

Condominium Market¹

2nd Quarter of 2021



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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Condominium Sales

The sales transactions reported during Q2, 2021 were increased compared to the corresponding period of the previous year, even though it has declined compared to Q1, 2021 as indicated by the Condominium Property Volume Index². As observed in previous quarters, the most preferred condominium units were in the single condominium project category and those of below Rs.25 million. Meanwhile, a shift in sales proportions towards higher priced categories could also be observed during Q2, 2021. By the end of Q2, 2021, majority of the units (91 per cent) in completed condominium projects have been sold. Meanwhile, in ongoing condominium projects, 58 per cent and 56 per cent of units have been reserved in single condominium projects and mixed development projects, respectively.

Figure 1: Condominium Property Volume Index²

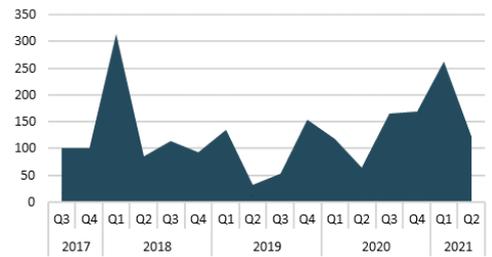


Figure 2: Percentage of Sales Price Categories

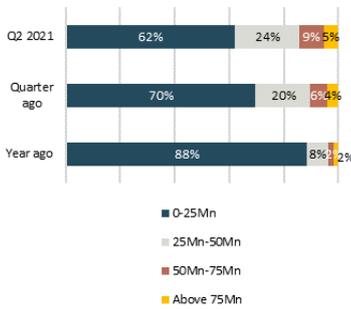


Figure 3: Percentages of Sales Condominium Categories

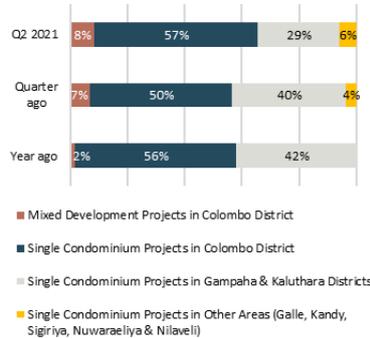
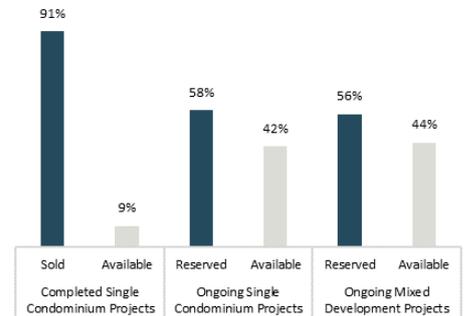


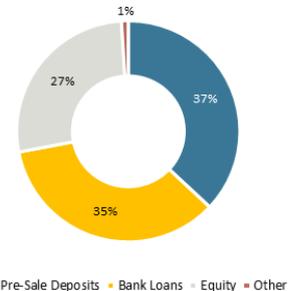
Figure 4: Sales Status of Condominium Projects



Funding Structure of Condominium Developments

Funding requirements of developers have been predominantly met through pre-sale deposits, bank loans and equity. It could be observed that the proportions of pre-sale deposits and bank loans in the developers' funding portfolio were increased during Q2, 2021. The proportions were calculated to get an overall understanding about the funding structure of condominium developments by averaging the percentages of funds received through different funding sources provided by each developer.

Figure 5: Funding Structure



Condominium Buyers

The majority of condominium buyers were Sri Lankan residents and only a few condominiums were purchased by dual citizens and foreigners. In terms of purpose of purchasing, the majority of purchases (47 per cent) remain to be for immediate living in Q2, 2021. Meanwhile, the condominium purchases for investment purposes also continued to be high at this low interest rate environment. Even though the prime source of funding used for condominium purchasing was the buyers' own funds, the percentage of buyers who have obtained bank loans was increased in Q2, 2021 as well.

Figure 6: Residence Status

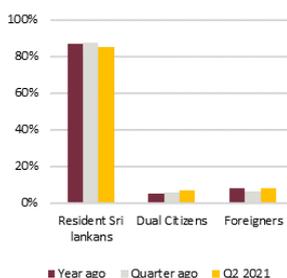


Figure 7: Purpose of Purchasing

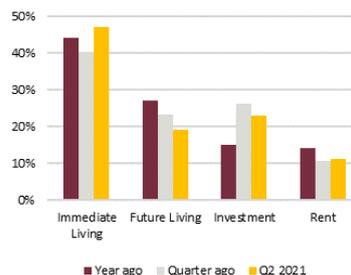
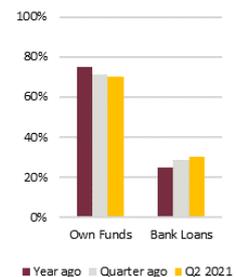


Figure 8: Source of Financing



¹This market analysis is based on the Condominium Market Survey conducted by the Central Bank of Sri Lanka for Q2, 2021 and 22 condominium property developers participated in this survey round.

²Condominium 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).