



REAL ESTATE NEWS FEEDS
SEPTEMBER 21 TO SEPTEMBER 25



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1. Real estate

- **Bopitiya to become modern township as part of Negombo-Colombo metro rail system**

A 150-acre marshy land in Bopitiya bordering Muthurajawela is to be developed as a modern township as part of the 47km electric metro rail system planned by a Malaysian company between Negombo and Colombo.

To this end, an agreement was recently signed between Malaysia's Airport Express Air & Rail Company (AEARC) and the USA's Newport Global Group Ltd.

The project has already secured BOI status and the total investment is estimated at Rs.450 million

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- **\$ 450 m investment planned for 42-km Colombo-Negombo electric train system; township**

The Airport Express Air and Rail Co. Ltd. (AEARC) of Malaysia will start an electric train system between Negombo and Colombo whilst a mega township is also planned with a combined investment of \$ 450 million.

The company recently signed a contract with investors for the project. The contract was signed by Premiere Global Assets Ltd. President Dr. Shawana Khdir Ali, AEARC Managing Director Dr. Parimalan Rajo Iso Michael and Newport Global Group Ltd. of the US. Finance Minister Ravi Karunanayake was also present at the occasion.

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- **Sri Lanka's Cinnamon Life sells live, work and play concept**

Cinnamon Life, a unit of Sri Lanka's John Keells Holdings, has started pre-selling apartments in integrated resort that will have an 800 room hotel, office space, shopping mall, an entertainment complex and residential apartments, officials said.

"Our view was that Colombo would be the modern capital of South Asia, the next Singapore that would be created in Asia, and we wanted to be part of that," Ajit Gunewardene, Deputy Chairman of John Keells Holdings said.

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- **Sri Lanka's Cinnamon Life building costs hedged against rupee fall**

Cinnamon Life, Sri Lanka's largest private sector property project valued up to 800 million US dollars is hedged against falls in the currency, a top official said.

John Keells Holdings Deputy Chairman Ajit Gunewardene said its main civil works contract has been given on a fixed price US dollar deal which is financed by dollar financing.

Global commodity prices including steel, a key construction material and energy, which is used to fabricate many construction material has been falling after the US Fed ended quantity easing (money printing).

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- **Blue Mountain partners P&T Group to boost local real estate industry**

Leading real estate giant, Blue Mountain, has entered into a strategic partnership with the Singapore-based P&T Group, in a bid to pioneer landmark real estate projects in the country.

The P&T Group is recognised as one of the largest international architectural and engineering practices in the world and the high profile joint venture agreement will provide Blue Mountain with the opportunity to consult P&T on all of its high-end projects, in order to offer greater value and an enhanced experience to its clients.

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- **Holcim signs MoU with SLIA for its Continuous Professional Development events**

Holcim Lanka recently signed a Memorandum of Understanding (MoU) with the Sri Lanka Institute of Architects (SLIA) at the Sri Lanka Foundation Institute.

As a result of the MoU, Holcim will be supporting SLIA by sponsoring their Continuous Professional Development (CPD) events.

The forthcoming event for 2015/2016 will be organised by the CPD committee, headed by top Architect Dr. Nishan Wijetunga under the auspices of Chairman, Professional Affairs Board Archt. Janaka Dharmasena and Board members.



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- **Jaffna apartments offer unique opportunity for Sri Lankan property investors**

The completion of the first luxury residential apartment in Jaffna has seen a strong response from domestic and international investors keen to capitalise on the growing regional economy.

The six-storey building, which includes 36 two-bedroom, two bathroom-units, is now ready for occupation and most of its units have already been sold, so investors should act quickly to secure the remaining apartments. The city centre apartments, which cost Rs.17 million (around US \$ 122,000), feature top-quality fixtures and fittings, amenities, air-conditioning and security features.

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- **Kandy Expressway blundered by politicians, needs technical review**

The construction of the expressway connecting Colombo with Kandy was inaugurated again by Prime Minister Ranil Wickremesinghe on 3 August, when he unveiled a plaque at Kossinna, 5 km north of Kadawatha.

The public were informed that the construction of the first section of the expressway had been offered to the Metallurgical Corporation of China, funded by a loan from China's Exim Bank. The negotiated cost of the 32.5 km-long Kossinna-Mirigama section stands at Rs. 145.8 billion or Rs. 4.5 billion per kilometre. The construction of the expressway had been inaugurated on a number of previous occasions before as well.

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2. ECONOMY

- **Policy change critical to accelerating poverty reduction and shared prosperity: WB**

During her recent visit to Colombo, the World Bank Vice President for the South Asia Region, Annette Dixon, remarked that policy change was critical to accelerating poverty reduction and boosting shared prosperity in Sri Lanka

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- **Monetary Policy should focus on Price Stability: IMF Study**

Monetary policy should stick to its core mandate of price stability, and should deviate from its traditional role only if the benefits to the economy outweigh the costs, a new IMF study showed.

Based on current knowledge, the case for using monetary policy to contain risks to financial stability—commonly referred to as leaning against the wind—appears weak in most circumstances, according to the IMF. However, policymakers should closely monitor financial stability risks, and not rule out higher interest rates, while knowledge of the relationship between monetary policy and financial risks evolves.

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- **Sri Lanka eyes conference travellers, India is a key market: official**

Sri Lanka plans to attract more business visitors through promoting the country as a destination for conferences and business meetings, an official said.

“We are no longer in a numbers game,” Vipula Wanigasekera, chief executive of Sri Lanka Convention Bureau said at a forum held Monday.

“Future tourist has been identified as a green and informative person. So we are on the path to ensure that we are capable of catering to the needs of that emerging market. At the same time the role of the convention bureau is to attract more business visitors who will bring more value into the country.”

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- **Sri Lanka and Vietnam shares highest corporation foreign debt in Asia: ADB**

Corporations in Indonesia, Sri Lanka, and Vietnam have the highest share of foreign currency debt in developing Asia, the Asian Development Bank said in a report.

“Firms in the energy sector tend to have a substantial portion of their borrowings in foreign currency,” ADB said in its report.

“Typically, the corporations that have a high share of foreign debt are also highly leveraged. This heightens their exposure to the impacts of US dollar appreciation.”

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- **Good prospects seen for Sri Lanka home mortgage market**

Low interest rates in Sri Lanka have the potential to activate the home mortgage market into which a large pool of savings can be channelled, a senior analyst at a stock brokerage said.

In Sri Lanka housing finance is only about seven percent of total loanable assets with much of it backed by pension fund balances, said Murtaza Jafferjee, Managing Director of JB Securities.

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3. INTERNATIONAL

- **Sri Lanka envoys in Geneva return to their old tricks: Human Rights Watch**

Sri Lanka's envoys in Geneva have returned to their old tricks by proposing amendment after amendment to the US backed draft resolution, Human Rights Watch said.

Geneva Advocacy Director of Human Rights Watch, John Fisher said China, Russia, and Cuba under the guise of 'constructive engagement' have endorsed Sri Lanka's ignoble efforts.

"The Sri Lankan delegation seeks to strip away all references to implement the report's recommendations, including international participation in a justice mechanism and ending impunity,"

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- **Portfolios and functions of Ministers gazetted; CBSL, SEC, ETF under PM**

Sri Lanka's Prime Minister Ranil Wickremesinghe has taken several important financial institutions under his purview, as per the gazette notification published on the subjects under each minister.

The Prime Minister as the Policy Planning and Economic Affairs Minister has taken the Central Bank, the Securities and Exchange Commission, the Employees Trust Fund and CRIB under his purview.

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- **Germany to help revive GSP+ for Sri Lanka: Visiting Foreign Minister**

Germany would lead the European Union to revive the GSP+ relief for Sri Lanka, the German Foreign Minister said in a statement.

"I will take action in that regard, in coordination with the Foreign Ministry of Sri Lanka," Frank Steinmeier, foreign minister of Germany said when he called on President Maithripala Sirisena, Tuesday.

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- **Govt. asks UN, US to allow it to conduct domestic probe sans hybrid court**

The government had requested the UN Human Rights Council in Geneva and US State Department to allow it to conduct a domestic war crimes probe instead of setting up a hybrid court with international judges, Justice and Buddha Sasana Minister Wijeyadasa Rajapakshe said yesterday.

The government had handed over copies of the written request to the high commissions and embassies in Colombo to be sent to the heads of state of the 47-member states of the UNHRC, the Minister told The Island.

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- **IMF says Sri Lanka monetary policy appropriate, aim for tightening bias**

The International Monetary Fund believes Sri Lanka's current monetary policy stance to be appropriate and the central bank should look to tighten monetary policy in the future, it said in a statement.

"The mission found the overall financial system stable and current monetary stance appropriate – but recommended vigilance given rising core inflation, the resurgence of private credit, and signs of receding slack in the economy," the IMF said.

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