

TACTICAL INVESTOR

Dynasty Residence Kandy offers one-of-a-kind real estate investment opportunity

Dynasty Residence, a 'first-of-its-kind' high-end residential/serviced apartment complex located in Sri Lanka's Cultural Capital, Kandy, offers a one-of-a-kind compelling investment opportunity for investors with guaranteed returns. The high-end lifestyle development is located only five minutes away from the Kandy-Colombo Expressway which is under construction and 1.5 hours away from Colombo - making it the ideal weekend getaway for city dwellers who want a break from the busy Colombo life. It offers an excellent recuperation space for expatriates who wish to relax and retire in Sri Lanka's hill country with easy access to all key amenities. Dynasty Residence most recently announced a possible partnership with Thailand's well known Minor International Group to bring their brand to manage and operate the Serviced Apartments operation starting second quarter of this year. Dynasty Residence Chairman/CEO Mahasen Samaravijaya recently sat down with Daily FT for a discussion to share some of the recent developments in Kandy's booming real estate sector and its impact on the investment proposition offered by the project as well as key features of Dynasty Residences. Following are the excerpts of the discussion:

BY NISHEL FERNANDO

Q: What's the expected impact of the Colombo-Kandy Expressway on Kandy's real-estate market and for Dynasty Residence?

A: Expressway from Mirigama to Kurunegala is in operation now which has resulted in around one and half hour reduction in travel time to Kandy from Colombo. This is a very significant plus factor for Dynasty Residence in sale of apartments as well as in value increase.

Once the Southern Expressway was completed the land value in Galle and Matara areas shot up by several folds. According to the research conducted by PriceWaterHouseCooper (PwC), the property value escalation in and around expressway exit points from 2016 to 2019 up to Kalagedihena, averaged around 15% per year. Now with the second phase completion plus the Government efforts to expedite to complete the first phase and the third phase to begin soon will increase the value of properties at much higher rate.

Q: What are the other developments impacting Kandy's real estate prices?

A: Kandy is also witnessing an increase in land value due to land scarcity and construction restrictions imposed by the National Building Research Organization (NBRO). This is another plus factor where customers are turning to apartments rather than building new houses. They are reluctant in getting caught in the hassle of building due to land prices, difficulties in obtaining necessary approvals from the government agencies and also the cost of materials.

Due to the land scarcity in Kandy surrounding, many are reluctant to build single family homes and looking towards residential apartments. Since Dynasty Residence is a completed development, anyone can move in after making the full payment along with the S & P Agreement.

Further, under the pending Kandy Mega Polis Development Plan, there are many real estate projects set to transform Kandy's real estate market. In particular, these projects are expected to attract foreigners looking for comfortable living while working here.

In addition, Katugastota has been earmarked for a future commercial hub for Kandy; therefore, property value in the area is expected to continue to be increased.

Q: Can you give us an overview of Dynasty Residence?

A: With the majestic view of the Hantane, Hunnaseriya and Knuckles Mountain ranges, alongside the visage of the Mahaweli River, the complex offers apartments from single bedroom (757 sq. ft.), two bedroom (1170 to 1300 sq. ft.) and three-bedroom varieties (available in seven different designs, varying from 1,665 to 2,030 sq. ft.).

The complex is also home to several duplex 'Sky Villas' which are designed specifically to ensure guests enjoy the spectacular mountain and river views on offer (3,067 sq. ft.). Dynasty also features four penthouses, both of which are home to private sky gardens with separate designated areas for sporting (mini-golf) and entertainment areas (4,271 sq. ft. to 5,200 sq. ft.).

Consisting of 19 floors, Dynasty offers residents a gorgeous selection of 17 individual, specially customised apartment layouts that fuse key elements of Sri Lankan and European architecture. Dynasty residence apartments are 40% larger



than other apartments in the current market for sale.

Q: What are some of key features offered by Dynasty Residence?

A: The project was built in accordance with international building trends and standards featuring architectural design that incorporates modern trends such as 'fresh-air ventilation', where permeation throughout the building is implemented to avoid viruses and airborne substances getting trapped internally. The residence boasts some of the largest common area facilities in Sri Lanka, with it accounting for up to 42% of the total construction, all for the prime goal of accommodating 'Healthy Living'.

This development focuses on the concept of 'green living' and incorporated many eco-friendly initiatives throughout its design. It is the only apartment complex to have been awarded the US Green Building Council's LEED Gold Certificate for its employment of energy and sustainable engineering practices.

The residence features both indoor and outdoor gyms, a 170-metre rooftop jogging track, an infinity pool overlooking the river (rated in the top 10% of Accommodations with the Best Pools in the World by travelmyth.com), a kid's pool, a rooftop reading garden and meditation area. The residential complex aims to act as a 'self-sustained oasis' complete with a restaurant, nursing station with in-house medical staff, a mini-market and a BBQ area complemented with a Multi-Function Room overlooking the river. The Residence is supported by on-site concierge services and a drivers' quarters to ensure all customer's needs are taken care of.

The superstructure is with cast in-situ reinforced concrete frame with post tensioned flat slab system and the 4th Floor housing the swimming pool has double height where the roof is a Transfer Plate. The internal and external walls are reinforced with concrete and block masonry avoiding columns inside the apartments, and the aluminium framed windows and doors are AluK Proprietary system creating an acoustic sound barrier. Further, the main entrance and secondary entrance doors are Fire rated Timber Doors, to ensure highest safety. The complex was uniquely designed as part of the developer's desire to contribute to the advanced development of his hometown.

Q: Can you elaborate on investment proposition for investors?

We were in fact the first developer to bring the Serviced Apartment concept to Kandy. These apartments will be sold to buyers who looking to get better investment return while enjoying property appreciation.

Due to the Kandy-Colombo Expressway completion up to Kurunegala, the property values are appreciating faster and anticipates to double the value within the next three to four years upon completion of the entire expressway to Kandy.

In addition, GVR Lanka offers valuable investment returns of 5.5% on the purchase price of the apartment per annum, for a minimum of two consecutive years and thereafter reaps the benefits on profit sharing

basis. In order to give further confidence to potential buyers the company is currently working with well-known Minor International Group based in Thailand to bring their brand to manage and operate the serviced apartments operation starting second quarter of this year.

Further, with the severe shortage of foreign currency in the country, no new luxury condominium developments are coming up in the near future since 80% of the required construction materials are being imported. Therefore, a finished product has greater value than in the past and the Colombo apartment prices have gone up. Simultaneously, Dynasty Residence apartments too has gained in value comparatively.



