

REAL - ESTATE NEWS FEED



DECEMBER 21

TO

JANUARY 01

HIGHLIGHTS

1. REAL-ESTATE

- Kurunegala- Dambulla Central Expressway soon: PM - [Read more](#)
- Access Engineering completes construction of 608 housing units in Borella - [Read more](#)
- Colombo City Centre Residences successfully hands over apartments to homeowners - [Read more](#)
- Amidst COVID-19 threats Access Engineering initiates housing project at Elliot Place, Borella - [Read more](#)
- New Kelani Bridge project will be completed by July 2021: Johnston - [Read more](#)
- Construction sector says 2021 outlook will be positive if budget promises kept - [Read more](#)

2. ECONOMY

- Market on a mixed note – Acuity Stockbrokers - [Read more](#)
- Activity in secondary bill and bond market slows down - [Read more](#)
- Sri Lanka rupee quoted weaker in spot next, gilt yields unchanged - [Read more](#)
- November national inflation decelerates to 5.2% as demand slacks - [Read more](#)
- 51% accepted at the weekly auction - [Read more](#)
- Sri Lanka stocks end lower - [Read more](#)
- BOI attracts over USD 800 mn FDI in 2020 - [Read more](#)
- Holiday mood keeps activity in secondary bond market at bay - [Read more](#)
- Eureka! First post-COVID tourists set to arrive from Ukraine today - [Read more](#)
- Sri Lanka rupee firmer after intervention - [Read more](#)
- ASPI records growth of 10.5%: Market turnover highest since 2011 - [Read more](#)
- Sovereign bond yields moderate as investors look past pandemic - [Read more](#)
- Colombo stock market ends 2020 with 10.5% gain - [Read more](#)
- Bond yields close the year steady; rupee appreciates - [Read more](#)

3. INTERNATIONAL

- UK and US in talks over mini trade deal - [Read more](#)
- Russia's house price growth gaining momentum - [Read more](#)
- Vietnam's house prices surging - [Read more](#)
- UAE's housing market continues to struggle - [Read more](#)

1. REAL-ESTATE

- **Kurunegala- Dambulla Central Expressway soon: PM**

The extending the Central Expressway (E04) from Kurunegala to Dambulla will be commenced soon, Prime Minister Mahinda Rajapaksa said.

While addressing a meeting organised in Kurunegala, the Prime Minister said the E04 was delayed due to regime changes from time to time. We have inaugurated the construction work of the third stage of the E04 from Pothuhera to Galagedara recently under the E04 acceleration project, he said.

"During the time of our previous Government, we started the expressway projects including the E04," he said. However, people had voted to the United National Party (UNP) to power. But they did not continue the projects which we had initiated.

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- **Access Engineering completes construction of 608 housing units in Borella**

Access Engineering PLC has successfully concluded the design and construction of G+24 -storey building that accommodates 608 residential housing units in Borella.

This project was initiated by the Ministry of Megapolis and Western Development under the guidance of UDA.

The project leads to ensure the government's initiative in making housing more accessible to the public sector employees of Sri Lanka.

Being a primer engineering company in Sri Lanka Access Engineering was the main contractor in this significant project as this was considered to be the first Public-Private Partnership (PPP) initiative undertaken after many years towards encouraging the private sector to involve in more PPP model projects. Access Engineering PLC was responsible over the investigation, design and construction of G+24 storey building that accommodates 608 residential housing units.

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- **Colombo City Centre Residences successfully hands over apartments to homeowners**

The premier mixed development project in Sri Lanka, Colombo City Centre, concluded construction of residences and commenced handing over in August 2020, being the first to do so from the high end development projects in the heart of Colombo during the year 2020, and currently found to be one of the safest investment options in Sri Lanka.

It is noteworthy to mention that Colombo City Centre Residences recorded the highest number of sales amongst the residence projects in Colombo during the peak of the pandemic, and only about 40 more units are now available for purchase, which is most likely to be sold out within the next few months. The mixed development comprises of a total of 192 luxury apartments of 2 BR, 3 BR and Penthouses, an international standard shopping mall and an upcoming international hotel. The support of the corporate powerhouse Abans PLC, who is the main partner in developing this project, saw the project through to completion, amidst turbulent market conditions.

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- **Amidst COVID-19 threats Access Engineering initiates housing project at Elliot Place, Borella**

As one of Sri Lanka's leading premier engineering entities Access Engineering PLC was awarded the design, construction and financing for the housing project at Elliot Place, Borella. The development was initiated by the Urban Development Authority (UDA) in order to facilitate housing facilities for the upper- and middle-income earners towards convenient living.

Access Engineering PLC the specialist main contractor is responsible for designing and constructing of 30 storied (B+G+28) building consisting 400 housing units across two towers. The complex will compromise of three different types of housing units with 2/3-bedroom options along with the necessary common facilities. Moreover, four floors will be allocated for car parking and a slot will be allocated for each housing unit. Disabled parking and visitors parking will also be facilitated along with car charging points and additional tandem parking.

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- **New Kelani Bridge project will be completed by July 2021: Johnston**

The new Kelani bridge project which is Sri Lanka's first ever cable- stayed venture will be completed by July 2021, Highways Minister Johnston Fernando said yesterday.

Minister Fernando said this during an inspection tour he made to monitor the progress of the project.

“This will be Sri Lanka's first bridge that is being constructed on cables.this new Kelani Bridge project is being constructed as the capacity of the existing Kelani Bridge cannot handle the traffic movement which is coming from the Katunayake Airport," the Minister said.

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- **Construction sector says 2021 outlook will be positive if budget promises kept**

The local construction sector is gearing to embrace 2021 with a positive mindset, given the emphasis it received in the 2021 budget but the industry expressed concerns if the plans would be implemented as promised, to give the stakeholders the much sought-after boost.

The Chamber of Construction Industry (CCI) yesterday shared that progress is witnessed and will certainly continue in the coming months, although it is unsure if the positivity that is currently experienced will maintain a steady momentum.

“Based on the pronouncement of the budget, things do look good for the construction sector. Pace of work has picked up and we are expecting a good volume for the next five years as stated by the government. But the reality is a question mark. Will the execution actually happen we wonder,” CCI Secretary General Eng. Nissanka Wijeratne told Mirror Business.

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2. ECONOMY

- **Market on a mixed note – Acuity Stockbrokers**

The Bourse ended the week on a mixed note this week with ASPI increasing by 2.39 points (or 0.04%) to close at 6,616.95 points, while the S&P SL20 Index decreased by 54.86 points (or 2.09%) to close at 2,572.95 points. Browns Investments was the highest contributor to the week's turnover value, contributing LKR 4.00Bn or 27.78% of the total turnover value. JKH followed suit, accounting for 6.03% of turnover (value of LKR 0.87Bn) while Serendib Hotels contributed LKR 0.62Bn to account for 4.33% of the week's turnover. Total turnover value amounted to LKR 14.39Bn (cf. last week's value of LKR 19.60), while daily average turnover value amounted to LKR 2.88Bn (-26.60% W-o-W) compared to last week's average of LKR 3.92Bn. Market capitalization meanwhile, increased by 0.04% W-o-W (or LKR 1.05Mn) to LKR 2,891.73 Bn cf. LKR 2,890.68 Bn last week.

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- **Activity in secondary bill and bond market slows down**

Activity in the secondary bill and bond market slowed down during the week ending 18 December with market participants continuing to be on the side lines.

Limited activity was witnessed consisting of the 15.12.22, 01.09.23, 01.12.24, 15.10.27, 01.07.28 and 15.05.30 maturities at levels of 5.70% to 5.75%, 5.98%, 6.45%, 7.20% to 7.22%, 7.26% to 7.28% and 7.78% to 7.80% respectively, in comparison to the previous weeks closing levels of 5.67/75, 5.90/95, 6.37/44, 7.10/20, 7.25/28 and 7.55/75.

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- **Sri Lanka rupee quoted weaker in spot next, gilt yields unchanged**

Sri Lanka rupee was quoted weaker at 188.00/50 to the US dollar on Monday in the spot-next market while gilt yields remained unchanged in dull market trade, dealers said.

The rupee was quoted at 187.80/188.50 to the US dollar on Friday against the US dollar.

In the secondary securities market, bond yields remained unchanged in dull market trade, dealers said.

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- **November national inflation decelerates to 5.2% as demand slacks**

Sri Lanka's national prices eased in November from a month earlier, as food prices sagged due to underwhelming demand for goods amid people cutting back on consumption and some skipping in-store visits to supermarkets on fears of contracting the virus.

The National Consumer Price Index (NCPI) rose by 5.2 percent during the twelve months to November, decelerating from 5.5 percent in October.

Food prices rose by 9.4 percent year-on-year (YoY) in November, easing from 10.6 percent in October while on a month-on-month (MoM) basis prices of the food basket rose by 0.8 percent from 0.3 percent.

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51% accepted at the weekly auction

The total accepted amount at yesterday's weekly Treasury bill auction was recorded at Rs.20.72 billion or 51.80% of its total offered amount of Rs.40 billion. The weighted averages were in line with its stipulated cut off rates of 4.67%, 4.78% and 5.03% respectively on the 91 day, 182 day and 364 day maturities. The bids to offer ratio stood at 1.40:1.

Activity in the secondary bond market remained moderate yesterday with limited trades seen on the maturities of 15.12.22 and 15.07.23 at 5.74% and 6.00% to 6.02% respectively. In secondary bills, October and December 2021 bills were seen changing hands at 4.87% and 4.92% respectively.

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- **Sri Lanka stocks end lower**

Sri Lanka stocks closed 0.04 percent lower on Thursday pushed down by Melstacorp Plc, John Keells Holdings and Ceylon Tobacco Company, Colombo Stock exchange provisional Data showed.

Colombo's All share price index fell 0.04 percent or 2.60 points to close at 6,632.32

The main index started positive but fell to a daily low at 6,616.74 during the first hour into trading but picked up and continued on volatile trading to close marginally high.

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- **BOI attracts over USD 800 mn FDI in 2020**

Despite the COVID-19 pandemic, Sri Lanka secured over USD 800 million Foreign Direct Investments (FDI) for 2020, said the new Director-General of the Board of Investments, Sanjaya Mohottala.

In an interview with the 'Daily News Business,' he said that in addition there were commitments to another USD 200 million for the year.

Mohottala said that the 2021 outlook looks impressive with several mega development projects in the pipeline. "One area that will bring in around USD 150 million would be in the cement manufacturing and bagging sector with plans for Kankesanthurai and Hambantota."

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- **Holiday mood keeps activity in secondary bond market at bay**

The lethargic sentiment witnessed in the secondary bond market during the previous week continued during the shortened trading week ending 24 December as well with yields fluctuating within a narrow range on the back of thin volumes.

The limited activity was seen on the most sorted maturities of 15.12.22, 2023's (i.e. 15.07.23 and 01.09.23), 2024's (i.e. 15.09.24 and 01.12.24) and 15.05.30 at levels of 5.74% to 5.75%, 5.99%, 6.00% to 6.02%, 6.44%, 6.48% to 6.52% and 7.78% respectively against its previous weeks closing level of 5.70/75, 5.90/00, 5.93/00, 6.40/48, 6.45/55 and 7.75/80. In addition, 15.12.21, further 2024's (i.e. 01.01.24 and 15.03.24 and 01.03.26 were seen changing hands at levels of 5.00%, 6.17% to 6.20%, 6.25% to 6.26% and 6.80% respectively as well. In the secondary bill market, bills maturing in July, October and December 2021 traded at levels of 4.75%, 4.87% and 4.92% respectively.

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- **Eureka! First post-COVID tourists set to arrive from Ukraine today**

Sri Lanka is scheduled to see the arrival of the first set of international tourists post-COVID-19 from Ukraine today.

Industry sources said that the first flight by charter operator SkyUp Airlines is scheduled to arrive at 2:40 p.m. today at the Mattala International Airport with 215 passengers from Ukraine, the capital of Kiev.

Sri Lanka had not allowed global leisure travellers since the closure of the Bandaranaike International Airport (BIA) in late March as part of the measures to contain COVID-19.

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- **Sri Lanka rupee firmer after intervention**

Sri Lanka rupee closed firmer around 188.00/189.00 to the US dollar in the spot next market Monday with interventions after Christmas holidays, while bond yields were flat, dealers said.

On Thursday the rupee was quoted wide around 191/193 to the dollar.

The spot closed around 187.50/188.50 to the US dollar deals done around 188.00, dealers said.

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- **ASPI records growth of 10.5%: Market turnover highest since 2011**

The Sri Lankan stock market ended 2020 on a positive note yesterday, marking a year in which the Colombo Stock Exchange (CSE) has seen indices indicate noteworthy resilience and attract record-breaking levels of trading activity.

The benchmark All Share Price Index (ASPI) closed 2020 recording a growth of 10.5%, the highest annual increase the index has seen since 2014 and only the 12th occasion the index has seen a double digit percentage growth in CSE's 35 year history. The ASPI ended 2020 on 6774.22 points. Sri Lanka's ASPI was also recorded as the best performing stock market index for the month of September 2020, with the index recording a remarkable 12% growth during the month.

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- **Sovereign bond yields moderate as investors look past pandemic**

The yields of international sovereign bonds (ISBs) issued by Sri Lanka continue to moderate as investors appear to be re-evaluating their overreaction to the resurgence of COVID-19 and are now beginning to look past the market turmoil brought in by the pandemic.

According to the data available up to last week, sovereign bond yields across large number of bonds fell indicating that investors appreciate how the country's authorities navigate the pandemic induced economic shocks and are growing more confident of the country's medium-term economic growth and stabilization agenda.

Bond yields and prices are inversely related as prices increase when yields decline.

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- **Colombo stock market ends 2020 with 10.5% gain**

The Colombo stock market yesterday ended 2020 with a 10.5% gain, the highest annual increase since 2014.

The Colombo Stock Exchange also said the 2020 gain was the only the 12th occasion the index had seen a double-digit percentage growth in CSE's 35-year history.

It added that 2020 market turnover rose to the highest since 2011 and market capitalisation grew by a trillion rupees since 12 May 2020, when the CSE resumed operations after the first wave of COVID-19 shutdown. The CSE ended 2020 with a market capitalisation of Rs. 2.96 trillion, up 3.8% from a year earlier.

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- **Bond yields close the year steady; rupee appreciates**

The activities in the secondary bond market remained very moderate yesterday as yields were seen closing the day and year steady. A limited trade was witnessed on the 15.08.27 maturity at 7.19%.

Meanwhile inflation or the Colombo Consumer Price Index (CCPI) for the month of December came in at 4.20% against 4.10% recorded the previous month on is point to point while its annual average stood unchanged at 4.60%.

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3. INTERNATIONAL

- **UK and US in talks over mini trade deal**

The outgoing US administration is in talks with the UK to try to seal a mini-deal to reduce trade tariffs, Donald Trump's trade chief has said.

US Trade Representative Robert Lighthizer told the BBC he was hopeful for a deal that could see punitive tariffs on Scottish whisky lowered.

The UK recently said it would drop tariffs against the US over subsidies for aerospace firms.

This was in a bid to reach a post-Brexit trade deal with Washington.

In his first international interview, Mr Lighthizer suggested the UK would need to go further than last week's announcement breaking with the EU's support of European plane maker Airbus.

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- **Russia's house price growth gaining momentum**

Russia's house prices rose by 5.86% during the year to Q3 2020, an improvement from last year's 3.63% increase and its best showing since Q4 2012. During the latest quarter, nationwide house prices increased 2.7%.

Moscow's house prices were up by 1.52% y-o-y in Q3 2020, an improvement from y-o-y declines of 0.7% in Q2 and 5.85% in Q1. In St. Petersburg, house prices continue to rise strongly by 14.57% during the year to Q3 2020, its biggest y-o-y increase since Q1 2009.

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- **Vietnam's house prices surging**

Vietnam's property market remains fundamentally strong, buoyed by real owner-occupier demand which has been resilient despite the coronavirus pandemic. In Ho Chi Minh City, apartment prices surged 13.82% during the year to Q3 2020, in inflation-adjusted terms. Though quarter-on-quarter, house prices actually declined 6.72% in Q3 2020.

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- **UAE's housing market continues to struggle**

The UAE's housing market sufferings seem unending, amidst a huge supply glut of both apartments and oil. In Dubai, residential property prices fell by 4.88% during the year to Q3 2020, following y-o-y declines of 3.27% in Q2 2020, 5.06% in Q1 2020, 4.05% in Q4 2019, and 4.52% in Q3 2019. During the latest quarter, house prices in Dubai fell by 1.36% q-o-q.

Dubai's property market has been one of the world's most volatile. Dubai saw one of the world's worst housing crashes from Q3 2008 to Q3 2011 with house prices plunging by 53%. The housing market started to recover by end-2011 with prices rising by a total of 67% until Q4 2014. The housing market has been depressed since

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