



## REAL ESTATE NEWS FEED



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# 1. REAL ESTATE

- **Sri Lanka's apartment market booming, but seen rife with risks**

The market for apartments in Sri Lanka is opening up with more developers coming in, giving greater choice, but buyers should take care to check title deeds and financial strength of property companies, an industry official warned.

The consumer mind-set is changing. Sri Lankan customers are realizing the value of apartments," said Brahmanage Premalal of Prime Lands, a property developer.

"Their apprehensions have gone and the market segment has opened up with many opportunities for investors and developers. A lot of developers are coming in. It's good for customers who have more choice."

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- **Megapolis plan for major cities**

The Sri Lankan government is planning to convert Galle, Jaffna, Trincomalee, Anuradhapura, and Kandy into major highly developed mega cities in addition to the proposed western province megapolis project, Ministry of Megapolis- Western Region Development, Secretary N.Rupasinghe said.

The government aims to position Sri Lanka among rising Asian economies by creating highly developed cities to power the large- scale growth. He said megapolis are now creating rapid growth and change and urbanization plays a key role in developing the megapolis concept.

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- **What does the future hold for Sri Lankan real estate market?**

Real estate experts from across Sri Lanka gathered this week, to discuss the future of the country's real estate market. Agents, developers, financial experts and researchers attended the event, held at the BMICH banquet hall, which explored the changes to Sri Lanka's real estate market, as the island undergoes a serious transformation. On October 21st, Lamudi Sri Lanka hosted its second annual real estate conference. Attendees were impressed by the use of virtual reality systems which highlighted the significance of such technology within the real estate sector.

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- **Gearing up for an investment push, real estate private equity funds go on a hiring spree**

MUMBAI: Sanjay Grewal, IDFC's board member is joining Altico Capital, the nonbanking financial arm of Clearwater Capital. RK Narayan of JM Financial Real Estate Fund is moving to head the \$400 million real estate fund of Macquarie Group. There are more than half a dozen top-level hires in the last couple of months among real estate private equity funds.

Some of the other top level moves include Nipun Sahni who is joining the real estate investing business of Apollo as its India head a Yash Nadkarni who has joined as the managing director in-charge of real estate investing at global private equity fund KKR. Besides these moves, global funds such as Canada Pension Plan Investment Board (CPPIB), Piramal's real estate arm, Brookfield, ASK Group and US-based Hines have also either already expanded their real estate teams or have mandated head hunters to look for top-level talent.

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- **Commercial real estate market has high potential for ROI: analysts**

The demand for Sri Lanka's commercial property is growing and there will be high potential for return on investment, experts said.

"Sri Lanka's commercial real estate has high potential for return on investment (ROI)," Ravi Abeysuriya, group director of Candor, a financial consultancy service said.

"Retail rental yields for commercial property average around 10 percent."

The demand for commercial property is growing strongly in Sri Lanka where the focus was previously in residential properties.

He was speaking at the second annual real estate conference organized by Lamudi Sri Lanka held in Colombo recently.

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- **India's Sandal Lands mulls USD 25 mn FDI on Sri Lanka's real estate**

Sandal Lands (Pvt) Ltd of India said they are in talks with Sri Lanka's urban development agency to seek opportunities to invest up to 25 million US dollars in residential or commercial property, looking at the strong growth prospects in island's real estate market.

The company plans to invest up to 25 million US dollars within the next three to five years for a residential, commercial or hospitality development in Colombo.

The company has already set up an entity registered with the Section 7 of the Companies Act named Sandal Colombo (Pvt.) Ltd. and has also received pre-approval from Board of Investment (BoI) of Sri Lanka.

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- **New railway line from Maradana to Battaramulla**

A feasibility study on establishing a 10 km railway land line from Maradana to Battaramulla via Dematagoda would be started today (26), Sri Lanka Railways said today.

Speaking to the Daily Mirror, Railway Department Superintendent Vijaya Samarasinghe said the plan of the proposed 10 km railway line would be finalised this week.

[Read more](#)

- **Do the proper checks before buying apartments:  
Property developer**

Sri Lankan apartment buyers are warned that there are risks in buying apartments and they should do the proper checks and minimize it, a property developer said.

“Apartment buyers need to be careful when buying as they are spending their lifetime savings,” Brahmanage Premalal, chairman of Prime Lands said.

“Most apartments are sold on pre sale basis so you get the property only 2-3 years later. You must ensure the developer owns the property, sometimes deeds are doctored.”

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## 2.ECONOMY

- **Sri Lanka budget should signal revenue generation reforms: economist**

Sri Lanka's new budget's main feature should be revenue generation, a senior economist said.

"Sri Lanka's budget should focus almost entirely on the revenue side and not on one off taxes," Dushni Weerakoon, deputy director, Institute of Policy Studies said while launching the institute's "State of the Economy" report in Colombo recently.

"The signal should be a serious intention for revenue reform agenda, while rationalizing of the spending side can come later."

The government's interim budget in January 2015, mostly known as Robin Hood or Saradiel budget, was based on the manifesto of President Maithripala Sirisena.

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- **Sri Lanka growth moderating, new equilibrium on currency**

Sri Lanka's economic growth numbers can be confusing after national accounts were rebased to 2010 from 2002, although it is clear that economic growth is moderating, Dushni Weerakoon an economist at the Institute of Policy Studies said at a forum in Colombo.

"What can be said with any confidence is that growth is moderating," she said.

GDP growth is seen at 5.7 percent for the full year, from 5.5 percent during the first half, Ananda Silva, the deputy governor of the Central Bank, said at the economic forum organized by DFCC.

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- **Sri Lanka's West generates most output, South grows fastest in 2014**

Sri Lanka's Western province which has the highest population and is most integrated with the world generated the highest gross domestic product of 42 percent of the total, while the Southern province grew fastest at 11.1 percent in 2014, the Central Bank said.

Using new GDP data compiled by Sri Lanka's statistics office, which the central bank split into district levels, the Central Bank said the Western province grew the slowest at 5.9 percent including inflation compared to 7.3 percent from the whole country.

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- **Sri Lanka tells UK investors to partner and profit from new resurgence**

Sri Lanka yesterday urged UK-based investors to partner and profit from new resurgence and opportunity in the country under better governance and supportive policies.

The message was conveyed at the Invest Sri Lanka Forum organised in London by the Colombo Stock Exchange in association with the Sri Lanka High Commission in UK and Bloomberg.

"We have a new Sri Lanka. Have confidence in the new Government led by President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe. We deliver on what we promise and we will have consistent and coherent policies. Come and partner and profit from this transformation in Sri Lanka," Finance Minister Ravi Karunanayake told the Forum held at The Savoy Hotel in London.

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## 3.INTERNATIONAL

- **Capital market in fresh push to woo investors in UK**

The capital market industry will make a fresh push to woo investors based in UK via the 'Invest Sri Lanka' forum in London today (29 October).

The first to be held since the assumption of the new Government, the 'Invest Sri Lanka' forum at The Savoy Hotel, London is expected to draw over 100 institutional investors. The London forum is being held just after a breakfast meeting in Zurich on Wednesday to promote Sri Lanka's new investment

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- **Google Loon to be deployed by three Indonesian telcos**

Alphabet Inc , the new holding company for Google, has teamed up with three Indonesian telecommunications companies to expand Internet access in that country using solar-powered balloons.

Alphabet officials, including co-founder Sergey Brin, and representatives from Indonesian companies Telkomsel, XL Axiata Tbk PT and Indosat Tbk PT signed an agreement Wednesday to bring so-called Project Loon to the nation of 250 million people.

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