



REAL - ESTATE NEWS FEED



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1. REAL-ESTATE

- **International Construction Consortium brings Oceanfront Condominiums to Galle**

International Construction Consortium brings Oceanfront Condominiums Galle, a luxury beachfront serviced apartments featuring a courtyard, freshwater swimming pool, restaurant and etc. Coming up in 2020 with the whole home-stay concept which not only makes a perfect stay but also makes a sound real estate investment which would help reap the benefits of the booming tourism in Galle. Strategically located and the destination being a favorite among tourists, Oceanfront Galle is an experience you should own for the rest of your life.

Picturesquely nestled on Sri Lanka's southwest coast, Galle is one of the cities that put the country under fresh spotlight for its scenic sites and unique architecture.

Founded by Portuguese colonists, the city wears its history on its sleeve and has a unique story to tell. One is far from being bored; in fact no amount of time is enough to satisfy the craving for Galle.

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- **4th PropertyGuru Asia Property Awards (Sri Lanka) searches for best of South Asia's island markets**

On the heels of a successful third edition last year, the PropertyGuru Asia Property Awards (Sri Lanka) yesterday announced its key dates for the 2020 edition.

The 4th Annual PropertyGuru Asia Property Awards (Sri Lanka) marks the return of Asia's esteemed real estate awards program to the island nation, which is in the process of rebuilding after the Easter Sunday attack last year.

A black-tie gala dinner and awards ceremony celebrating the best of the best properties and developers in and around the island nation will take place on Friday 17 July, at the Shangri-La Colombo.

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- **Prime Group extends property portfolio with newest offering Beach Front II**

Top Sri Lankan property developer the Prime Group will add to its award-winning and eclectic range of apartments with Beach Front II – Uswetakeiyawa, a serene condominium located in Wattala which delivers ample comfort and relaxation.

Hugging a scenic stretch of coastline, Beach Front II houses 116 one-, two-, three- and four-bedroom apartments that offer residents the versatility of a second home away from Colombo's bustle, armed with multiple amenities.

These include 24-hour security complete with CCTV surveillance of common areas and elevators with restricted access, fully air-conditioned dual-key apartments equipped with a mini-pantry, a rentable room and high-quality kitchen appliances such as an induction hob and built-in oven.

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- **Passenger boat service between Wellawatta and Battaramulla launched**

A new passenger boat service between Wellawatta and Battaramulla was launched today (11) under the patronage of the Secretary, Ministry of Urban Development, Water Supply and Housing Facilities Dr Priyath Bandu Wickrama

The boat service was launched as a way to minimize severe traffic congestion in Colombo.

The boat service covers a distance of 7.5km and concludes in as little as 30 minutes. The cost of a ticket is just Rs 60.

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- **Favourable outlook for real estate sector with uptrend in vertical living**

ICRA Lanka, a part of Moody's Investors Service, assigned a bullish outlook to Sri Lanka's burgeoning real estate sector with higher prospects for vertical living being envisaged with limited availability of land.

In a rating report on Prime Lands Residencies (Pvt) Limited, a part of Prime Group, the rating agency said the limited land availability, favourable demographics stoking demand for housing and the rising middle income class would act as important catalyst to drive the real estate sector in the short to medium term.

"The real-estate sector in Sri Lanka is expected to have a favourable long-term outlook given the constrained land availability, favourable demographics of the island and the growth in the per capita income levels," ICRA Lanka stated.

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- **BIA Phase 2 development project to begin soon**

The much awaited and long overdue Bandaranaike International Airport phase two development project will finally commence in three months and will be completed in three years Airport said Aviation Services Ltd, (AASL) Chairman G.A. Chandrasiri said.

The project will be built by Taisei Corporation of Japan and will consist of the construction of new multilevel terminal building, Pier no 2 and Pier no 3 with a link concourse, new parking apron and taxiways, elevated access roads, multistory car park and public utilities.

Taisei has been involved in the building of all major airports in Japan and many other countries and have also built the Olympic stadium in Japan.

Chandrasiri said that the project was initially to commence in 2014 but was stalled by the previous government resulting in huge loss to the country and also having to pay damages to the construction company. "However after the change of government the decision was taken to go ahead with the project which is a dire need of the country and fresh approach was made and the deal is now been signed."

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2. ECONOMY

- **CB profit transfers lift money market liquidity; Jan. credit to govt. spikes**

Profit transfers from the Central Bank during February propelled the market liquidity in the overnight money market while the banks lent heavily to the government via treasury bills and bonds in the month earlier, as demand for private sector credit is yet to return to a meaningful level.

The Central Bank in February transferred Rs.24 billion profits, bringing up the total outstanding money market liquidity to a surplus of Rs.41 billion by the end of last week, from a deficit of Rs.5.5 billion on February 7, after hitting a weekly peak of Rs.48 billion on February 28.

Besides that profit transfer, banks parked Rs.35.1 billion at the Central Bank's standing deposit facility window on March 6, which also helped the overnight liquidity.

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- **Sri Lanka rupee quoted weaker, bond yields up**

Sri Lanka's rupee was quoted weaker at 182.40/50 to the US dollar in the spot market on Monday while bond yields gained, dealers said.

The rupee ended at 181.85/00 to the greenback on Tuesday.

In the government securities market, bond yields gained in active trade while 2024 maturities remained the most liquid, dealers said.

Dealers said there was considerable selling pressure in the market.

World oil prices crashed on Monday, fueling a vicious selloff on stock markets that were already buckling from the spreading coronavirus outbreak.

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- **Business confidence continues to trend down**

The LMD-Nielsen Business Confidence Index (BCI) declined for the second consecutive month, recording a substantial drop of 21 basis points to 153 in February. Despite this however, LMD points out that the index registered 115 a year ago while its average for the last 12 months stands at 108. According to Nielsen's Director – Consumer Insights Therica Miyanadeniya, “businesspeople and citizens are now settling down, and facing the realities of their everyday existence” in the context of “little or no new economic policies, and the fear of the coronavirus gripping the nation”.

She continues: “There was a drop in imports... and the seventh tranche of the IMF's Extended Fund Facility (EFF) helped the balance of payments to a certain extent, minimising the impact of a drop in earnings from tourism and remittances flowing into the country.”

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- **Stocks fall amid coronavirus fears; trading halts as market plunges**

The benchmark index, ASPI recorded a drop of 221 points and closed at 5,122 recording a near eight-year low.

Following the trend witnessed in US markets, a circuit breaker was triggered with the S&P SL index falling by 5% within the first 15 minutes of trading and was uplifted after a halt of 30 minutes yesterday.

Thereafter, ASPI continued on its downward trend primarily dragged down by CCS and JKH. Market continued to experience a net foreign outflow, recording a foreign participation of 54%, First Capital said in a report.

The Colombo Stock Exchange had trading halted for 30 minutes yesterday following a decline in the S&P 20 index exceeding five percent. Before the closure turnover was dominated by Access Engineering which saw a 14 percent decline in the share price. At the time just before the crash the S&P SL20 was down 119.9 points representing 4.89 percent of its value and the ASI was down 195.31 representing 3.66 percent of its value. The market resumed trading later in the day.

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- **Colombo Bourse loses Rs. 103 b in value**

The Colombo stock market yesterday saw Rs. 103 billion in value wiped off with the key price index plunging to a near 8-year low after external shocks-led panic-selling triggered the circuit breaker of S&P SL 20 index, forcing market halt for half an hour.

In a day of heightened concern and confusion, the market opened after the Poya holiday on Monday only to suffer a 5% crash of the active S&P SL20 index within 15 minutes of trading. The crash was largely influenced by how global markets reacted on Monday, after oil prices suffered its sharpest drop since the 1991 Gulf war, following action by Saudi Arabia as well as more adverse developments on the coronavirus epidemic.

The crash of S&P SL20 resulted in a market halt for 30 minutes, and both indices continued to decline thereafter. The previous occasion the market saw a circuit breaker was on 12 October 2010.

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- **Cash-starved construction industry appeals for Govt. support**

Construction industry stakeholders yesterday appealed to the Government to pay an estimated Rs. 400 billion owing to hundreds of companies, many of them Small and Medium Enterprises (SMEs), and suspend deducting liquidated damages from overextended projects to assist the cash-starved sector.

The Ceylon Institute of Builders (CIOB) said they had already appealed for the Government to implement a suspension of deductions from contractors for liquidated damages, as many projects had been overextended due to issues beyond the control of contractors.

“We have raised this issue with top members of the Government. Construction companies have been badly affected by a slew of problems, including the non-payment of dues and difficulty in obtaining raw material at competitive prices. As a result, projects have not been completed on time. However, most contracts do not have provisions for extensions or accommodation of price increases. This is a major issue. Deduction of liquidated damages in such a situation is deeply problematic for many companies and we have appealed for this cost to be either refunded or suspended,” CIOB Vice President Ruwan de Silva told Daily FT.

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- **Sri Lanka stock trading halted after 5-pct plunge over COVID19**

Trading at Sri Lanka's Colombo Stock Exchange was halted for 30 minutes Thursday after Standard and Poor's Sri Lanka 20 Index of liquid stocks plunged 5 percent as investors followed global markets down.

The S & P SL 20 Index fell 121 points to 2,284 points while the benchmark All Share Point Index was down 212 points to 5008 points.

On Wednesday Sri Lanka's stocks recovered from an eight year low a day earlier, when trading was also halted.

But renewed Coronavirus restrictions in the West which unsettled global markets have also spooked domestic investors, brokers said.

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- **Hotel room occupancy levels plunge below 40% as coronavirus fears bite**

Sri Lanka's hotel room occupancy levels have plunged below 40 percent amid the spread of coronavirus (COVID-19) in several key tourism markets of the country and global and local travel restrictions.

Speaking to Mirror Business, Colombo City Tourist Hotels Association (CCTHA) President and Vice President of Hotels Association of Sri Lanka (THASL) M. Shanthikumar said the current occupancy level at Colombo City hotels has fallen in the range of 35-40 percent.

THASL CEO Amal Goonetilleke revealed that occupancy level at Colombo City hotels have been averaging around 38 percent so far during the month with cancellations still coming in. Similarly, hoteliers estimate the island wide hotel room occupancy level at 40 percent or below.

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- **Bourse bust: Rs. 86 b in value wiped off again, Rs. 150 b since Friday**

The Colombo stock market yesterday saw a further Rs. 86 billion in value wiped off, bringing the total to a staggering Rs. 150 billion since last Friday as investors reacted negatively to the impact of COVID-19 pandemic largely, globally whilst domestic factors weren't very inspiring.

The S&P SL20 Index crashed by 5% in early trading, second instance in the week, prompting a market halt. By end of trading, the ASPI decreased by 3.55% or 184.97 points to close at 5,019.55, lowest in near 8 years. ASPI hit an intra-day low of 5,009. It is down 18.1% so far this year.

The S&P SL20 Index decreased by 4.66% or 112.11 points. Market capitalisation yesterday was Rs. 2.33 trillion, down from Rs. 2.41 trillion on Wednesday and Rs. 2.48 trillion on Friday.

The investor reaction was owing to global reaction to the COVID-19 pandemic especially in the US and Europe though most markets recovered yesterday. This prompted some analysts to allege that local investors were displaying an unwarranted knee-jerk reaction. Turnover increased by 19.9% relative to Wednesday to amount to Rs. 514 million while the turnover of Sampath bank accounted for 21.5%.

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3. INTERNATIONAL

- **Coronavirus sparks stock market “Black Monday”**

World shares have suffered their worst day since the financial crisis of 2008 amidst the threat of coronavirus.

Yesterday London’s index of top shares fell by 8%, with the main US financial indexes falling by 7% – sparking fears of a recession.

While the coronavirus’s impact on travel has had an impact, crude oil prices have also fallen by 22% due to a disagreement between Saudi Arabia and Russia on managing supply.

A drop in stock prices in the New York Stock Exchange triggered so-called circuit breakers, which halt trading for 15 minutes to prevent further falls.

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- **House price growth reaches 2.8% amid coronavirus fears**

Annual house price growth reached 2.8% in February, dropping from a high of 4.1% in January, Halifax’s House Price Index has found.

Quarterly growth stands at 2.9%, with monthly prices rising by 0.3%.

Russell Galley, managing director, Halifax, said: “Much like we saw in January, the increases seen in February reflect the continued improvement of key market indicators.

“The sustained level of buyer and seller activity is strong compared to recent years, with positive employment conditions and a competitive mortgage market continuing to support demand.

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- **India's Housing Market Likely To Struggle This Year Amid Sluggish Demand: Poll**

India's housing market is likely to struggle throughout 2020 as sluggish demand and a weak economic outlook overpower recent government measures efforts to boost activity, a poll of market experts by news agency Reuters found. House prices rose 5.7 per cent on average in 2018, the weakest since comparable records began in 2010, and data available for last year suggest a much weaker market despite a rapid-fire succession of interest rate cuts from the Reserve Bank of India (RBI).

The poll of 17 property analysts conducted between February 19 and March 2 showed average house prices predicted to rise 2 per cent this year and 2.5 per cent in 2021. That is well below 3 per cent and 4.25 per cent expected in a poll three months ago and only about a third of the latest reported rate of consumer price inflation.

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