

# Real Estate Market Analysis

## Condominium Market Survey : 2<sup>nd</sup> Quarter of 2024



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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

### Condominium Sales

As reflected by the Price Index for New Condominiums,<sup>1</sup> an upsurge in prices of new condominiums within the Colombo district could be observed during 2024 Q2. The Index reached 240.9 during the quarter recording a quarter-on-quarter growth of 14.3 per cent, as per the information collected through the Condominium Market Survey<sup>2</sup> conducted by the Central Bank of Sri Lanka.

The Condominium Property Sales Volume Index,<sup>3</sup> which covers the Colombo district and other major cities, increased significantly during 2024 Q2. The index value recorded at 141.4 with a 47.8 per cent increase compared to the previous quarter due to the launch of new projects by major developers.

The majority (56 per cent) of condominium sales during 2024 Q2 was reported in the Colombo district followed by Gampaha and Kalutara districts. Only a few number of condominium sales were reported outside the Western Province during the quarter.

The largest proportion of transactions, accounting for 54 percent, occurred in the Rs. 25 Mn to Rs. 50 Mn price range, during 2024 Q2. When the percentage of price categories are compared with the previous quarter, transactions below Rs. 25 Mn showed a slight decrease, while transactions between Rs. 50 Mn—Rs. 75 Mn remained broadly unchanged. It is noteworthy that the transactions above Rs. 75 Mn shows an increase as a percentage of total transactions compared to the previous quarter.

Figure 1: Price Index for New Condominiums (Colombo District)

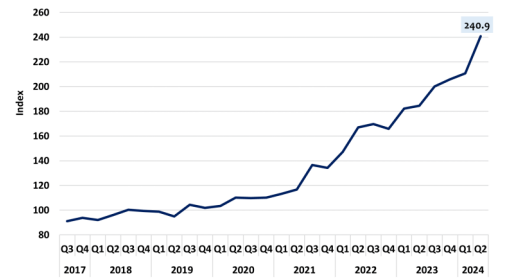


Figure 2: Condominium Property Sales Volume Index

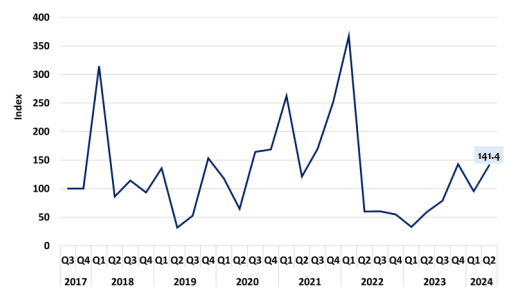


Figure 3: Percentage of Sales by Price Category

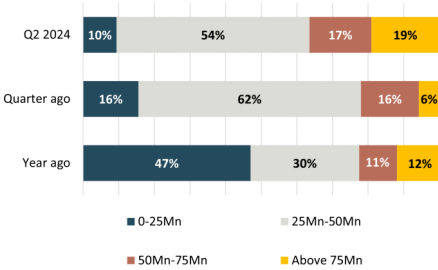


Figure 4: Percentages of Sales by Condominium Categories

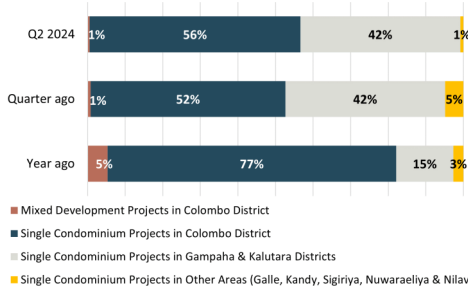
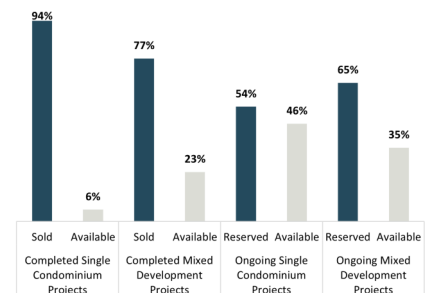


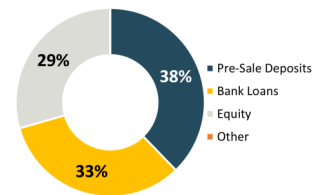
Figure 5: Sales Status of Condominium Projects



### Funding Structure of Condominium Developments

The three key funding sources for condominium developments were pre-sale deposits, bank loans and equity. During Q2, 2024 pre-sale deposits were the main source of funding (38 per cent<sup>4</sup>) while bank loans and equity were utilised by 33 per cent<sup>4</sup> and 29 per cent<sup>4</sup>, respectively.

Figure 6: Funding Structure



### Condominium Buyers

In Q2 2024, the majority of condominium purchases were made by Sri Lankan residents, with a slight increase in this category compared to the previous quarter. In contrast, purchases by dual citizens and foreigners saw a slight decline during the same period. In 2024 Q2, the majority of condominium purchases were made for immediate occupancy. Meanwhile, purchases for future residence and investment purposes have increased during the period. Condominium buyers predominantly used their own funds to finance their purchases.

Figure 7: Residence Status

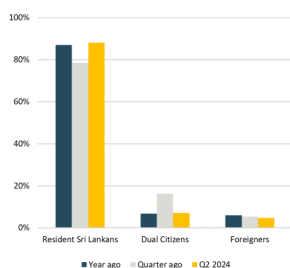


Figure 8: Purpose of Purchasing

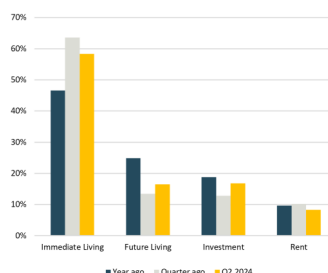
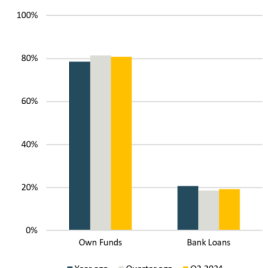


Figure 9: Source of Financing



<sup>1</sup> The Index was compiled following the hedonic regression based rolling window time dummy method. The base period of the Index is 2019=100. The Index covers the Colombo district.  
<sup>2</sup> During Q2, 2024 and 14 condominium property developers participated to the survey.  
<sup>3</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).  
<sup>4</sup> The proportions were calculated to get an overall understanding about the funding structure of condominium developments by averaging the percentages of funds received through

# Real Estate Asking Price Trends : 2<sup>nd</sup> Quarter of 2024



At the end of 2024 Q2, the Asking Price Indices,<sup>5</sup> covering the Colombo district, indicated an increase in the prices of lands, houses and condominiums on a year-on-year basis.

In 2024 Q2, the year-on-year change in the Asking Price Index for land prices in the Colombo district recorded a significant increase of 17.0 per cent, in contrast to the 20.0 per cent decrease observed during the same period in 2023. However, on a quarter-on-quarter basis, land prices declined by 1.6 per cent within this quarter.

In 2024 Q2, house prices in the Colombo district increased at a rate of 3.2 per cent on a year-on-year basis, compared to a considerable increase of 10.3 per cent recorded in the corresponding period of 2023, as indicated by the Asking Price Index. Compared to the previous quarter, the prices showed a slight increase of 2.7 per cent.

The year-on-year change in the Asking Price Index compiled for the prices of condominiums in the Colombo district showed a slight increase of 5.5 per cent in 2024 Q2 in comparison to 19.0 per cent increase recorded in the corresponding period of 2023. The condominium prices showed a marginal increase of 1.1 per cent compared to the previous quarter.

Table 1: Asking Price Indices

Quarter	Month	Index Value		
		Lands	Houses	Condominiums
2023 Q1	January	118.2	157.1	170.4
	February	114.2	157.4	169.9
	March	110.4	158.4	171.0
2023 Q2	April	106.0	159.3	170.6
	May	104.1	159.2	171.9
	June	105.1	159.0	170.3
2023 Q3	July	109.1	157.5	171.7
	August	106.7	157.4	173.6
	September	104.6	157.6	173.7
2023 Q4	October	101.8	160.5	173.8
	November	105.5	161.9	173.6
	December	110.8	163.6	178.0
2024 Q1	January	119.6	162.5	176.3
	February	122.7	160.9	178.2
	March	125.0	159.8	177.7
2024 Q2	April	118.5	160.4	181.7
	May	121.9	162.4	180.0
	June	123.0	164.1	179.7

Figure 10: Asking Price Index for Lands - Colombo District (2019=100)

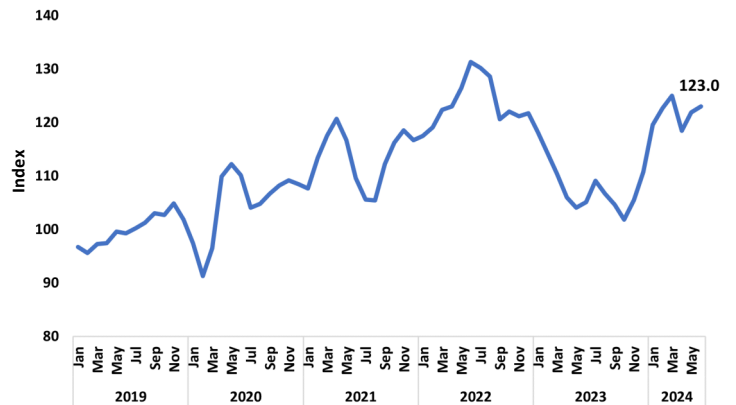


Figure 11: Asking Price Index for Houses - Colombo District (2019=100)

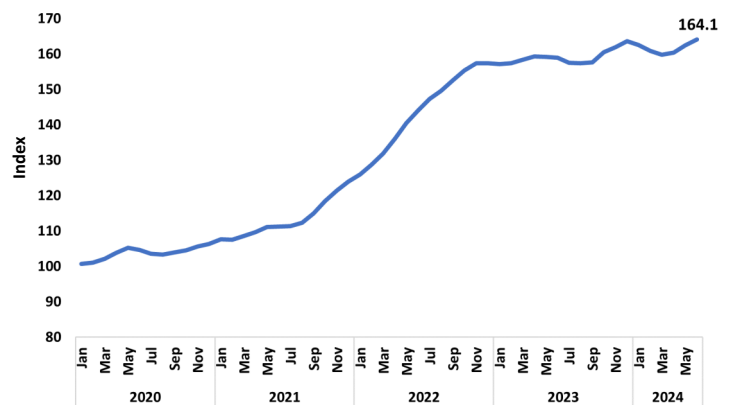
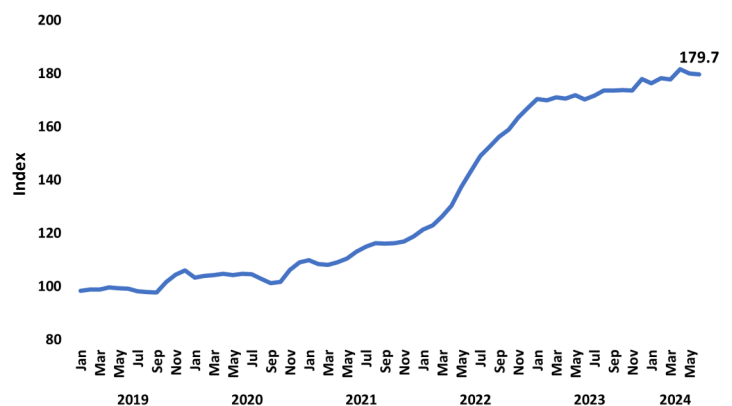


Figure 12: Asking Price Index for Condominiums - Colombo District (2019=100)



<sup>5</sup> Asking price indices for lands, houses and condominiums are compiled following the hedonic regression based rolling window time dummy method. (Base period: 2019 = 100)