

## Sri Lanka’s capital skyline changes with rise in luxury apartment market: report

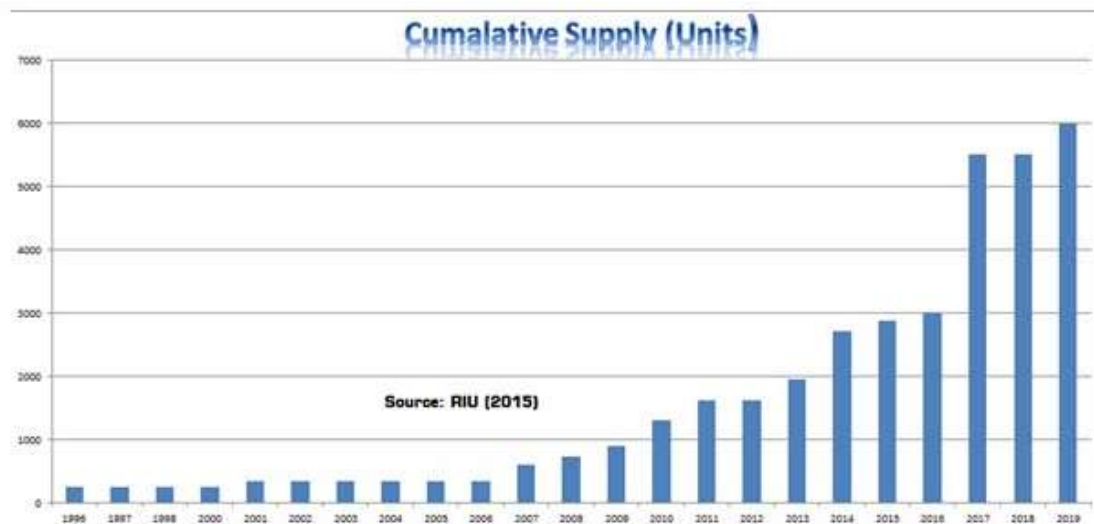
Sep 06, 2015 (LBO) – The skyline of Sri Lanka’s capital is growing in terms of the number of luxury apartment units with the market expected to reach 6,000 units by 2018-19, from 2,657 units at the moment, a research report shows.

“Apartment complexes have had a strong hand in shaping the skyline of Colombo. Starting with only a handful of apartment complexes, the apartment market has grown through leaps and bounds today,” the Sri Lanka Real-estate Market Report – 2015 produced by the Research Intelligence Unit says.

“By the end of 2018-19, the numbers are expected to hit 6,000, when projects such as Altair, Shangri-La, Colombo City and 96 Iconic are completed.”

“The first ever luxury apartment complex of its kind, Royal Park entered the high end residential market with less than 500 units,” the report said. Afterwards, though the number of units in each individual apartment complex seemed to be reduced, the collective number of units in all the apartment complexes continued to grow.

In 2009 the luxury housing stock stood at 783 units and by 2015 the number has gone up to 2,657 units.

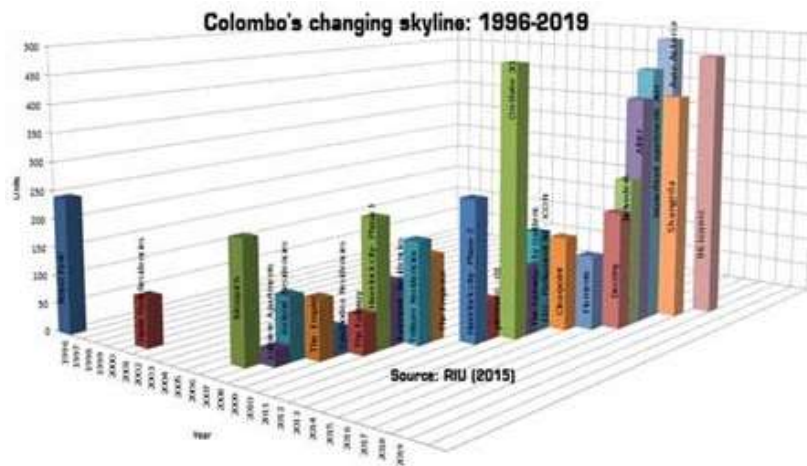


RIU says when considering all of the above, there is no denying that the luxury apartment market is on the rise while the real estate market of Colombo has undergone rapid and massive changes in the past decade.

“This change was all the more acute during the last five years, with the cessation of the war, which had a detrimental impact on the real estate market of the whole country, but especially of Colombo.”

“With the end of the war came the time for rapid development and under the reign of the past government, many developmental projects took their initial steps in the capital city of Colombo,” RIU said.

“The whole city turned into a development hub with large scale projects under the investment of large scale players in the market and was further supplemented by the development of infrastructure such as roads, highways and electric and water supply.”



However the report says, quoting the Economic Intelligence Unit (EIU) “that the demand tends to come from a very small segment of the population.”

Data shows the island’s high income earners have seen a rapid growth in their income in the past few years with the top 10 percent of the country earning 66,500 rupees in 2006/7, which had grown to 125,000 by 2012.

But with luxury apartment market prices starting around 20 million rupees (USD 153,000) it is a small percentage of the resident population that are in the market for these apartments that can at times top one million dollars, the report said.

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