



REAL ESTATE NEWSFEEDS



November 02

TO

November 06

2015



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1. REAL-ESTATE

- **Real estate, port and logistics to see investment boom**

Sri Lanka's real estate sector will see a major boom and more investments will be seen in this area, Copal Amba Sri Lanka Country Head Chanakya Dissanayake said .

Speaking at the Invest Sri Lanka Forum organised in London by the Colombo Stock Exchange in association with Bloomberg and the Sri Lanka High Commission in UK, he said in addition port related activities along with logistics too will see more opportunities opening up.

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- **Infrastructure: People should be consulted in future projects, says Min Ranawaka**

Sri Lanka's future infrastructure development projects should be done in consultation with the people, a Minister said.

"We have identified some of the previous mistakes that were done with regard to infrastructure development during the previous regime," Champika Ranawaka, Minister, Megapolis and Western Province development said.

"The first one was that the people were not consulted and so we decided all future projects will be done with the consent of the people."

He says, we have ports and airports without ships and aircraft while there are shopping complexes that are not sustainable.

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- **Port City agreement to be revised**

The Colombo Port City Development Project agreement will be revised shortly to rectify all its defects and tie up loose ends, International Trade State Minister Sujeewa Senasinghe said. Speaking to the Daily News yesterday, he said the project would be recommenced under the revised agreement, adding that the Environmental Impact Assessment (EIA) report on the project has also been finalised at the moment.

He noted the clause that gives the outright ownership of 20 hectares of land to the Chinese company would be removed, adding that under the revised clauses, Chinese submarines would not be allowed to enter without permission.

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- **Sri Lanka middle-class housing boom to benefit construction business**

Sri Lankan construction companies can expect growth to be sustained by an anticipated boom in middle class housing to meet pent up demand, a senior urban planning official said.

“Sri Lanka as a country is looking at a well-planned roll out of development,” said Nayana Mawilmada, director general of the Urban Development Authority (UDA).

“We plan to get all agencies together on one page,” he told a forum on the construction sector held by Asia Securities which will present a new report on the sector today.

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- **Infrastructure: No land shortage in Colombo, a transformation underway, says DG UDA**

Sri Lanka's commercial capital faces a core problem of under-utilization of land and there is no land shortage, the director general of the Urban Development Authority said at the LBR LBO Infrastructure Summit.

Colombo has 65,000 slum and shanty houses occupying 900 acres of real estate in Colombo, he said.

"There is no land shortage in Colombo, there is land under-utilization. That's a core problem," Nayana Mawilmada said.

He was speaking at the LBR LBO Infrastructure Summit 2015: Making Colombo a Globally Competitive City on Tuesday.

Previous efforts to free land by moving all shanty dwellers to high rises had not worked, and several pilot projects have now adopted a different approach.

"The original plan for building high rises was, let's move people and free up all this land, then there will be plenty of land for commercial real estate. But we found that really doesn't work," Mawilmada said.

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- **Prime Minister to propose scrapping 'expropriation' laws**

Prime Minister Ranil Wickremesinghe is to propose scrapping controversial expropriation laws and some changes to land ownership laws during a special statement in Parliament on Thursday on the Government's mid-term strategy.

"These are both elements that deter FDI," a government source told the Business Times.

Under the 2011 Revival of Underperforming Enterprises and Underutilized Assets Act, 37 formerly state-owned institutions were acquired drawing criticism across the board.

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- **Public investment in bus, railway a priority before monorail, says transport experts**

From an economic standpoint, Sri Lanka should first develop its bus and railway transportation before spending public money on more expensive monorail, transport sector experts said at the LBR LBO Infrastructure Summit.

A Japanese transportation master plan for Colombo, upgraded and approved by University of Moratuwa, envisaged three alternatives for each major traffic route coming in to Colombo.

“None of the corridors had monorail coming in as the first priority, or even the second priority,” Lalithasiri Gunaruwan, senior lecturer on public economics at the Colombo University, said.

Gunaruwan was speaking at the LBR LBO Infrastructure Summit 2015: Making Colombo a Globally Competitive City.

The transportation plan envisaged a Bus Rapid Transit (BRT) system for the Galle Road, railway electrification for the Negombo to Colombo corridor, and bus priority followed by railway electrification for the Malabe corridor.

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- **Infrastructure: Colombo needs innovation to be globally competitive, says IT Innovator**

Sri Lanka needs innovation to engage Colombo with the rest of the world and to transform legacy assets through the digital medium, an IT innovator and self-labelled urban policy nerd said.

J T Singh, founder of a design-centric problem solving team at J T Singh Labs, said a key factor in turning cities global is urban innovation. City planners should get the support of new techies and geeks when changing cities and ‘Orgware,” he added.

“If cities want to create global influence what they need to do is create urban innovations and then export it to the rest of the world,” Singh said.

“What is Colombo doing in the area of sustainable job creation, energy, urban design or public health? What is Colombo doing that other cities can emulate. No high politics, no ideological talk, just exchange ideas.”

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- **Sri Lanka's mass transit success lies with land use management: Nayana Mawilmada**

Sri Lanka's plans for mass transit specially in Colombo must ensure that it stays linked to real-estate developments to make it viable, the director general of the Urban Development Authority said at the LBR LBO Infrastructure Summit.

"Introduction of mass transit is a critical step and a game changer for urban development and will not work unless it goes along with managing land use," Nayana Mawilmada, director general, Urban Development Authority said.

"I think unlocking the viability of mass transit will depend on how well we manage the real-estate links to these transit corridors."

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- **Sri Lanka to give freehold lands and houses, 500,000 new houses to be constructed**

Sri Lanka's Prime Minister Ranil Wickremesinghe today said that the government plans to give freehold lands and houses to the people who have been enjoying it and will construct 500,000 new houses in rural, semi urban and urban areas.

Making a special statement at the Parliament today Prime Minister Wickremesinghe said that the government will empower 3 million citizens to become land and house owners.

As per the land development ordinance of 1835, people were given land under a permit system. Then came the system of being given land under projects such as the Swarnabhoomi scheme. Further, state funded housing schemes have been given over to the people from time to time.

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2. ECONOMY

- **London Stock Exchange renews support for Sri Lanka**

Global giant the London Stock Exchange last week expressed keenness to help the new Government in boosting Sri Lanka's capital market, foreign investments and private sector.

The offer of help and its expertise was conveyed by LSE Group CEO Xavier Rolet to Finance Minister Ravi Karunanayake after the latter rang the opening bell of the London stock market on Friday.

"LSE, with its prowess as a diversified international market infrastructure and capital markets business, is a perfect partner for an emerging economy such as Sri Lanka to draw more foreign investments. We stand ready to help Sri Lanka," Rolet said in a brief speech following the market opening at the LSE, the day after the Colombo Stock Exchange concluded a successful Invest Sri Lanka Forum in London.

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- **Sri Lanka targets revolutionary budget, Tax revenue should be increased: Ravi K**

Sri Lanka's tax revenue needs to be increased and expanded into more regions as the government may face difficulties in going ahead with low revenue generation, Finance minister told a forum on Monday.

"We are planning a radical and revolutionary budget and tax is a main component," Ravi Karunanayake, finance minister of Sri Lanka said.

"Our income is declining year by year. It is 10.8 percent of GDP this year."

"If we move in that direction it will be hard on government's salaries and pensions,"

"Sri Lanka will be in danger if the country moves ahead in this manner, so we have to make a change,"

"To change we should find innovative ways to introduce new taxes for those who are not paying taxes but not tax the same people who pay every day."

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- **Mark Mobius shares his mantra for Sri Lanka**

Emerging markets guru Dr. Mark Mobius yesterday declared Sri Lanka has great potential, provided the country gets its policies right, especially on taxation and infrastructure development to lure more foreign direct investment as well as bolster the local private sector.

[Read more](#)

- **Lower loan costs, higher incomes boost Sri Lanka housing market**

Sri Lanka's rising income levels and lower borrowing costs will help boost the residential housing sector, seen as the next driver of the construction industry, a new research report said.

The residential housing market is set to grow at a compounded average growth rate of 8.5 percent over the next five years, said Kanishka Perera, Head of Research of brokerage Asia Securities.

"We believe the residential sector will be the next driver of the construction industry," he told a forum where the findings of their report 'Sri Lanka Construction Sector: Transitioning from Infrastructure to Residential' were presented.

The Asia Securities report said both near term infrastructure and longer term residential development will result in an increased demand for raw materials.

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- **Windfall for State from Super Gain Tax**

Widely criticised by the private sector but justified by the 'Yahapalana' Government, the one-off Super Gains Tax (SGT) is expected to bring in much higher revenue, Finance Minister Ravi Karunanayake revealed yesterday.

"We originally estimated Rs. 50 billion from the one-time Super Gains Tax but we are likely to get around Rs. 65 billion," Karunanayake told a group of editors yesterday at his Ministry.

He said 22 companies had paid the first instalment of SGT which was due by 30 October.

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- **What will Ranil reveal today?**

Finance Minister Ravi Karunanayake yesterday gave what could be described as a sneak preview of the policy statement to be delivered by Prime Minister Ranil Wickremesinghe in Parliament today.

Speaking at a taxation seminar, Minister Karunanayake said to boost FDIs to the country, Premier Wickremesinghe would be making an announcement today to cancel the leasing rates currently implemented with regard to foreigners, which has been a demotivator.

The Premier is believed to propose the scrapping of controversial Expropriation Act and some changes to land ownership laws during a special statement in Parliament today ahead of the much-anticipated Budget which will be on 20 November.

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- **Tourism to become main exchange earner**

Tourism will be the number one foreign exchange earner in less than three years, Tourist Hotels Association President Hiran Cooray said.

Speaking at the Sri Lanka Press Conference at the World Tourism Market Cooray said this year the revenue is expected to pass the US\$ 2.5 billion mark and they are expecting a target in the excess of US\$ 3 billion by 2015 year end.

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- **PM outlines economic reforms in parliament**

Prime Minister Ranil Wickremesinghe in Parliament outlined third-generation reforms of the new government to increase jobs, improve economic growth and international competitiveness of the island.

“After second world war the mentality was for greater state intervention. We know the impact this has had on the economy. This was changed after 1977,” he said.

Second generation reforms, led by President Ranasinghe Premadasa, were characterized by development of the garments industry and growth of the stock market.

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3. INTERNATIONAL

- **Sri Lanka deports Maldivian teen wanted in President's boat blast probe**

Sri Lanka on Monday deported a Maldivian teenager wanted in an investigation into an explosion on a boat carrying Maldives President Abdulla Yameen, government and high commission officials said.

The deportation comes after the US Federal Bureau of Investigation said it had found no conclusive evidence that the 28 September explosion was caused by a bomb.

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- **Maldives declares state of emergency: official**

Malé (Maldives) AFP - Maldives President Abdulla Yameen declared a state of emergency on Wednesday, giving sweeping powers to security forces to arrest suspects ahead of a major anti-government protest rally, his spokesman said.

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- **Infrastructure: Asian and Pacific cities need inclusive, sustainable future, says report**

Asian and Pacific cities are facing growing gaps between urbanisation patterns and what is needed for an inclusive and sustainable future, a report by UN Habitat and UN ESCAP said.

The State of Asian and Pacific Cities 2015 report covers 58 countries in the region including China, India, Australia and Sri Lanka.

Economic success has lifted hundreds of millions of people out of poverty and created a growing middle class, but the region is home to the world's largest urban slum populations, Shamshad Akhtar, executive secretary of UN ESCAP, said.

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- **Sri Lanka admits illegal expulsion of Maldivian youngster**

Sri Lanka's Foreign Ministry today admitted a breach of local laws in expelling an 18-year-old Maldivian man simply at the request of the autocratic Maldivian regime.

Ministry spokesperson Mahishini Colonne said an internal investigation into the conduct of Foreign ministry officials involved in the controversial arrest and expulsion of Ahmed Ashraf on Monday was already underway.

"It is not only this ministry, but the immigration department and others are also involved," Colonne told reporters in Colombo.

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