



REAL - ESTATE NEWS FEED



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1. REAL-ESTATE

- **Opinion: Changing role of real estate firms in former war zone**

The role of a Real Estate firm is expected to be quite simple and straightforward. The Real Estate firm has to sell, rent and lease out as much properties as possible while growing its portfolios of properties.

But think of these scenarios. A client comes to you stating they want your services. They have a property that is occupied by their former gardener of the premises. He is refusing to leave, could you please do something to get him to leave?

Another client says he has a property, which he suspects has some unexploded land mines in it. Could you please clear his property of it?

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- **Starwood Hotels eyeing more properties in Sri Lanka**

Starwood Hotels & Resorts Worldwide, Inc. is considering having more properties in Sri Lanka, including on the east coast, with a resort on the west coast to open this year, an official said.

The firm, one of the top hotel and leisure companies in the world, aims to open the Sheraton Kosgoda Turtle Beach Resort in October this year, in a deal with Browns Investments.

Dilip Puri, Managing Director - India and Regional VP - South Asia of Starwood Hotels and Resorts, said Sri Lanka could eventually see the entry of all Starwood hotel brands.

[Read more](#)



- **Overseas Realty maintains Rs 3 billion profit in 2015**

Completing another successful financial year, Overseas Realty (Ceylon) PLC recorded a Group Net Profit of Rs 3 Billion for 2015 despite lower revenue.

Revenue from Property Leasing grew by 11% to Rs 1.96Bn in comparison with last year, with high Occupancy levels and higher Rentals at the World Trade Center (WTC). The Company expects to maintain good occupancy levels during 2016. Revenue from Other Services contributed an increase of 98% to Rs 206Mn. However Revenue from Apartment Sales reduced from Rs 4.3Bn to Rs 0.97Bn with the remaining Sales of Phase 2 being recognized during 2015.

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- **Two elevated highways to link Kelaniya, Colombo, Rajagiriya**

The Cabinet of Ministers yesterday approved the proposal for the construction of two elevated highways, aimed at reducing the traffic congestion within the city of Colombo, the Ministry of Higher Education and Highways said.

One elevated highway, with a distance of 6.9km and consisting of 4 lanes, will be constructed from the Kelaniya Bridge to Rajagiriya and will connect to Battaramulla, Malabe, Athurugiriya and the Outer Circular Expressway.

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- **China positive on trade, investment says Malik after visit**

China is positive about Sri Lanka's prospects as a strategically located platform for trade, investment and tourism, a statement issued following Minister Malik Samarawickrama's recent visit to China said.

"They saw opportunities for strengthening bilateral cooperation and looked forward to Prime Minister Ranil Wickramasinghe's visit to China in April to take the relationship to a new level," Malik Samarawickrama, Minister of Development Strategies and International Trade said.

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- **Sri Lanka to build elevated highway network in Colombo**

The cabinet nod has been given to construct an elevated highways network in Colombo to reduce the traffic congestion and to build the road connectivity suburbs and expressways.

It has been proposed to construct a road of 6.9 km long with 4 lanes from New Kelani Bridge to Rajagiriya.

It will be connected with the Outer Circular Highway in the second phase and the northern end will connect to the Katunayake Expressway.

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- **Sri Lanka seeks ADB funding for US\$250mn elevated highway**

Sri Lanka is seeking finance from the Asian Development Bank for a 250 million US dollar elevated expressway in the capital Colombo, Minister Gayantha Karunathilake said.

The cabinet of ministers had approved a proposal by Highways Minister Lakshman Kiriella to build the road between New Kelani Bridge in Peliyagoda and Colombo's Fort area, he said.

[Read more](#)

2. ECONOMY

- **Fitch downgrades Sri Lanka rating to 'B+' on external debt**

Fitch Ratings has downgraded Sri Lanka's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) one notch to 'B+' from 'BB-'.

A Negative Outlook has been assigned to the IDRs. The issue ratings on Sri Lanka's senior unsecured foreign- and local-currency bonds are also downgraded to 'B+' from 'BB-'. The Country Ceiling is downgraded to 'B+' from 'BB-' and the Short-Term Foreign-Currency IDR is affirmed at 'B'.

Fitch said the rating action reflects increasing refinancing risks.

"The Sri Lankan sovereign faces increased refinancing risks on account of high upcoming external debt maturities. Further, the sovereign's external liquidity position remains strained, reflecting pressure on foreign exchange reserves."

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- **Sri Lanka finds more hidden dues of past regime: Ravi Karunanayake**

Sri Lanka has uncovered more dues of the past regime which will affect public finance, Finance Minister Ravi Karunanayake said.

According to Karunanayake, Minister S.B. Dissanayake's ministry has recently revealed that they have a burden on bills to pay an additional 5,423 million rupees.

With this new addition government has to pay a total of 1,151 billion rupees as unpaid bills of the previous regime.

The minister said that out of this amount, around 60 percent would be foreign debt.

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- **Downgrade debacle!**

Delivering a major blow to the unity Government, Fitch yesterday downgraded Sri Lanka's ratings to B+ Outlook Negative from BB- on account of increasing refinancing risks, growing debts and decline of reserves.

Under the new ratings Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) changed to 'B+' from 'BB-'. A Negative Outlook has been assigned to the IDRs, Fitch noted in a statement. The issue ratings on Sri Lanka's senior unsecured foreign- and local-currency bonds are also downgraded to 'B+' from 'BB-'. The Country Ceiling is downgraded to 'B+' from 'BB-' and the Short-Term Foreign-Currency IDR is affirmed at 'B'.

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- **Finance to fight poverty**

Fighting poverty with new weapons, the Central Bank is planning to link freehold land titles with a slew of measures to expand financial inclusion by funnelling a larger share of bank deposits to loans for rural customers.

Central Bank Governor Arjuna Mahendran told reporters recently that the bank was considering introducing a law, similar to the US, where banks have to give 35% of its deposits in loans to areas where they are sourced from. The step, if implemented, would increase microfinance opportunities for entrepreneurs and encourage business expansion.

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- **ETCA panic unfounded - State Minister**

"The Proposed Economic and Technical Agreement (ETCA) with India needs to be viewed beyond the vilifying exaggerations made against it. These allegations are made for quick political mileage. ETCA is portrayed as an agreement that will swallow professions and services of Sri Lanka. In fact, the services it covers are highly specialized and of niche in nature, like under-sea welding of ships and vessels, for example," Senasinghe said.

The proposed Economic and Technical Agreement (ETCA) with India needs to be viewed beyond the vilifying exaggerations made against it for quick political mileage, International Trade State Minister Sujeewa Senasinghe said.

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- **Sri Lanka to face uncertainties if oil rebounds**

The Asian Development Bank in their 2015 report on economic progress for South East Asia said although developing countries in Asia will grow 6.3 percent 2015 into 2016, a prediction that oil prices will progressively rebound would result in inflation picking up by 3.0 percent in 2016.

Sri Lanka within the vortex of developing countries in Asia, will face an unhealthy situation, contingent upon an increase in oil prices.

Recent tea brokers weekly reports reported a higgledy piggledy situation with declining tea prices at the Colombo Auctions. They did not hold out or subscribe to any improvement in prices that could arrest very nearly a declining price trend that has not yet reached a bottom line.

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- **CB urges banks to increase SME lending up to 25%**

The Central Bank yesterday urged banks to step up lending to small and medium enterprises (SMEs) with the aim of empowering the backbone of the economy.

The call for more financial support for SMEs comes as the Government is planning to launch a national SME Policy Framework.

Central Bank Governor Arjuna Mahendran said access to finance is of paramount importance, adding that the banking sector should aim at increasing its total loan disbursements to the SMEs sector to at least 25%, up from “an insufficient” 19% at present.

[Read more](#)

- **PM-led Cabinet Committee on Economic Management to get more power**

The Cabinet Committee on Economic Management (CEM) headed by the Prime Minister has received new powers to fast-track investment projects.

The CEM was established to make recommendations to the Cabinet of Ministers on implementation of laws and related subjects concerning economic affairs, monetary and financial policy, national investment program, facilitating private sector investments, investments and economic development of the country.

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3. INTERNATIONAL

- **LOLC Group invests US\$35 mn in four Male hotels**

LOLC Group will invest on star class hotels and apartments in the Maldives under their associated company, Browns Hotels & Resorts. Construction will begin this year.

LOLC Managing Director and CEO Kapila Jayawardene told 'Daily News' that they have already obtained land for the four projects on long term leases.

He said that they will build one business hotel in the capital Male. This will offer both apartments and rooms and will be a mixed development project and planned to be built and operated through a partner in the Maldives. "We see a demand for long stay guests in the Maldivian capital and this is the reason why we invested in an apartment style hotel."

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