



## **REAL - ESTATE NEWS FEED**



**JULY 15**

**TO**

**JULY 19**

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# 1. REAL-ESTATE

- **Self-powered housing model for low-income families**

The Public Utilities Commission of Sri Lanka (PUCSL), the electricity sector regulator, signed a Memorandum of Understanding (MoU) with the University of Moratuwa, Sri Lanka on Monday to collaborate and introduce a self- powered housing model for low income households with the aim of providing best architectural housing structure with the use of maximum daylight for low income households.

“Energy conservation is one of the functions that PUCSL is empowered with by the Sri Lanka Electricity Act and we have taken regulatory measures over the past years to promote energy conservation to stabilise increasing energy demand in Sri Lanka,” Public Utilities Commission of Sri Lanka Chairman Saliya Mathew said at the signing ceremony of the MoU.

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- **Sri Lanka real estate regains momentum with international and expat markets**

Following recent marketing efforts by industry leaders as well as by the Sri Lanka Tourism Board Authority (SLTBA), Sri Lanka’s many affected industries including tourism, real estate and construction have begun to see a slow regain in momentum.

Following on from the recent Sri Lanka Easter attacks, several industries, alongside travel and tourism, namely real estate and construction, aviation, and several more were severely affected with a notable drastic decline in enquiries and sales, both locally and internationally.

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- **Global construction aggregates market set to hit \$623b by 2029**

The global construction aggregates market was pegged at more than \$331 billion in terms of value at the end of 2019, and is set to hit nearly \$623 billion in the next 10 years growing at a compound annual growth rate (CAGR) of 6%, according to a report by leading consulting firm Persistence Market Research.

This is mainly due to the initiative of regional governments in emerging countries who are focusing on achieving continuous upgradation to address infrastructural shortfalls and improve education and healthcare systems and water and sanitation.

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- **Norwegian Embassy first to take up residence at new creative space, The Veranda Offices**

The Norwegian Embassy recently signed up with Moot Manor Ltd., becoming the first occupants of the soon to be completed M2M Veranda Offices in Colombo 2.

The Ambassador and the First Secretary of the Norwegian Embassy visited the site of M2M Veranda Offices, located at the intersection of W.A.D. Ramanayake Mawatha and Hunupitiya Road, connected by a walkway to the vibrant Park Street Mews in Colombo 2.

The Embassy plans to start the process of fitting out the premises from 1 August. The process of finding project managers, building contractors and material suppliers is set to begin soon.

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- **Serenia Residences delivers exquisite interior finishes with completion in December**

Serenia Residences, a beachfront development along the 'Golden Mile' in Talpe, Galle is to-date the only southern coastal development to deliver on its promise and complete its construction on schedule.

"Since the construction launch in October 2018 which was a mere nine months ago, we are only a few days away from completing the superstructure work and we are on track to complete the project as scheduled in December 2019. It is with great pride that we can lay claim to the above achievement being the only development along the Southern coast to be on track and finish a project on time," said Serenia Ltd. Executive Director Strategic Design and Marketing Sabina Karunanayake.

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- **Colombo to get US \$ 4mn entertainment park**

State-run investment promotion agency, Board of Investment (BOI) yesterday said it had signed an investment agreement with a foreign firm to set up an entertainment park in the suburbs of Colombo.

BOI said Fantasy Island (Pvt) Ltd. will invest US \$ 4 million to set up the entertainment park at Waters Edge, Battaramulla within 12 months.

"We believe in the local and international tourism industry of Sri Lanka," said Alexander Melchers, Managing Director of the Melchers Group in South-East Asia and founding investor.

"I am very confident in the business outlook in Sri Lanka. We represent German, Singaporean, and Swiss investors who believe in the long-term potential of Sri Lanka. We are very impressed with the support of the BOI in the process to set up the investment companies," he added.

Fantasy Island is eyeing to become Colombo's premier family entertainment centre and will feature a 40-metre Ferris wheel, an indoor snow experience, and a big water play area including waterslides.

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## 2. ECONOMY

- **Exports rebound in May**

Exports bounced back in May, posting a 4% gain from a year earlier and dismal 0.4% growth in April, whilst declining imports helped narrow the country's trade deficit.

As per the latest data from the Central Bank, exports grew by 4% to \$ 961 million, with imports declining 3.9% to \$ 1.7 billion, helping the trade deficit to narrow to \$ 823 million from \$ 933 million. The current account recorded a surplus of \$ 423 million in the first quarter of 2019, as against a deficit of \$ 587 million in the corresponding period of 2018, mainly driven by the significant contraction of the trade deficit.

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- **Tourism earnings drop by 71% in May**

As a direct impact of the Easter Sunday tragedy, earnings from tourism in May have plunged by 70.8% to \$ 71 million from \$ 243 million a year earlier.

The drastic drop has forced cumulative first five months earnings from tourism to decline by 7.1% to \$ 1.77 billion. In April, tourism earnings were down 7.5% to \$ 313 million whilst cumulative figures showed a 2.2% gain to \$ 1.7 billion.

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- **Bond market sentiment remains positive for 4th consecutive week**

The secondary bond market remained positive during the week ending 12 July with yields continuing to decrease, reflecting a downward shift of the overall yield curve, fuelled by the outcome of the weekly Treasury bill auction where the 364 day bill average yield decreased for a fourth consecutive week to 8.54%.

The market also witnessed the return of foreign buying with an inflow of Rs. 2.67 billion, reversing an outflow witnessed during the previous week.

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- **Australia to assist Lanka's tourism and cottage industry development**

Australia has been providing around US\$ 19 million annually for tourism sector; cottage industry development in Sri Lanka, Australian High Commissioner to Sri Lanka & Maldives, David Holly told the Sri Lanka Australia New Zealand Business Council (SLANZBC) AGM at Cinnamon Grand on Thursday. He said that these were mainly to train handicraft, handloom and other such creative people who could manufacture and sell them for the tourism sector. "We are also actively conducting workshops and training youth in the North East in self-employment projects," he said.

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### 3. INTERNATIONAL

- **Foreign Investment in U.S. Residential Real Estate Down**

Foreign buyers are buying fewer existing homes in the U.S., according to a survey released by the National Association of Realtors (NAR).

Measuring the period between April 2018 through March 2019, NAR determined \$77.9 billion worth of U.S. existing homes, down 36 percent from the \$121 billion level of the previous 12-month period. Non-resident foreign buyers accounted for \$33.2 billion of U.S. existing-home sales, down 37 percent decline from the prior level of \$53 billion. Resident foreign buyers—defined by NAR as recent immigrants—purchased \$44.7 billion of residential property, a 34 percent decline from the prior level of \$67.9 billion). Foreign buyers were able to buy 183,100 properties at an average price of \$426,100—in the previous 12-month period, they purchased 266,800 residential properties.

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- **The hottest US states for foreign real estate investors**

U.S. homebuyers haven't been overly enthusiastic about jumping into the [housing](#) market – despite a strong [U.S. economy](#) – but some foreign investors are still zeroing in on opportunities in certain states.

Overall foreign investment in U.S. residential real estate declined between April 2018 and March 2019, but China and Canada topped the list of non-domestic buyers, according to a new survey from the [National Association of Realtors](#) (NAR).

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- **Draft Tenancy Act can boost rental housing**

Two days after the Centre released the Model Tenancy Act 2019, realty sector experts said that the draft will lay a roadmap for national rental housing, which can gain traction with a conducive policy framework that will attract corporate players to provide service apartments for their employees.

At the same time, they believe that while there are many common as well region-specific reasons for property owners being averse to renting out their homes, there is definitely a need for the government to throw policy-backed weight behind rental contract enforcement and property rights.

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- **China home price growth cools in June, but investment quickens**

Growth in China's new home prices cooled in June as sales shrank for a second month, but building starts and investment quickened, providing a cushion for the slowing economy while Beijing claims some wins in reducing market froth.

Average new home prices in China's 70 major cities grew 0.6% in June from a month earlier, easing from a 0.7% gain in May, according to Reuters calculations based on National Bureau of Statistics (NBS) data on Monday.

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- **China's economy grows at slowest pace since 1990s**

In the three months to June, the economy grew 6.2% from a year earlier. The result was in line with forecasts.

China has moved to stimulate its economy this year by boosting spending and delivering tax cuts.

The world's second largest economy has also been fighting a trade war with the US which has weighed on global trade.

The data released on Monday showed China's economic growth rate slowed in the second quarter from a rate of **6.4% in the first three months of the year.**

The country's rate of expansion has raised worries about the potential knock-on effect on the global economy.

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- **Asking prices fell in England and Wales in the 12 months to July 2019**

Asking prices fell by 0.4% in the year to July 2019 in England and Wales but in London and elsewhere there are signs of an improvement in the housing market, according to the latest index report.

Month on month asking prices rose in all English regions except the West Midlands where there was no change, and in Wales and Scotland driven mainly by aspiration and tightening supply but not increasing demand, says the report from [Home.co.uk](http://Home.co.uk).

Month on month prices in England and Wales increased by 0.3%. But the annual figure is much weaker. In the 12 months to July 2018 the growth was 1.3% but now it is negative.

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