

REAL - ESTATE NEWS FEED



JUNE 17

TO

JUNE 21

HIGHLIGHTS

1. REAL-ESTATE

- Sri Lanka's real estate and construction industries continue stoically, post Easter Attack - [Read More](#)
- Ocean Front Condos by ICC a foreign investor's route to SL's booming real estate - [Read More](#)
- The Veranda Offices starts weaving creative magic in Colombo 2 - [Read More](#)
- ICC to invest Rs. 4 bn to develop Oceanfront Condo Galle - [Read more](#)
- Tenders must be called for all contracts funded by China - [Read More](#)

2. ECONOMY

- Sri Lanka's 1Q economy picks up to 3.5%, says Mangala - [Read More](#)
- SL needs to invest Rs. 30 bn to achieve biodiversity targets - [Read more](#)
- Moody's revises SL's growth to 2.6% - [Read More](#)
- Global markets: Stocks rally, bond yields dive as Fed fuels easing hopes- [Read More](#)
- CSE at 1-week low on foreign selling; rupee weakens - [Read More](#)

3. INTERNATIONAL

- London's Real Estate Market Won't be Repaired by Brexit Conclusion - [Read More](#)
- Prime London real estate dominated by Chinese, US buyers - [Read More](#)
- Pre-sale condo buyers back out of contracts as market slows in Lower Mainland - [Read More](#)

1. REAL-ESTATE

- **Sri Lanka's real estate and construction industries continue stoically, post Easter Attack**

Sri Lanka's construction sector which ranks as the 5th highest in the nation's GDP earnings, after services, manufacturing, agriculture and utilities, continues unhindered. The sector reports continued interest from local and international buyers who believe 'Sri Lanka will bounce back', from the recent Easter Sunday attacks that took place on 21 April.

Elysian Realty Ltd. Head of Sales and Marketing Buddhika Jayasinghe, commenting on the current state of real estate in Sri Lanka, noted, "Sri Lanka is a nation of diversity, it is a nation of tolerance and learning, it is a nation that has overcome adversity starting from its independence in 1948. We are a land like none other, that has been gifted with so many natural resources, free education, free healthcare, the opportunity to grow and learn in a truly diverse atmosphere, and we are all proud to be Sri Lankan. It is with this understanding and maturity that we as a nation will continue to rebuild, show compassion and kindness and continue to make our nation great. Speaking on behalf of Elysian Realty, I strongly confirm that we will continue to trust in our partners and stakeholders, regardless of race, religion or class. We will continue forward, as a vigilant nation putting safety above all else, striving for continued growth for our nation as a whole."

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- **Ocean Front Condos by ICC a foreign investor's route to SL's booming real estate**

Sri Lanka is moving full steam ahead in promoting its economic status to the next level, and with that opening up are a plethora of opportunities to be a part of its growth story.

Easing up controls and paving the way for development, the stage has been set for both, locals and foreigners, to invest in the fast progressing island nation. Sri Lanka's urbanization expected to amplify from 0.3 to 3-4% in the next 15 years, coupled with uplifting of the hard infrastructure, which includes a more structured road network, has made the real estate space an attractive avenue for investing in the country.

While most countries have restrictions in place for the ownership of properties by foreign investors, Sri Lanka has successfully moved past that stance and has paved the way to accommodate foreign participation in the budding real estate landscape.

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- **The Veranda Offices starts weaving creative magic in Colombo 2**

Sri Lanka's stunning The Veranda Offices, an innovative Colombo 2 mixed use office space that stands out with its eye-catching gridded façade based on local weaving patterns, is currently nearing completion. This one-of-a-kind project is spearheaded by Moot Manor Ltd. (M2M), with office space currently on display to prospective tenants. Visit www.m2m.lk or email mootmanor@gmail.com for information.

Rising up eight floors, this 12,000-square-metre building, which was conceived by globally lauded design studio MVRDV, offers an eclectic mix of office spaces combined with a cafe and an events pavilion, all of which is just a stone's throw away from entertainment and cultural hub Park Street Mews – Colombo's fabled 'street of vogue'.

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- **ICC to invest Rs. 4 bn to develop Oceanfront Condo Galle**

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While preserving the rich history and unique architecture brought about by the Dutch era, the picturesque city of Galle continues to receive a facelift, bringing in modernized infrastructure.

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- **Tenders must be called for all contracts funded by China**

At the 10th International Infrastructure Investment & Construction Forum held in Macau, China on 30– 31 May, the Chamber of Construction Industry Sri Lanka (CCISL) was privileged to be elected to head the Rotating Secretariat for the current year. This forum, attended by nearly 2000 delegates, including Ministers from 60 countries, was

organised for the 10th consecutive year by the China International Contractors Association. At this forum, assuming the Rotating Secretariat, CCISL President Eng. Maj. Ranjith Gunatilleke insisted that “to ensure principles of good governance, in future, all projects funded by China should be awarded after a process of competitive tendering, at least among the Chinese contractors.” This request was well received by the Senior Government and Bank Officials of China who were present at the forum.

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2. ECONOMY

- **Sri Lanka's 1Q economy picks up to 3.5%, says Mangala**

Growth in Sri Lanka's economy picked up to 3.5% in the first quarter from 1.8% in the previous three-month period, Finance Minister Mangala Samaraweera said yesterday.

Economic growth in the island nation's 2018 fourth quarter had slowed to a nearly four-year low as a 51-day political crisis took a toll on the industrial sector. The political crisis created panic and uncertainty among investors, who dumped Sri Lankan Government bonds and other assets, sending the rupee currency to record lows.

The industrial sector, accounting for more than a quarter of the economy, had contracted 3.6% in the fourth quarter of 2018.

"Under our Government, we took the real growth to the villages... the economy in the first quarter grew at 3.5% against 1.8% last quarter, which was hit due to the political crisis," Samaraweera told Parliament.

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- **SL needs to invest Rs. 30 bn to achieve biodiversity targets**

Sri Lanka needs to invest Rs. 30 billion over the next five years to achieve national biodiversity targets and to avoid future expenses related to biodiversity restoration and management, according to the Roadmap for Sustainable Finance report.

The country may face a 1.2 percent loss of annual GDP by 2050 if effective measures are not taken to address climate change related issues, International Finance Corporation, Country officer for Sri Lanka and the Maldives Victor Anthonypillai said at the launch of the report by Central Bank of Sri Lanka (CBSL) in Colombo yesterday.

Sri Lanka is one of the biodiversity hotspots in the world and also has been ranked second among the countries most affected by extreme weather events in 20 years since 1998. In an ambitious drive to create a more resilient, sustainable and green economy and a country for future generation, the Central Bank launched a Roadmap for Sustainable Finance in Sri Lanka at the CBSL, Colombo yesterday.

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- **Moody's revises SL's growth to 2.6%**

Ratings agency Moody's yesterday revised Sri Lanka's growth to 2.6% for 2019, down from 3.4% before the Easter Sunday attacks, and warned that the country faces numerous domestic and external obstacles that could pose challenges to refinance its large upcoming debt obligations.

In a new report, Moody's explores the implications of the country's financing needs and options, the recent terrorist attacks, and upcoming elections for Sri Lanka's credit profile. However, it said growth could recover to 3.4% in 2020. "The primary challenge facing Sri Lanka is its large external debt refinancing needs over the next five years, with over \$3 billion principal payable annually on external Government debt over 2020-2024," says Matthew Circosta, a Moody's Analyst.

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- **Global markets: Stocks rally, bond yields dive as Fed fuels easing hopes**

Asian stock markets rallied on Thursday while the dollar dropped and global bond yields plunged, with the 10-year US yield falling below 2%, after the Federal Reserve signalled possible interest rate cuts later this year.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.92%, led by gains in China, while Tokyo's Nikkei advanced 0.67%.

European stock futures point to gains of up to 0.5% for markets there.

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- **CSE at 1-week low on foreign selling; rupee weakens**

Sri Lankan shares dropped to a one-week low yesterday as foreign investors exited from the island nation's risky assets, while the rupee ended weaker on dollar demand from importers.

The benchmark stock index ended 0.17% weaker at 5,375.60, its lowest close since 11 June. The bourse rose 1.61% last week, but has dropped 11.18% so far this year.

Sri Lanka Finance Minister Mangala Samaraweera yesterday said the economy grew at 3.5% in the first quarter recovering from 1.8% in the previous quarter.

The Central Bank cut its key interest rates on 31 May to support a faltering economy as overall business and consumer confidence slumped following deadly bomb attacks in April.

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3. INTERNATIONAL

- **London's Real Estate Market Won't be Repaired by Brexit Conclusion**

A resolution to Brexit won't be enough to solve prime central London's real estate woes as the market continued to be pained by tight supply and falling prices in the first quarter of the year, according to a report Tuesday from Cluttons.

Average property values across prime central London in the first quarter were 8.6% lower than the same time in 2018. However, quarterly price drops have eased compared to the final quarter of last year, falling just 1.4%, the London-based property consultants said.

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- **Prime London real estate dominated by Chinese, US buyers**

Real estate investors are taking advantage of a weakened pound, with buyers from the United States spending on average more than \$9 billion in the prime central London residential market.

According to Knight Frank, U.S. buyers make up 6 percent of foreign purchasers in prime central London, second only to Chinese investors in 2019. Over the last decade, the U.S. has averaged as the fifth largest source of foreign buyers in London.

"U.S. buyers have been long-term players in the prime London residential market," said Liam Bailey, global head of research at Knight Frank, London. "While the weak pound has undoubtedly aided the recent surge in demand from dollar based purchasers, the real driver has been the strength of the London economy over the past two years.

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- **Pre-sale condo buyers back out of contracts as market slows in Lower Mainland**

When the market was hot, people lined up overnight to get their hands on pre-sale condominiums. Now that the housing market in B.C.'s Lower Mainland has cooled, some buyers are trying to back out of their contracts — unable to obtain the financing they need.

A Vancouver lawyer says clients are coming to him several times a week hoping he can help find loopholes to get out of buying units they signed onto several years ago.

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