banned foreigners from owning property and stated real estate leased to non-nationals was subject to 100 percent tax, the new government is proposing the removal of this lease tax for non-nationals.

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- **Network of elevated highways in Colombo and suburbs**

Elevated highways are to link Colombo with key suburban towns, according to a three-year project being formulated now.

It is being worked out jointly by the Ministry of Mega polis and the Ministry of Highways and will be sent for Cabinet approval.

Mega polis Ministry Secretary Nihal Rupasinghe told the Sunday Times that a 21.6 kilometer-long elevated highway would be built from Athurugriya to Colombo Fort via Malabe, Battaramulla, Rajagriya, Dematagoda and Orugodawatta. Another elevated highway from the Kelaniya bridge would be linked to the project.

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- **Happy New Year! It's about time the President told the people the truth about Port City**

With due apologies for dredging up Port City material on the last hangover day after the festival season, I think it is appropriate to raise the issue that to-date the Sirisena-Wickremesinghe government has not made a formal statement telling the people the whole truth and nothing but the truth about the Port City project. I would suggest that such a statement must come from President Sirisena as a statement in parliament, and that it should be followed by a parliamentary debate, no matter what such a debate might be worth. The President owes it to the people to tell them through the parliament they elected the truth about the following: what are the specific mistakes, improprieties and shortcomings, if any, in the approvals granted and agreements signed by the Rajapaksa government; and how and to what extent are these mistakes, improprieties and shortcomings being addressed in the approvals that are about to be given and new agreements that will be signed by the present government.

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- **MegaPolis: Is it on Right Road?**

Megapolis, the initiative of the National Unity Government is a panacea to spur development to answer the socio-economic and political morass that fossilized the nation during the last three decades sounds relevant! There is a dire need for development people are yearning for.

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- **Port City final decision on Jan.6**

Sri Lanka and China are set to take a final decision on the proposed Colombo Port City as well as several other development projects at a top-level meeting to be held on January 6 between a high powered Chinese delegation and the Sri Lankan government.

A spokesman from the Ministry of Policy Planning, which comes under the purview of Prime Minister Ranil Wickremesinghe, said a top level delegation led by Advisor to the Department of Asian Affairs at the Ministry of Commerce in China, Yang Weiqun, is due to visit Sri Lanka in January and will hold talks with their Sri Lankan counterparts, including Deputy Minister of Policy Planning Niroshan Perera on January 6.

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- **Railway electrification and modernization:**

No, no, it is not another 'supplier driven' project, the more decent phrase to identify projects offered by companies from countries with "friendly" governments, offering loans for the project at double the market interest rates, repaid in ten years. Only if Sri Lanka awards the contract to their chosen contractor, on a platter! No competitive bidding. If the count is right, going by the headlines in state-run newspaper over the past 10 years, we must have already built two express train services from Colombo to the airport, and one more Colombo-Negombo express train service, and two (not one) expressways to Kandy. There are also such "supplier driven" light rail and monorail services from Ratmalana to Colombo-Maradana-Borella, hidden under the bushes along Galle Road, as we cannot see any such service. Investors came and went, from time to time, got our politicians excited, generated only newspaper headlines, but no railway project.

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- **Sanken to build two hotels in Maldives**

Sanken Overseas will invest over US\$ 330 million to build two Resort hotels in Maldives, Fiji and an energy project in Africa.

In addition the company has undertaken to build four other resorts in Maldives to the value of US\$ 300 million.

Sanken Overseas Chief Executive officer B. B. Kalupana said the resort branded as Havodda Amari Resorts will be opened on January 14. The property will be managed by the Onex Hospitality group and will have two suites, 58 water villas and 60 beach villas. "This is our first hospitality investment outside Sri Lanka. The first was Cinnamon Red hotel."

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- **Parking wardens for Colombo**

Parking wardens have been deployed to 1,600 parking units in Colombo City for the next six months until parking meters are fixed in the city, the Colombo Municipality yesterday said. Colombo Mayor A.J.M. Muzammil said wardens of a private company had been deployed at the slots along the Duplication Road and Galle Road. "Rs.10 will be charged from motorbikes per an hour, Rs. 20 from three-wheelers, Rs. 30 from vans and Rs. 50 will be charged from buses and lorries," the mayor said.



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- **EIA Report On The Environmental Impact Of The Colombo Port City**

A representative group of over hundred people are submitting their responses to the Director General of the Coast Conservation and Coastal Management Department at Maligawatta on the 6th of January. A period of 30 days was given to the general public to submit their comments on the EIA report on the Colombo Port City. If the authorities were genuinely interested in obtaining public opinion on the assessment, they should have been sensitive to two important realities.

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- **George Soros looking at investment opportunities in Sri Lanka**

Global investor, George Soros said that his team is in the Island and are looking at investment opportunities.

“In addition to my people connected to the Open Society Foundation, my investment person is also in Sri Lanka to look for opportunities,” George Soros, a global investor and Founder Chairman of Open Society said.

“I am impressed with this government and what they have achievements in a short period of time.”

He was speaking at an economic forum in Colombo with Sri Lanka’s President, Prime Minister and other senior officials in attendance.

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- **Port City - Minimal impact on granite resources in the Western Province**

The recently released Supplementary Environmental Impact Assessment (SEIA) has revealed that the Port City will have a minimal impact on granite resources in the Western Province

In a detailed study in the recently released Supplementary Environmental Impact Assessment(SEIA) report of the Port City Project, it says that when considering the quarry material requirement for the Port City Project in relation to the total quarry production capacity in the identified existing quarries in the Districts of Colombo, Gampaha and Kalutara, the required quantum is negligible. Out of the total 250 quarries surveyed by the Geological Survey and Mines Bureau's Technical Services (GSMBTS) in these three districts, only 11 quarries will be used for the supply of granite for the Port City Project.



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- **SL to be made a global mega city: PM**

Sri Lanka will be developed into a global city that will go between Dubai and Singapore where international trade and movement is concerned, Prime Minister Ranil Wickremesinghe said today.

Speaking at the Sri Lanka Economic Forum 2016 in Colombo, the Prime Minister said the time had come to make plans to fulfil this objective.

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## 2. ECONOMY

- **Sri Lanka interest rates tied to inflation, Fed: CB Governor**

Sri Lanka will review policy interest rates based on inflation outlook and external factors such as Fed interest rates, the Central Bank Governor told a press conference.

"The key thing to look at is inflationary expectations and that is something we have full responsibility for," Governor Arjuna Mahendran said.

The Monetary Board raised the statutory reserve ratio (SRR) of commercial banks by 1.50 percentage points to 7.50 per cent on Wednesday but left policy rates unchanged, the first change to the SRR since July 2013.

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- **Govt pushes to set up Sri Lanka's first Land Bank in March**

With primary focus on converting vacant, abandoned and tax-delinquent properties in the country to assets, and putting them to productive use for community revitalisation, the government is on the look out for creating land banks in Sri Lanka.

Lands State Minister T.B. Ekanayake yesterday said action was afoot to set up the first land bank in Sri Lanka by the end of March.

"We are planning to have one land bank in every district," he said.

"The envisioned land banks will be created as public entities pursuant to authority provided in a government-empowered legislation," Ekanayake said. Asked to explain how the public will benefit from the new land bank, the minister said the people will be able to purchase land plots from the bank at much lower rates than from private real estate companies.

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- **SL faces uncertain economic outlook**

Towards the end of 2015, the International Monetary Fund (IMF) raised concerns about Sri Lanka's economic outlook noting that it remains uncertain, and the island's performance will depend to a large extent on the course set for economic policies in the coming months, the IMF said in a statement released yesterday.

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- **Colombo's upcoming Dubai-styled Financial Centre: How would it work?**

Delivering the Budget speech in Parliament in November last year, Finance Minister Ravi Karunanayake first revealed plans to set up Sri Lanka's first financial centre – the Colombo International Financial Centre (CIFIC). This he said will be built on a 300,000 square feet specific zone along D R Wijewardena Mawatha on the lines of the Dubai International Financial Centre (DIFC) and such other off-shore centres around the world.

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- **Stiglitz outlines carbon, inelastic, land, congestion taxes at economic forum**

Renowned economist Joseph Stiglitz, speaking at the Sri Lanka Economic Forum, explained some of the ways the government could raise tax revenue by taxing environmental pollution, inelastic goods, land, consumption and road congestion.

“What is the best way to increase tax revenue?” the nobel laureate asked a packed forum of government and private sector officials at forum in Colombo.

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### 3. INTERNATIONAL

- **Hong Kong's Gravity-Defying Property Gains May Reverse in 2016**

The Hong Kong property market's gravity-defying climb to records may be set for a reversal this year.

Hong Kong is forecast to overtake Singapore as the weakest-performing luxury residential market, with prime property prices declining an estimated 5 percent this year, according to a report by Knight Frank LLP of 10 global cities that was released Tuesday. Of the 10 cities analyzed, Hong Kong, Singapore and Paris are the three expected to see price declines this year.

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- **That Uber Driver Might Just Try to Sell You a Home in Singapore**

When Billy Loh started in 2008 as a property agent, his profession was seen as a route to wealth in Singapore. Now, he has to know his way around the city to pay the bills.

Loh, 50, is driving for Uber Technologies Inc. in the city-state, where government curbs to cool the market have mired property prices in the longest losing streak in 17 years and transaction volumes have plunged by as much as two-thirds since 2012. After going half a year without doing any deals, Loh switched to driving and is earning on average S\$3,000 (\$2,115) a month, one-tenth of the up to S\$30,000 commission he could get from a single home sale during the market's heyday.

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- **2016: Booming real estate markets in emerging countries**

Forecasts from PwC expect that by 2025, Mexico City will have become the seventh richest city in the world.

This increased wealth is expected to create more opportunities for the real estate industry in the coming years. While the drop in oil prices and declination of the peso has caused challenges, Mexico's capital city is experiencing a surge of growth when it comes to real estate.

As foreign investment increases, and more companies turn their attention to the city, the office market goes from strength to strength. According to Knight Frank, 52 million square feet of modern office space is scheduled for delivery within the next three years.



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