

Real Estate Market Analysis

Condominium Market Survey : 3rd Quarter of 2024



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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Condominium Sales

The Price Index for New Condominiums¹ within the Colombo district stood at 235.7 during the 2024 Q3, recording a year-on-year increase of 17.8 per cent, as per the information collected through the Condominium Market Survey² conducted by the Central Bank of Sri Lanka. However, on a quarter-on-quarter basis, the Index value shows a slight decrease of 2.2 per cent.

During 2024 Q3, the Condominium Property Sales Volume Index,³ which covers the Colombo district and other major cities, recorded a value of 105.9 with a decrease of 25.1 per cent compared to the previous quarter. However, on a year-on-year basis, the sales volume Index shows an increase of 34.2 per cent.

In 2024 Q3, the highest proportion of condominium sales was recorded from Colombo district, comprising 49 per cent of the total, followed by the Gampaha and Kalutara districts. Only a few condominium sales were reported outside the Western Province during the quarter.

During 2024 Q3, the largest proportion of transactions, accounting for 52 per cent, occurred in the Rs. 25 Mn to Rs. 50 Mn price range. When the percentage of price categories are compared with the previous quarter, transactions below Rs. 25 Mn and transactions between Rs. 50 Mn—Rs. 75 Mn showed increases while transactions above Rs. 75 Mn showed a decrease.

Figure 1: Price Index for New Condominiums

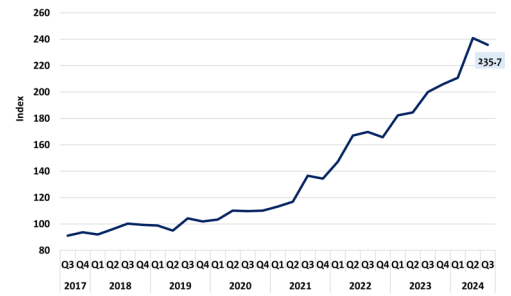


Figure 2: Condominium Property Sales Volume Index

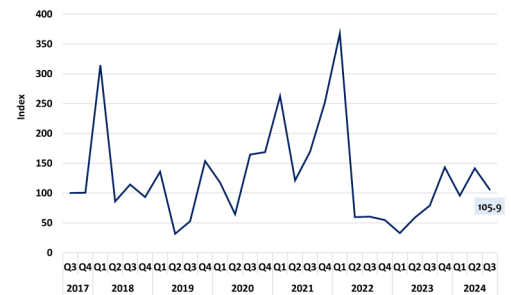


Figure 3: Percentage of Sales by Price Category

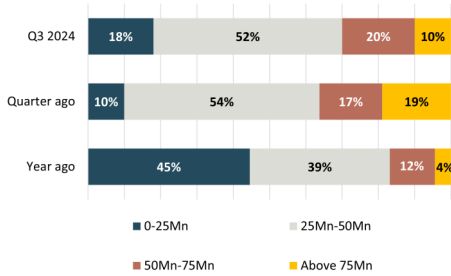


Figure 4: Percentages of Sales by Condominium Categories

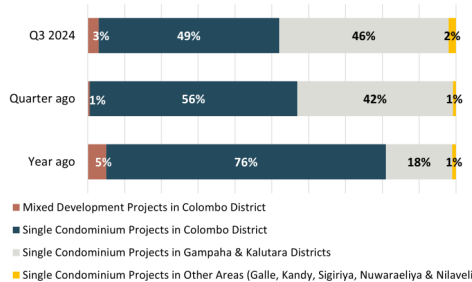
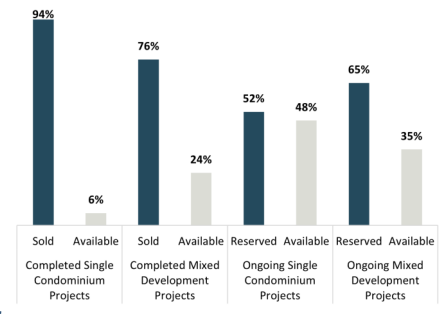


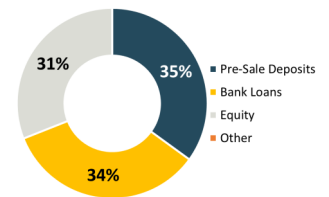
Figure 5: Sales Status of Condominium Projects



Funding Structure of Condominium Developments

The primary funding sources for condominium developments were pre-sale deposits, bank loans, and equity. In the 2024 Q3, pre-sale deposits accounted for the largest share of 35 per cent,⁴ followed by bank loans and equity.

Figure 6: Funding Structure



Condominium Buyers

During 2024 Q3 as well, the majority of condominium purchases were made by residents of Sri Lanka, with a slight decrease in this category compared to the previous quarter. Meanwhile, purchases by foreigners showed a slight increase during the same period. In 2024 Q3, most condominium purchases were made for immediate occupancy, while purchases intended for future residence showed a decline. In addition, there were increases in purchases for investment and rental purposes. The majority of buyers relied on personal funds to finance their condominium acquisitions.

Figure 7: Residence Status

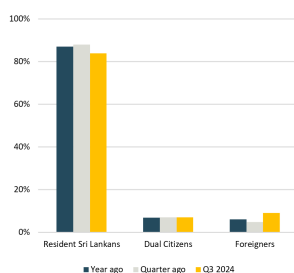


Figure 8: Purpose of Purchasing

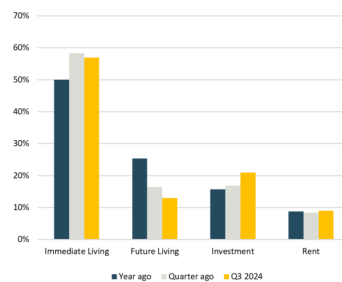
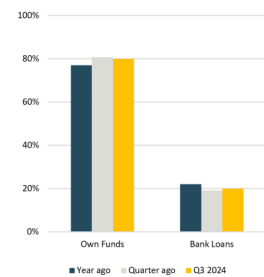


Figure 9: Source of Financing



¹ 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.

² During Q3, 2024 and 14 condominium property developers participated to the survey.

³ 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).

⁴ 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.

Real Estate Asking Price Trends : 3rd Quarter of 2024



The Asking Price Indices,⁵ covering the Colombo district, indicated an increase in the prices of lands, houses and condominiums both on a year-on-year basis and quarter-on-quarter basis at the end of 2024 Q3.

The Asking Price Index for land prices in the Colombo district showed a significant year-on-year increase of 23.0 per cent during 2024 Q3. Additionally, on a quarter-on-quarter basis, land prices rose by 4.6 per cent within this quarter compared to 2024 Q2.

As denoted by the Asking Price Indices for houses, the house prices in the Colombo district increased at a rate of 5.3 per cent on a year-on-year basis during 2024 Q3. Also, the prices showed a marginal increase of 1.1 per cent compared to the previous quarter.

In 2024 Q3, condominium prices in the Colombo district increased at a rate of 5.0 per cent on a year-on-year basis, as indicated by the Asking Price Index. The condominium prices showed a marginal increase of 1.5 per cent compared to the previous quarter.

Table 1: Asking Price Indices

Quarter	Month	Index Value			
		Lands	Houses	Condominiums	
2023	April	106.0	159.3	170.6	
	May	104.1	159.2	171.9	
	Q2	June	105.1	159.0	170.3
2023	July	109.1	157.5	171.7	
	Q3	August	106.7	157.4	173.6
	September	104.6	157.6	173.7	
2023	October	101.8	160.5	173.8	
	Q4	November	105.5	161.9	173.6
	December	110.8	163.6	178.0	
2024	January	119.6	162.5	176.3	
	Q1	February	122.7	160.9	178.2
	March	125.0	159.8	177.7	
2024	April	118.5	160.4	181.7	
	Q2	May	121.9	162.4	180.0
	June	123.0	164.1	179.7	
2024	July	126.6	164.9	179.5	
	Q3	August	126.7	165.6	181.7
	September	128.7	165.9	182.3	

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



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

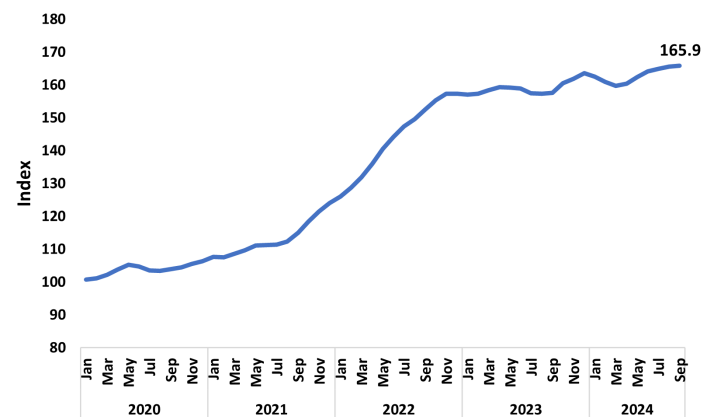
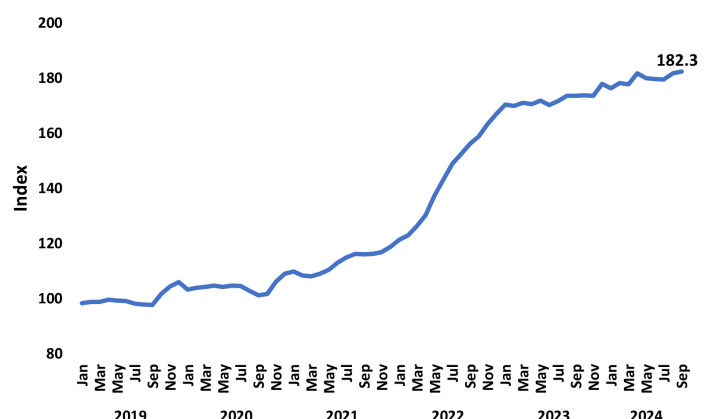


Figure 12: Asking Price Index for Condominiums - Colombo District (2019=100)



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