# Building a Better Urban Future

LBR LBO Infrastructure Summit 2015 03<sup>rd</sup> & 04<sup>th</sup> November Colombo



- The future of Sri Lanka and its urban transformation hinges on our ability to unlock value in the country's real estate market in a sustainable and systematic way
- A systematic approach to urban development is the need of the hour





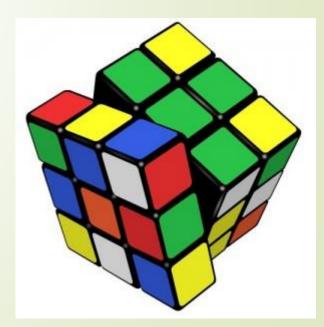
#### The sunny side

Colombo already is one of the nicest cities in the region!



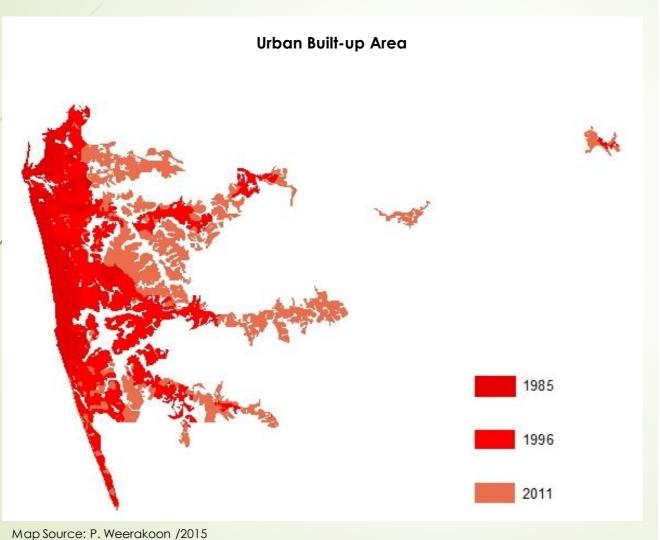


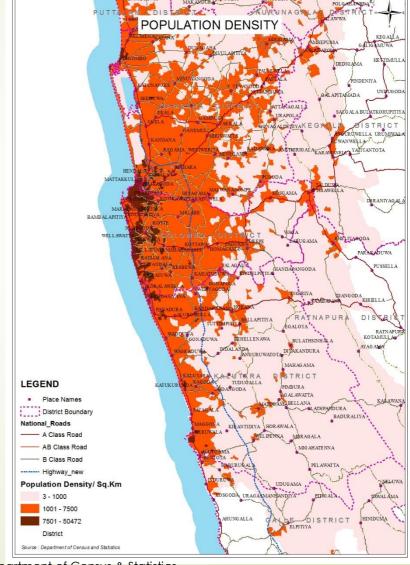
But clearly, we have problems to solve..





#### Ribbon development and sprawl





#### Increasing congestion

Dehiwala Fort Kandy







Borella

Parliament Road





Common phenomenon to all Urban Centers in Sri Lanka



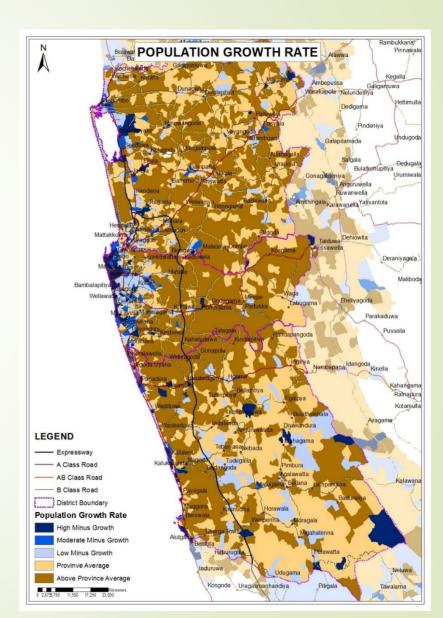
#### A gentrifying city

Middle class priced out of the city







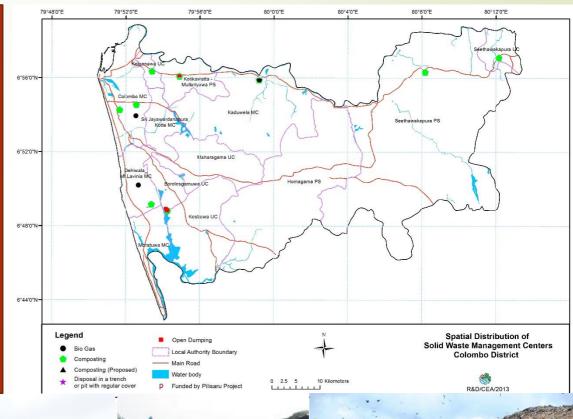




#### Poorly managed garbage

"Average waste generation in the country stands at 6,400 tons per day of which only 2,800 tons are collected by the local authorities. The remaining 3,600 tons of solid waste are dumped in roadsides, water bodies, and low lands, causing serious health and environmental threats."

Ministry of Environment

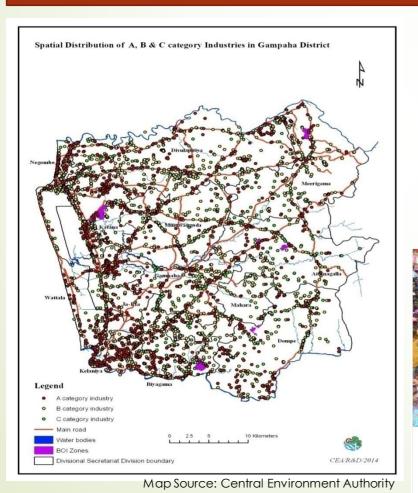


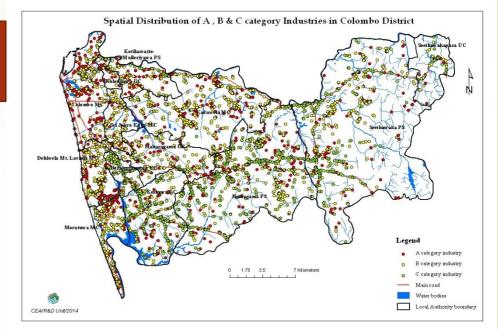






#### Haphazard land use





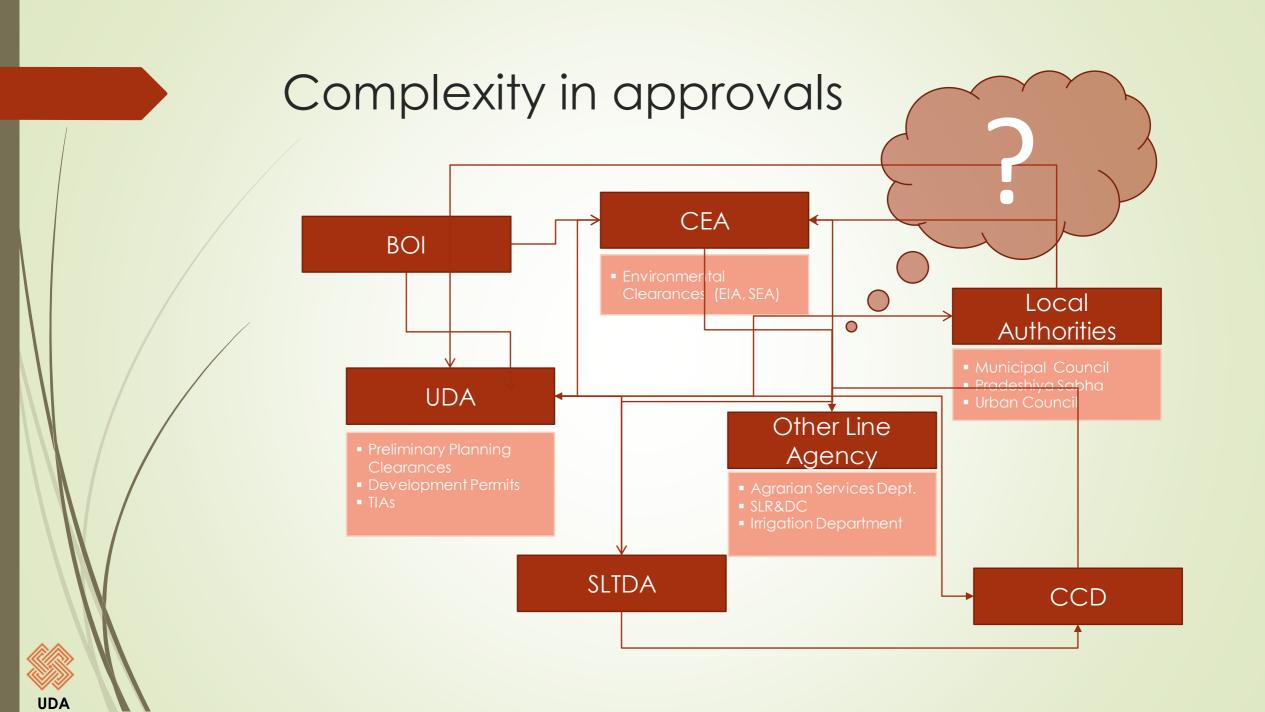
Map Source: Central Environment Authority



© MONDAY, 17 FEBRUARY 2014-12-57

PROTESTS AGAIN IN FRONT OF RATHUPASWALA
FACTORY. ⊜





#### But imagine where we can go...

- A city that increases the economic pie for everyone
- A cosmopolitan city that is a springboard into the region
- World class facilities, eco friendly and green
- A great place to live, work, or visit
- World class transportation systems
- A city that is not only for the rich
- Effective and transparent governance



#### How do we get there?

 Will require careful diligence and planning, the discipline to stay focused on the long term, and a lot of patience





#### Build and they will come?



Source: http://ceylonrealestate.net/



Source: hambanthotaconclave.com



Source: Sudanthaka P Wijethunga @ Panaramio.com

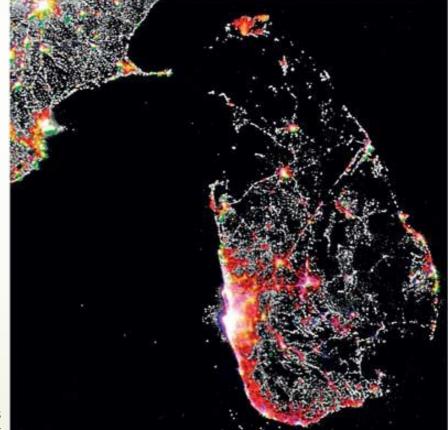


#### ...or a more rational approach

Build on existing urban agglomeration, rather than invent new ones

"Multicity agglomeration in Colombo, Galle, Matara and Kandy Cities"

Source: "Leveraging Urbanization in South Asia: Managing Spatial Transformation for Prosperity and Livability" – World Bank





Night Light Satellite Images Image Source : World Bank

### Key elements in our urban transformation



Integrated planning and action



Transition to mass transit



Transform housing



Enable private capital



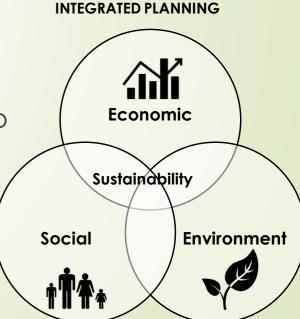
Strengthen governance





### Integrated planning: defining a clear direction

- Look at the big picture, and think long term
- Integrated thinking and action across sectors
- Grounded in economic reality
- Stakeholders to work together
- Inclusive approach...consider the needs of the private sector, the poor, the environment
- The ability to take principled decisions and stick to them







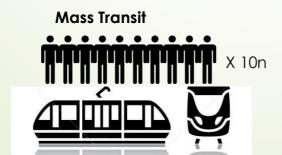
#### A transition to mass transit

- Introduction of mass transit is a critical step and a game changer for urban development
  - Systems approach needed...not just introduction of one technology
- Success will depend on how well we manage land use linked with mass transit
  - Incentives for densification along transit corridors
  - Station linked real estate development
  - Disincentives for vehicle ownership















## Transforming housing: from single family to multi family

- Unlocking the middle class is critical
  - Intervention in land market
  - Intervention in housing finance market
  - Private investment, not state driven
- Low income housing must be more community driven
  - People as a resource rather than a problem













#### Enabling private investment

- A more constructive approach to engagement
- Diligence in structuring PPPs
- Competition vs unsolicited proposals
- Policy reforms to enable major investments
- Mobilize institutional money vs speculation





### Governance reforms

- Strengthen institutions
  - Invest in people. Quality not quantity.
  - Systems and processes vs individuals
  - Incentives
- Focused mandates
- Depoliticize as much as possible



#### Will we seize this moment?





The future depends on what we do in the present.

-Mahatma Gandhi-



