

Condominium Market¹

4th Quarter of 2021



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Condominium Sales

The Condominium Property Volume Index² has increased significantly during Q₄, 2021 with a notable increase of 49.0 per cent compared to Q₄, 2020 and with a growth of 48.4 per cent compared to Q₃, 2021. In the backdrop of inflationary pressures and the relatively low levels of return earned on traditional investment avenues, investors are moving toward non-traditional investment avenues, among which investment on apartments is becoming increasingly popular. Further, an observable shift is seen in the price categories of transactions. While 77 per cent of transactions were priced below Rs.25 million a year ago, it has reduced to 49 per cent in Q₄, 2021. Moreover, the Single Condominium projects in the Colombo district remain to be the most preferred category in Q₄, 2021.

Figure 1: Condominium Property Volume Index²

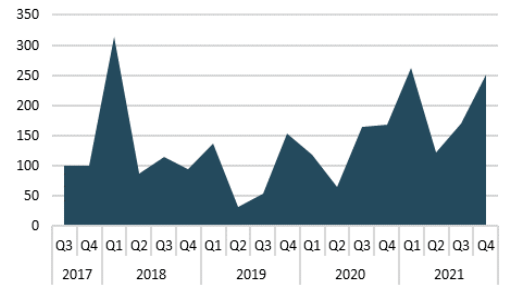


Figure 2: Percentage of Sales Price Categories

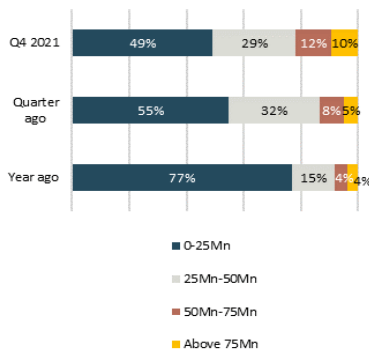


Figure 3: Percentages of Sales Condominium Categories

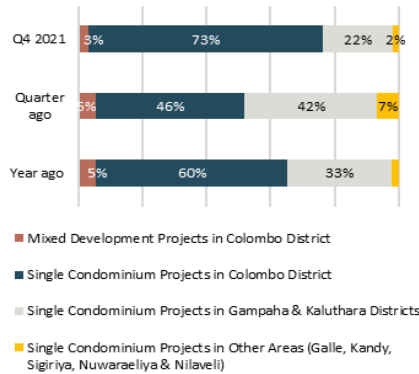
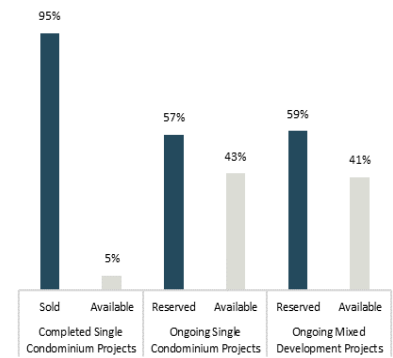


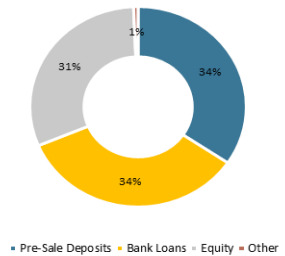
Figure 4: Sales Status of Condominium Projects



Funding Structure of Condominium

Pre-sale deposits, bank loans and equity were the three key funding sources for condominium developments. The proportion of bank loans have increased marginally over the last year. 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

Most condominium buyers were Sri Lankan residents and only a few condominiums were purchased by dual citizens and foreigners. Purchase of condominiums for investment purposes and for future living has increased during Q₄, 2021 while the proportions of purchases for immediate living and for rent have reduced significantly. The prime source of funding used for condominium purchasing remained to be buyers' own funds, while on average 27 per cent of buyers have obtained bank loans during Q₄, 2021.

Figure 6: Residence Status

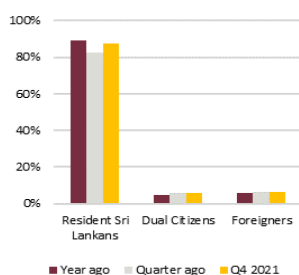


Figure 7: Purpose of Purchasing

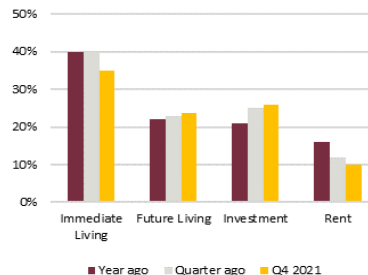
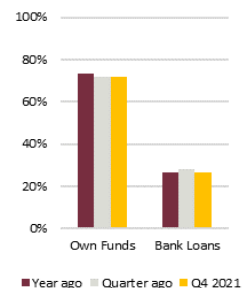


Figure 8: Source of Financing



¹This market analysis is based on the Condominium Market Survey conducted by the Central Bank of Sri Lanka for Q₄, 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).