

# Condominium Market<sup>1</sup>

1<sup>st</sup> Quarter of 2021



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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

## Condominium Sales

A significant increase in sales transactions was recorded in Q1, 2021 compared to the previous quarter, as reflected in the Condominium Property Volume Index<sup>2</sup>. Prevailing low interest environment, as well as the increased supply of comparatively affordable condominium projects beyond the city limits of Colombo have led to the increased number of transactions during the period. The most preferred condominium units remain to be in the single condominium project category and below Rs.25 million. With respect to the sales status in completed condominium projects as at the end of Q1, 2021, 92 per cent of the units have been sold. Meanwhile, in the ongoing condominium projects, 50 per cent and 58 per cent of units have been reserved so far in single condominium projects and mixed development projects, respectively.

Figure 1: Condominium Property Volume Index<sup>2</sup>

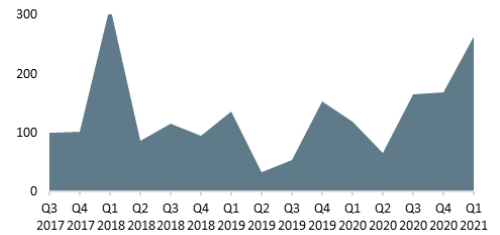


Figure 2: Percentage of Sales

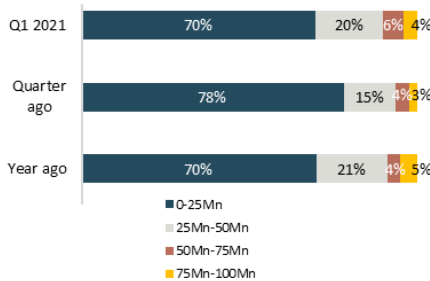


Figure 3: Percentages of Sales

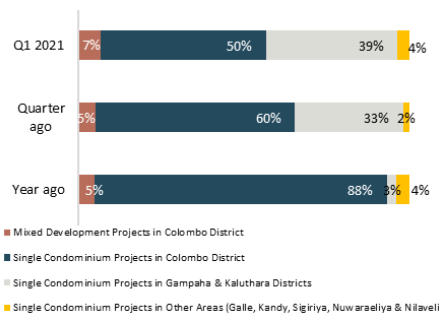
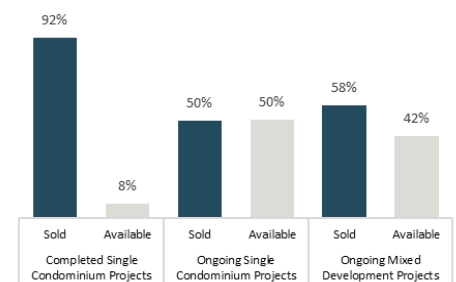


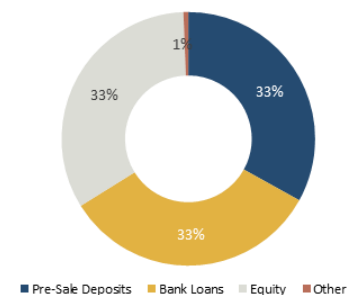
Figure 4: Sales Status of Condominium Projects



## Funding Structure of Condominium Developments

Funding requirements of developers have been predominantly met through pre-sale deposits, bank loans and equity in similar proportions, by the end of Q1, 2021. These averages were calculated to get an overall understanding about the funding structure of condominium developments using the percentages of funds received through different funding sources provided by each developer.

Figure 5: Funding Structure



## Condominium Buyers

The majority of condominium buyers are Sri Lankan residents, and the residence status of buyers remains largely unchanged from historic data. In terms of the purpose of purchasing, the majority of purchases remain to be for immediate living, while a noteworthy increase could be observed in condominium purchases for investments in Q1, 2021. Even though the prime source of funding used for purchasing condominium properties has been own funds, the percentage of buyers who have purchased condominiums through bank loans has increased during Q1, 2021.

Figure 6: Residence Status

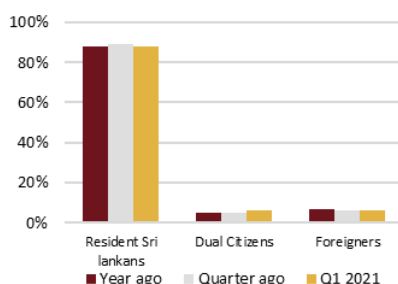


Figure 7: Purpose of Purchasing

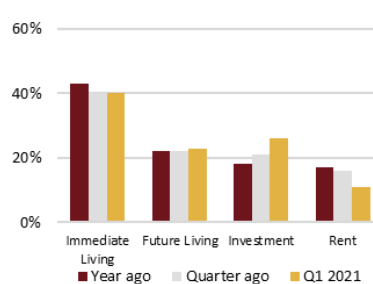
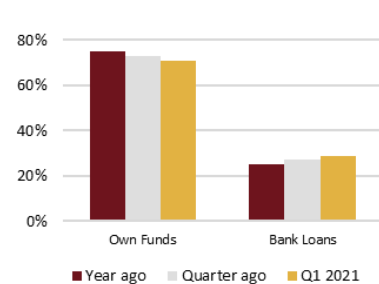


Figure 8: Source of Financing



<sup>1</sup>This market analysis is based on the Condominium Market Survey conducted by the Central Bank of Sri Lanka for Q1, 2021 and 23 condominium property developers participated in this survey round.

<sup>2</sup>Condominium Property Volume Index is compiled to capture the variations in market activities by way of number of sales transactions reported for the reference period. (Base period: Q3, 2017 = 100).