

The UDA plays a vital role in the country's development. Could you please brief us about the major infrastructure developments that are currently under construction and planned across the Colombo region?

The Government has proposed and introduced various plans to help the country advance. There are many proposals to invest further in infrastructure developments such as housing, roads, bridges, accompanied by the Colombo Port City project which is aimed towards attracting investors. One of the main consequences of the recent pandemic is the substantial drop in Foreign Direct Investment (FDI) for both real estate and other investments, therefore we hope that the plans will aid our recovery.

The Colombo Kandy Highway, a significantly important project, is close to completion. Upon completion, the Road Development Authority (RDA) will drive the development of an expressway from Peliyagoda to Athurugiriya (elevated highway).

Besides that, we are planning to introduce 5 Light Rail Transit (LRT) systems covering all the central roads: Galle Road, Kandy Road, Negombo Road, Kaduwela-Colombo Road and the High Level Road.

Currently positioned as the Acting Deputy General of the UDA, E.A.C. Priyashantha sheds light on the impending key infrastructure developments and projects in the nation together with the policies and initiatives proposed by the Government to rebound from the pandemic and its turbulence.



P. Inr. E.A.C. PRIYASHANTHA

on the Urban Development Authority's (UDA) Action Pipeline

Is the UDA currently planning/constructing any housing development projects in Colombo? If so, what are the target segments and how many units are expected in the next 5 years?

We are on the forethought of constructing 50,000 housing units for under source settlers within the city of Colombo and its immediate suburbs. Of the 50,000 planned, we commenced construction on more than 20,000, and 15,000 housing units are already completed.

Simultaneously, the middle-income category housing project launched by the UDA along with the National Housing Development Authority (NHDA) is still in progress. The UDA has already commenced about 3000 housing units in Colombo and the periphery, and the construction of the remaining 2000 units will start shortly.

Moreover, we have plans to release valuable lands for the private sector under the agreement

of Private-Public Partnership (PPP).

Is the UDA currently constructing/planning any commercial projects in Colombo?

There are numerous commercial projects in the pipeline.

Firstly, we are planning on transforming Colombo into a zone for commercial purposes. On that account, we have acquired lands with the intention of transferring these to the private sector to construct commercial buildings within the city of Colombo and the immediate suburbs.

We also have a plan for the relocation of the administrative complexes located in Colombo to Kotte. In regards to that project, we are about to start with the construction of office complexes.

The UDA has also already started on the project Sethsiriipaya Stage III in Battaramulla, which will provide 1 million sq. ft. of office space. Sethsiriipaya Stage IV is also in progress for the same purpose. We are planning on a Private-Public Partnership where the UDA will provide the plan whereby a developer can come in with the investment.

Additionally, another forthcoming project is in Kirimandala Mawatha, Narahepita. This is a project where the 40 acres of land will be apportioned for

hospital projects and other mixed developments, such as housing.

As you have mentioned previously, FDI has taken a hit in the recent past. Has the Government considered easing regulations to facilitate investing or buying residential units?

Especially with the development of Colombo Port City, there is more potential for Chinese investors to enter the country. Under the original Memorandum of Understanding (MOU), we anticipate investments of about USD 13 billion, coupled with around 100,000 direct employment for the Port City itself. At the same time, we are also expecting other investors from Europe, India and other countries for both real estate and infrastructure sector investments.

The Government has already relaxed all restrictions imposed on buying housing units. The only restriction that is still prevalent, is the use of foreign cash for investment. If foreigners are willing and intending to purchase housing units, they will have to open an Inward Investment Account (IIA) to enable the acquisition.

However, foreigners do have restrictions on buying land. They can only obtain a long-term lease with a maximum of up to 99 years, which also depends on their investment capacity. However, leases are generally granted for a

period of 30 and 50 years. If the developer still desires to continue with the same lease upon completion of the 99 year period, they can request an extension.

Presently, what are the main clearances/approvals required for construction? Do the approvals differ for different asset classes?

The main approvals required for construction of apartments/residential complexes include CMC clearance if the property is within the CMC area, drainage certificate, street light certificate, Assessment Number certificate, fire clearance, CEA clearance from the Central Environment Authority, clearance from the SL Land Development Corporation, Civil Aviation clearance, Agrarian department clearance and clearance from the National Building Research Organisation.

The process and requirements for commercial buildings are almost the same.

There has been a lot of feedback from developers, local and foreign, indicating that obtaining approvals for real estate developments can be quite cumbersome in Sri Lanka. Does the UDA have any plans to simplify and streamline procedures?

We have acknowledged that obtaining approval for investment, in general, is a lit-

tle tedious and difficult in Sri Lanka. To be more explicit, approvals from 30 clearance agencies are required to construct an apartment complex. It is in fact a very strenuous process and will take at least 6 to 7 months.

Thus, the UDA as a regulatory agency is planning to set up one-stop shops, which will help potential investors to get all approvals under one location, thereby minimising the time taken for approvals and act as a channel to attract investors. This will be introduced within the course of this year and according to our scheme, the time of approval will depend on the size of the development. If it is a small-scale project, approvals can be granted in 21 days. However, most investments are generally not small-scaled, rather predominantly medium and large-scale. As per our plans, medium-scaled projects have the possibility of being approved within 2 months and large-scale projects within a maximum of 3 months. However, the cost of approval will depend on the type of project and the type of investment.

Overall, I think this change will be a massive step towards better efficiency which will help in the development of the country.