



REAL ESTATE NEWSFEEDS



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REAL-ESTATE INTELLIGENCE UNIT (PVT) LTD
NO 58, GPD BUILDING, DHARMAPALA MAWATHA ROAD, KOLPITIYA
Phone : 0117 444 737 Fax – 0117 444 778
ROSHAN MADAWELA – 0722741305
EMAIL – roshan@riunit.com

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1. REAL ESTATE

- **Sri Lanka to build a monorail, calls for proposals this month: BOI Chief**

Sri Lanka's investment promotion bureau said that the government plans to make a request for proposals this month to build a monorail or mass rapid transit system (MRT) that spreads out from Colombo Fort.

"RFPs for the monorail project will be out within a week," Upul Jayasuriya, chairman of the Board of Investment told reporters on Monday at a forum organized by the Sri Lanka - Germany Business Council of the Ceylon Chamber of Commerce.

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- **Infrastructure: Megapolis needs to overcome several challenges, says Champika**

The Minister for Megapolis Champika Ranawaka says that if the Megapolis mega development project is to be successful then it must address several social, environmental and economic obstacles that lie ahead.

"One is the social problem where we have over 100,000 slum dwellers in the Western Province," he said speaking to Lanka Business Online.

"We need to change their livelihoods and life patterns, and to do this you need participatory development."

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- **Port City EIA report soon**

Government agencies seem to be moving towards a final approval of the Port City project, currently stalled due to high ecological risks, but environmental groups cry 'foul' claiming that they had not been consulted as required by the environmental impact assessment process.

The Environment Impact Assessment (EIA) Report on the US \$1.4 billion Colombo Port City Project will be released between October 20-25 and referred to a technical committee consisting of officials from 25 institutions which will study the report, Coast Conservation and Director, Coastal Resource Management Department, Gamini Hewage told Sunday Observer Business.

He said the Port City project has been transferred to the Urban Development Authority by an Act of Parliament. The Department of Coast Conservation is responsible for the EIA Report on the project. "We have already sent our Terms of Reference with our recommendations to the Urban Development Authority. The Technical Committee report will be studied by a committee of experts and referred to a Ministerial Committee for consideration and public views will be entertained up to 30 working days via the electronic and print media," Hewage said.

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- **Singapore to revise master plan for Sri Lanka's Megapolis**

Singapore will handle the revised master plan for Sri Lanka's Megapolis - an ambitious plan to develop the country's Western Province, which includes Colombo, into a massive urban agglomeration - Prime Minister Ranil Wickremesinghe said.

"Singapore's Cesima did the planning in 2004, but it was not followed up by President Rajapaksa," Mr Wickremesinghe said, referring to the former HDB design subsidiary which later morphed into Surbana Jurong. "Now, we have got them to revise the plan. It will be available by the end of the year. We also want them to do the master plan for Trincomalee."

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- **Sri Lanka to relax some land ownership laws for foreign investors: Finance Minister**

Foreign investors in large projects will be able to buy land with less restriction reverting equal to a situation that prevailed 'pre-2012' Finance Minister Ravi Karunanayake said.

Sri Lanka's ousted nationalist Rajapaksa administration brought additional taxes on land leases and also stopped the drawing up of freehold land deeds on behalf of foreign investors. Before that firm could buy freehold land after paying an extra transfer tax.

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- **Sandal Lands to expand with US\$ 10 million housing project**

Sandal Lands, India will expand its footprint to Sri Lanka with an investment of US\$ 10 million for a housing project.

Sandal Lands Deputy General Manager, Piyush Saddi said they have once again coordinated with the Urban Development Authority (UDA) and got this project off the ground.

He said that under the first phase they will invest US\$ 10 million to build the apartment complex in Colombo and the project will be complete in two years.

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- **Sri Lanka's Vallibel One to go ahead with USD60mn integrated resort project**

The leisure investment arm of Vallibel One, Greener Water limited is to continue with its project to construct a 400-roomed luxury five star resort in Negombo in its 18 acres of freehold land.

The company has entered into an agreement with the Board of Investment of Sri Lanka in relation to the project at a cost of 60 million US dollars, Vallibel One said in a stock exchange filing on Wednesday.

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- **Germany's Bosch commences operations in Sri Lanka, eyes construction boom**

Bosch, a leading German supplier of technology and services, commenced operations in Sri Lanka to meet the increasing demand seen in the infrastructure sector, a senior official said.

“The inauguration of our new office marks an important milestone for our business expansion in the South Asian region,” Steffen Berns, managing director, Bosch limited and president, Bosch Group India said.

“It is important to have a direct presence in Colombo which is the focal point of the country's economic activities and a booming construction sector.”

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- **Ravi K urges locals to grab investment opportunities**

Finance Minister Ravi Karunanayaka on Monday called on Sri Lankans to seize unfolding attractive investment opportunities before foreigners do, assuring that the Government will provide a more conducive policy environment. BUP_DFT_DFT-1-86

He went on to say the Government would give priority for local investors in order to ensure strong Sri Lankan industries. “Investors in Sri Lanka will be given the first choice, but we find that our businessmen are lagging behind. Hence, I call upon local private sector not to wait until everything is delivered to your door step

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- **Sri Lanka BOI chief says land policy for foreigners will be corrected**

Sri Lanka's Board of Investment says that the new administration will correct the land policy for foreigners which will help to bring more foreign direct investments into the country.

"This has to be corrected and it will be corrected," Upul Jayasuriya, Chairman of Board of Investment said.

"You have to treat foreigners equally."

Sri Lanka's former administration imposed restrictions on foreign ownership of property which have provisions that will allow non-nationals investing in the country to lease land with a tax of 5 to 15 percent and also stopped the drawing up of freehold land deeds on behalf of foreign investors.

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2. ECONOMY

- **Insufficient road capacity, reason behind car import restrictions: PM**

Sri Lanka's recent restrictions imposed on car imports were a response to the insufficient capacity of roads, Prime Minister Ranil Wickremesinghe said.

In an interview with Singapore's 'Straits Times', Wickremesinghe said currently it takes too long coming into Colombo.

"The restrictions on car imports put in place recently were because police were up in arms saying the road capacity is insufficient," he said.

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- **Ranil looks for Singapore support in official visit, talks with PM**

Sri Lankan Prime Minister Ranil Wickremesinghe and his Singaporean counterpart Lee Hsien Loong on Friday discussed further means of promoting bilateral cooperation between the two countries during a meeting at the Istana, the PM's Office said.

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- **Sri Lanka has USD5 bn FDI in pipeline: BOI's Upul Jayasuriya**

Sri Lanka has five billion US dollar worth of investments in the pipeline and the main goal of the island's investment promotion office is to facilitate those investments, the Board of Investment (BOI) Chief told a forum held in Colombo.

"Our main goal is to facilitate these investments," Upul Jayasuriya, Chairman of BOI said.

"If we are seeking to bring FDIs into our country, the first step that we have to take is to care for the current investors, because it is from them the possible or potential investors will get the message whether to come or not," he said.

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- **Central Bank holds key interest rates unchanged**

Sri Lanka's Central Bank held key interest rates unchanged on Tuesday after a monthly monetary policy announcement citing low inflation, a decision broadly expected by market participants.

A poll by Lanka Business Online of 13 market participants showed 12 expected no change in policy interest rates, while one expected a 25 to 50 basis point hike or a tightening of the Statutory Reserve Ratio.

With the policy announcement, the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank stay unchanged at 6.00 percent and 7.50 per cent respectively

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- **Sri Lanka's budget deficit around 6.8-pct in 2015:
Finance Minister**

Sri Lanka's budget deficit will be around 6.8 percent of GDP for this year, higher than the budgeted 4.4 percent, Finance Minister Ravi Karunanayake said.

The IMF mission concluding its visit to Sri Lanka last month said it projects a budget deficit of 5.5 to 6 percent of GDP in 2015 financed mainly by domestic borrowing.

The mission strongly recommended keeping the 2016 budget deficit to 5.5 percent of GDP.

The first Budget of the new Government will be presented to the Parliament on 20 November 2015.

Karunanayake told a forum in Colombo that the government is to introduce a simple taxation system by removing various taxes and introducing few taxes.

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- **Sri Lanka to face tough challenges in adjusting economic reforms: Eran**

Sri Lanka's new administration is facing a lot of internal and external challenges with the economy received from the former regime and it will take a longer period to adjust policy and economic reforms, Eran Wickramaratne, deputy minister of state enterprise development, said.

"As you know the new government faces a lot of challenges in the economy and we have taken the office in a period that the global economy and the regional economies in China and India are slowing down," Wickramaratne said.

Wickramaratne was speaking at a forum held to launch the policy report "Sri Lanka State of the Economy 2015" released by the Institute of Policy Studies.

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- **CEO Forum: Inter-ministerial task force to boost economy, says Harsha**

Sri Lanka's new government has formed an inter-ministerial task force to develop the economy by coordinating work of important ministries, the Deputy Foreign Minister Harsha de Silva said.

Apart from the Foreign Affairs Ministry, the task force mainly works with the Development Strategies and International Trade Ministry and Industry and Commerce Ministry.

"We've already had the first meeting and had a very good feed back," de Silva said.

He was delivering the keynote speech at the 64th LBR LBO CEO Forum held in Colombo on Wednesday under the theme of "Economic Diplomacy and what it means to the Private Sector."

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3. INTERNATIONAL

- **Chinese firms want to build, finance California high-speed train**

A team of Chinese firms, along with the Export-Import Bank of China, wants to build and finance a large part of California's proposed 800-mile high-speed rail project.

The firms expressed their interest last month in a 23-page document sent to the California High-Speed Rail Authority. The authority asked private companies from around the globe to help shape the state's strategy to launch the first stage of its train line, considered the most ambitious infrastructure project in the United States.

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