



Paradise Island - Luxury living in the tropics

KPMG in Sri Lanka





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Foreword

Interest in globally renowned brands in the real estate market in Sri Lanka is expected to drive transformative growth in the sector.



Shiluka Goonewardene

Principal | Deal Advisory
KPMG in Sri Lanka

T: +94 11 5426403

E: sgoonewardene@kpmg.com

Shiluka is the Principal of the Deal Advisory division of KPMG in Sri Lanka. He counts over 20 years of experience in the spheres of Corporate Finance, Transaction Services, Mergers & Acquisitions and Real Estate Advisory Services and leads a team of 50 professionals and associates.

He has served as the Engagement Partner / Director in numerous advisory engagements ranging from business valuations, financial due diligences, private placements, restructuring and mergers for companies in varied industries.

Real estate in Sri Lanka has rewarded investors with strong returns post 2009, when Sri Lanka saw the end to the civil conflict. The new Port City Development Project is a key focal point in the real estate landscape of the region. Regionally, Sri Lanka remains attractive as an emerging market, when considering the ROI on Real Estate. The positive outlook for the global economy is an encouraging sign that the rewards will continue for some time to come.

Amidst all this euphoria, there needs to be a certain degree of caution, as there is a disconnect between the sheer volume of capital raised and the opportunities in the market to deploy it effectively in assets that can withstand a downturn. Therefore, professional property valuation and risk management have become increasingly important.

Against this backdrop, investors are assessing how they can verify the sustainability of their investments, whilst complying with ever more stringent and complex regulations and tax regimes.

KPMG Sri Lanka has undertaken research into the real estate industry to identify opportunities and trends for investment and evaluated the implications of the new Inland Revenue Act and how it would benefit investors.

This is the first Real Estate research report we have done on the topic of the luxury real estate. It complements our historic expertise in this sector, and highlights some of the key financial trends, challenges and opportunities for the Real Estate industry in the country.

As a team, we look forward to discuss these themes with you in the coming weeks, and continue to update you as these evolve.

Shiluka Goonewardene

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KPMG in Sri Lanka

Sri Lanka 2018 – The right time & the right place to invest

GDP growth estimate

4.5%

Driven by private consumption and investment growth

Housing requirement

100,000 units

per annum to fill up housing gap



Over **6,000**

luxury

condominium units to be added by 2020

Government infrastructure drive

Expressway



LRT



Port



Airport



Improvement in infrastructure connectivity

Colombo Port City to change landscape in real estate
world class real estate supply

5.65 Million SQ. M. GFA



Estimated population of Port City

200,000

Job creation

83,000



Strong appetite for beach front properties



Growth of land prices in Colombo
9% - 17% p.a.

Foreign leasehold ownership allowed up to **99 years**



1.1%



Expected annual growth rate

Location advantage

OBOR proximity to sea, strong air connectivity



Investments on condominiums have generated historical returns of **17% ROI** and **5% - 9%** rental yield

+113%

Growth in FDI's in 2017



Why invest in Sri Lankan real estate

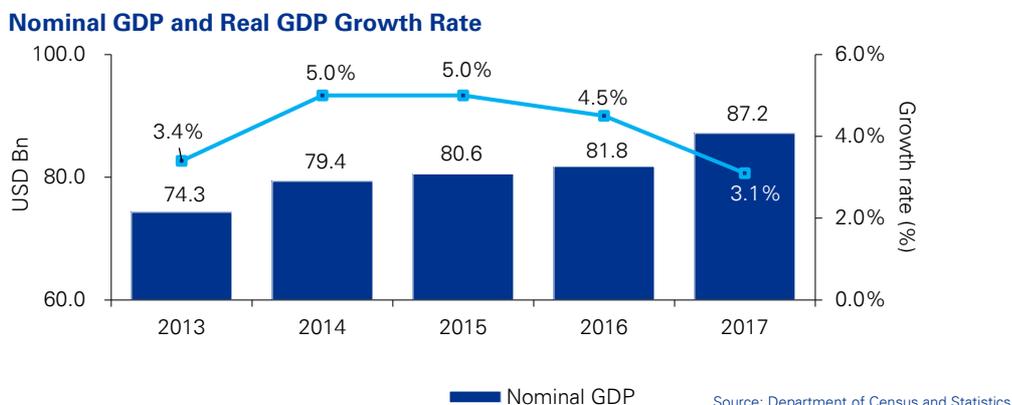




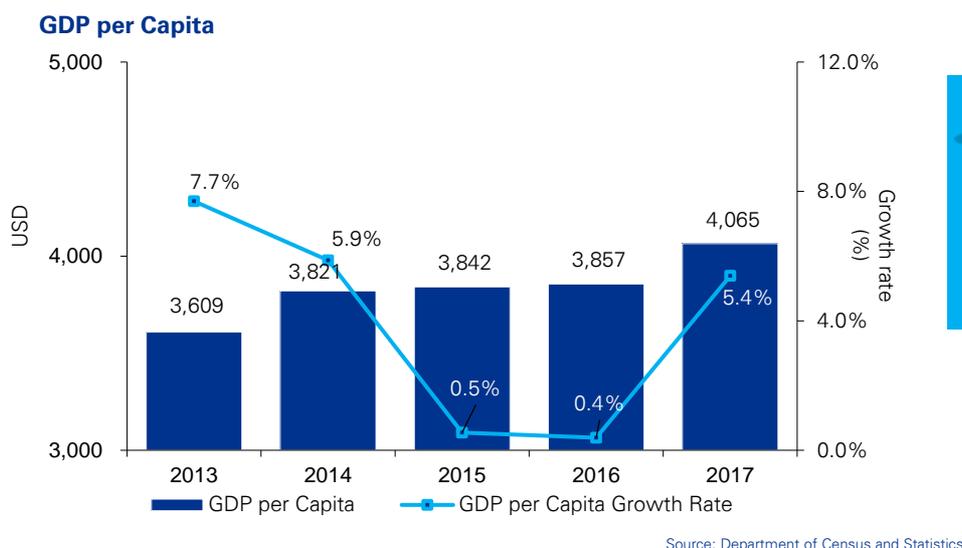
Why invest in Sri Lankan real estate

1. Stable economic growth

Sri Lanka reported a nominal Gross Domestic Product ("GDP") of LKR 13.3 Trillion in 2017, compared to LKR 11.9 Trillion in 2016. Real GDP growth was recorded at 3.1% in 2017, slower than the 4.5% growth experienced in 2016.



During the first half of 2017, GDP grew at 3.9%, compared to 3.7% recorded in the same period of 2016. Adverse weather conditions that continued from 2016 contributed to hampering the agriculture sector, whereas it has resulted in a slowdown in both the industrial and services sectors as well. **The World Bank projects the Sri Lankan economy to rebound in 2018 from a low base and continue to be around 4.5% driven by private consumption and investment growth**



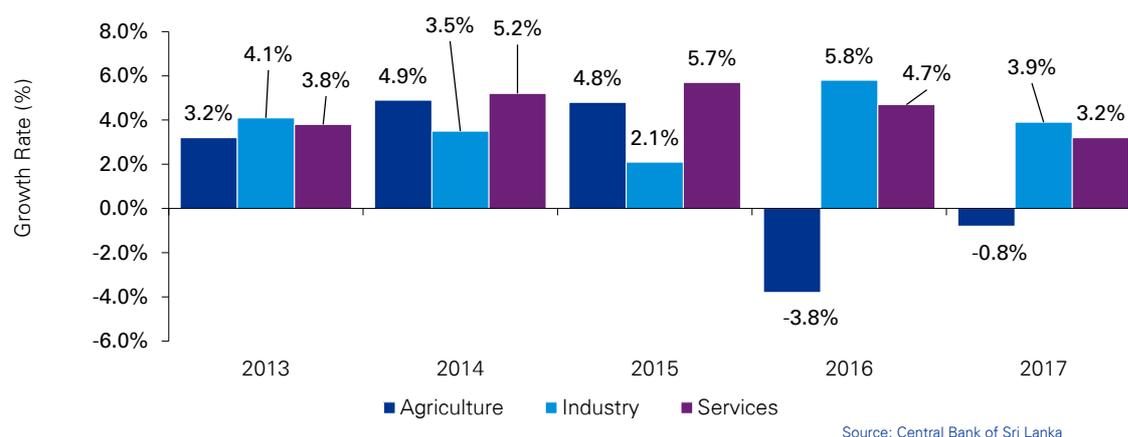
The Government of Sri Lanka (GOSL) expects the GDP per capita CAGR of 4.6% for the period from 2018 to 2022.

A GDP per capita of USD 4,065 was recorded in 2017. The Government targets GDP per capita to increase to USD 5,075 by 2020, in a bid to drive Sri Lanka's status towards being an upper-middle income country. The GDP per capita grew at a compound annual growth rate ("CAGR") of 3% for the period from 2013 to 2017.

Growth of sectors contributing to the GDP

The service sector recorded the highest contribution to the GDP at 56.8%, while the industry and agricultural sectors recorded 26.8% and 6.9% respectively during 2017. Services activities grew by 3.2% in 2017 on a YoY basis. This was mainly due to the expansion in financial service activities, wholesale and retail trade, and other personal service activities. The industry sector is the second largest contributor to the economy which had a lesser growth rate of 3.9% in 2017. The Agriculture sector recorded a contraction of 0.8% growth in 2017.

Growth of sectorwise contribution to GDP (%)



The least contribution to GDP came from the agriculture sector. The prolonged drought, floods and erratic rainfall which continued from 2016 caused the production levels to decline across the agricultural sector in 2017. The drought crisis extended to the power sector as well, where during the latter part of 2017, hydro power reservoirs ran dry which increased the country's demand for alternative sources of power. This fueled the increase of imports in crude oil during the latter part of 2017.

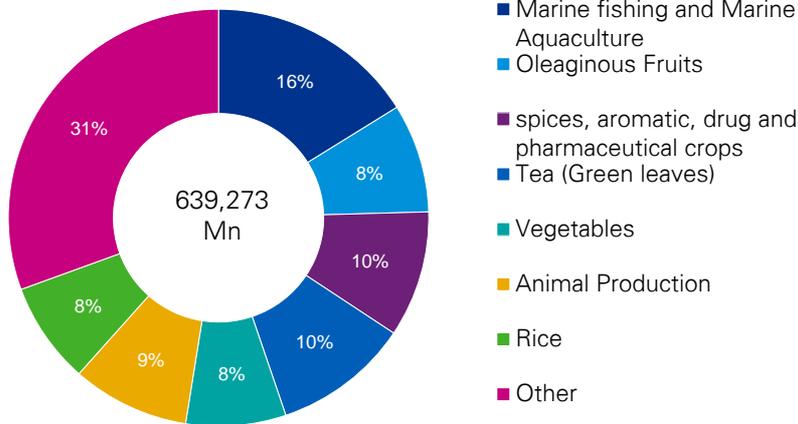


The highest contributor to the GDP, the service sector expanded by 3.2% in 2017 in comparison to 4.7% in 2016.

The service sector continued to be the highest contributor to GDP, the growth recorded at 4.7% in 2016 decelerated to 3.2% in 2017, particularly due to the contraction in public administration and defense activities which slowed in transportation activities.

Why invest in Sri Lankan real estate

Gross Domestic Product from agriculture, forestry and fishing- 2017

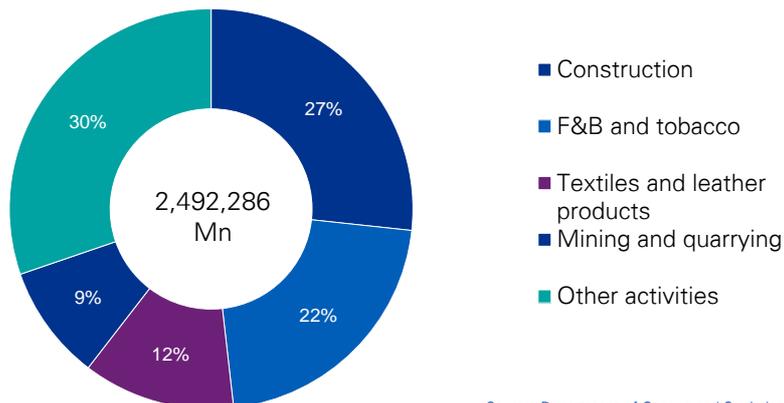


Source: Department of Census and Statistics



Industry and Services activities contributed positively to economic growth even in the backdrop of spillover effects from subdued agriculture performance.

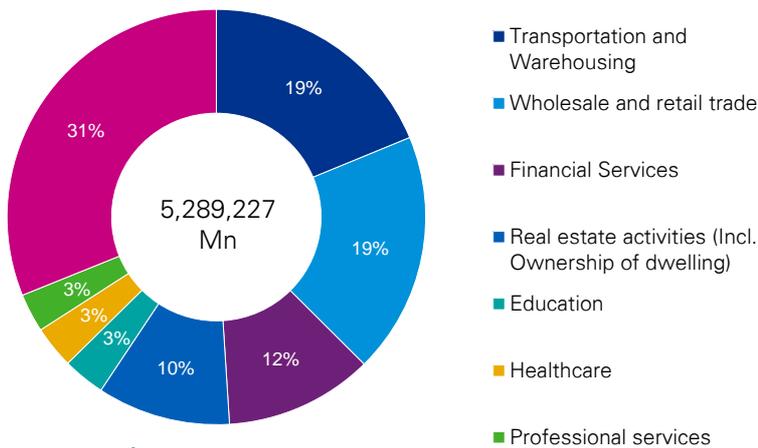
Gross Domestic Product from industries- 2017



Source: Department of Census and Statistics

The industries sector grew only by 3.9% in 2017, when compared to 5.8% in 2016. Construction activities grew at a slow pace of 3.1% in 2017, when compared to 2016 which indicated a growth of 8.3%, This slowdown in construction activities was reflected in cement production and imports. Mining and quarrying activities also grew at a slower rate of 5.9% in 2017, in value added terms, compared to 14.4% growth in 2016. Manufacturing activities grew by 3.9%, in value added terms, in 2017, compared to 3.2% growth in 2016 and electricity, water and waste treatment activities had only growth of 3.9% in 2017, although in 2016 it had a growth of 10.1%.

Gross Domestic Product from services- 2017



Source: Department of Census and Statistics

The value added by financial, insurance and real estate activities including ownership of dwellings expanded by 7.0% in 2017, compared to 9.2% growth recorded in the previous year. Further, wholesale and retail trade activities continued its growth momentum, recording a 3.8% growth in 2017, compared to 2.5% growth in 2016. This was due to the expansion in external trade amidst the decline in domestic agricultural related trade, particularly due to the severe drought conditions that prevailed during the year.

Agriculture activities declined by 0.8% in 2017, as opposed to a 3.8% growth recorded in 2016.

Inflation

The annual average of the National Consumer Price Index ("NCPI", 2013=100) rose to 7.7% by the end of 2017, compared to 4.0% recorded at 2016. While annual average inflation as measured according to CCPI (Colombo Consumer price Index – Base 2013) accelerated to 6.6% by the end of 2017, compared to 4.0% at the end of 2016. However, since January 2018 inflation recorded at 5.8% is on a downward trend, falling to 3.8% in April 2018.

Meanwhile, core inflation remained subdued in the second half of 2017, reflecting the constraint of demand pressures through the tight monetary policy stance of the Central Bank. Despite the tightening of the monetary policy, the sharp acceleration in food inflation caused by weather related supply disruptions resulted in unanticipated upward movements in headline inflation. Also, the revisions of Value Added Tax ("VAT") and Nation Building Tax ("NBT"), and the higher commodity prices in the global market contributed to high levels of inflation.

The moderation in inflation in the first quarter of 2018 and the favorable inflation outlook as well as the continued negative output gap, compelled the Central Bank to end its policy tightening bias and reduce the SLFR by 25 basis points on 4 April 2018.

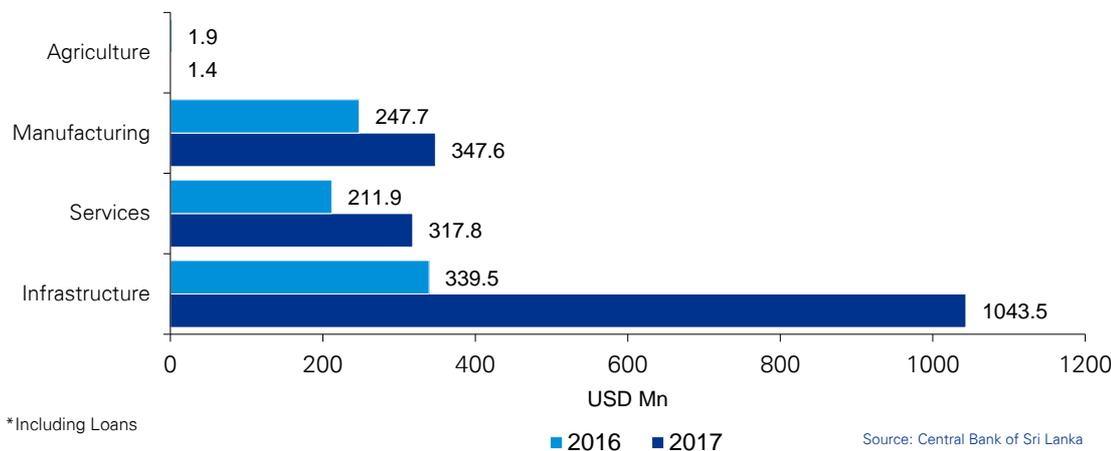
The world bank projects the Inflation to stabilize at mid-single digit levels this year.

NCPI based core inflation declined to 2.7% YoY, by the end of 2017 from 6.7% at the end of 2016. CCPI YoY declined to 4.3% by the end of 2017 compared to 5.8% in 2016.

Source: Department of Census and Statistics, World Bank

Why invest in Sri Lankan real estate

Foreign Direct Investment of BOI Enterprises (US\$ million)



Capital flows

Foreign Direct Investment (“FDI”) inflows including loans to companies registered under the Board of Investment (“BOI”), amounted to USD 1,710 Million in 2017 as compared to USD 801 Million in 2016, reflecting a significant YoY growth of 113.5%. The main reason for this increase is due to the infrastructure projects of USD 1,043 Million, which recorded a growth of 207.4%. FDI inflows in the manufacturing sector reported a growth of 40.3%, which increased from USD 248 Million in 2016 to USD 348 Million in 2017, whereas FDI inflows in the service sector grew by 50%, recording a USD 319 Million compared to the previous year.

Sri Lanka’s gross official reserve position improved to USD 8.0 Billion in 2017 from USD 6.0 Billion in the previous year, while short-term liabilities in the form of swaps with banks were reduced to USD 1.5 Billion by the end of 2017 from USD 2.5 Billion in 2016. The overall balance of payments (“BOP”) recorded a surplus of USD 2.1 Billion in 2017 after recording a two year deficit. This was due to the significant inflows to the financial account over the year.

The gross external reserves are currently at a healthy state of USD 9.1 Bn. The inflows of USD 250 Million Extended Fund Facility programme with the International Monetary Fund in early June and also a USD 585 Million as the final payment on the long lease of the Hambantota port which is expected during June 2018, and the 8 year USD 1.0 Billion syndicated loan from China Development Bank in mid June 2018, are expected to boost the current robust level of reserves.

Colombo Port City which is a USD 15 Billion project will attract a significant amount of FDI in 2018 and beyond. This would attract further foreign investments for core and peripheral services.

As per the Vision 2025 of the GoSL, the Government wishes to build a conducive environment for FDI with its fiscal and policy reforms in order to capitalize on Sri Lanka’s strategic trade location, skilled workforce, growing disposable income and a positive macroeconomic outlook.

2. Strategic importance



Major shipping routes connecting South Asia, Far East and the Pacific with Europe and America

Close proximity to emerging Southeast Asian economies and Middle Eastern countries

Strategically located next to the fast growing India

Strong air connectivity and a tourism hotspot

Part of the One Belt, One Road initiative

Strategic location of Sri Lanka -

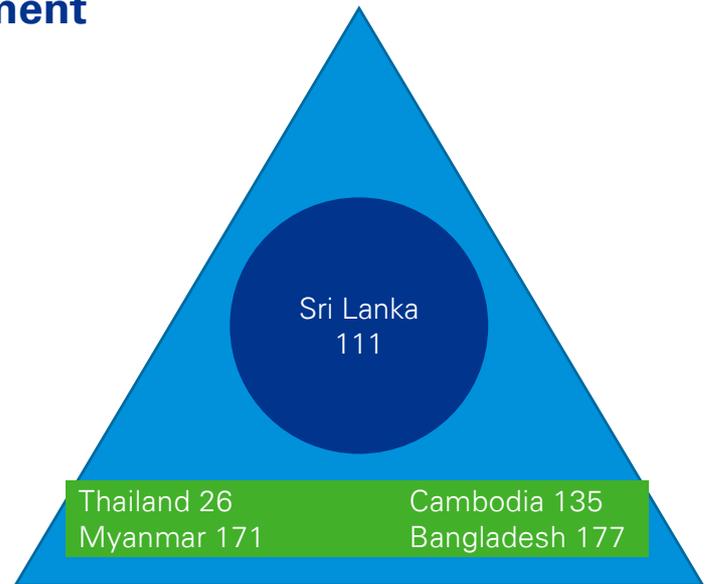
Works as an advantage when being considered as a strong logistical hub. Through PPP's, the government will expand port infrastructure and related services, including the East and the West Terminals at the Colombo port. The changes to the Customs Act and other enhancements, will allow Sri Lanka to develop as a logistical hub more efficiently through digitalization.

Source: Annual Report 2017 - Central Bank of Sri Lanka, Board of Investment of Sri Lanka

Why invest in Sri Lankan real estate

3. Conducive business environment

The Ease of Doing Business Index and the Index of Economic Freedom for 2018 indicate that Sri Lanka is more conducive to business operations compared to many of its regional peers. The Ease of Doing Business Index indicate better, usually simpler, regulations for businesses and stronger protections of property rights. The Economic Freedom Index shows the level of freedom of a country without intervention from the government or economic authorities affiliated to the government. The combination of these is the cornerstone of an economy moving forward in the correct direction. A positive business environment injects confidence into the investors and the business community and works in a beneficial way to an economy

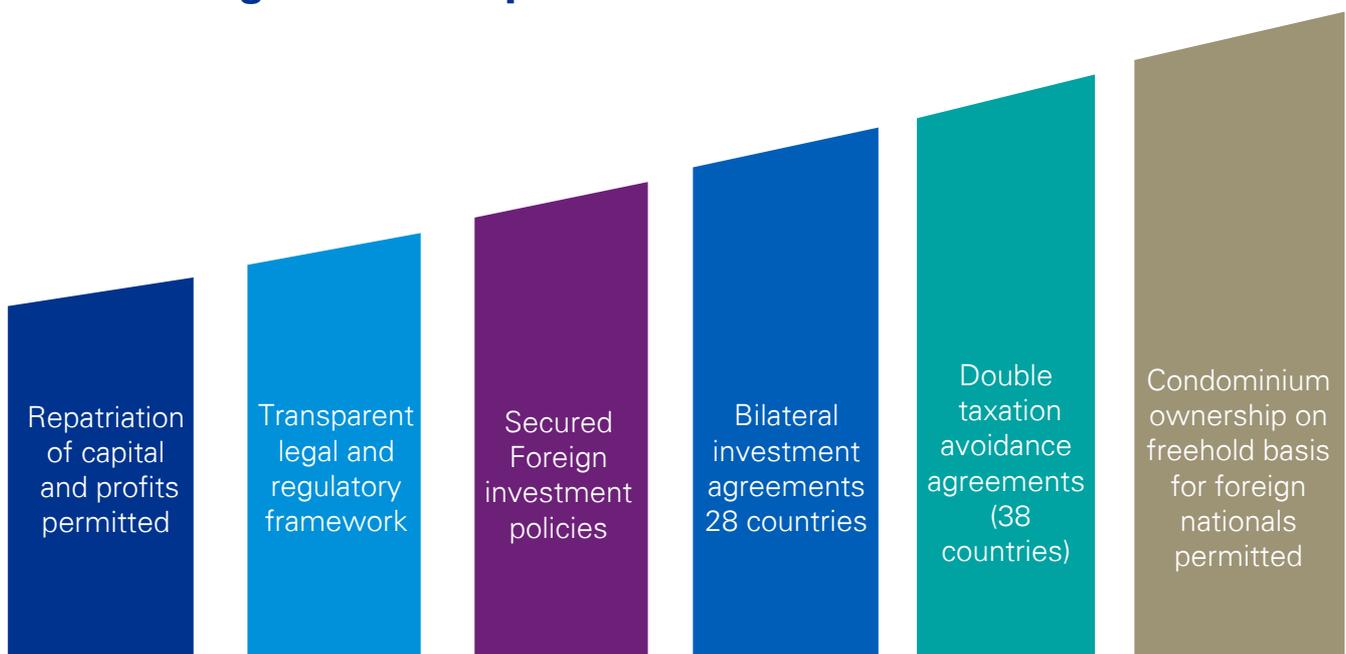


Ease of doing Business Index 2018 World Rank by World Bank

Sri Lanka has been ranked 111 of 180 countries in the Index of Economic Freedom for 2018 by the Heritage Foundation

*Index of Economic Freedom measures the pro-business policy environment of a country

4. Favorable government policies



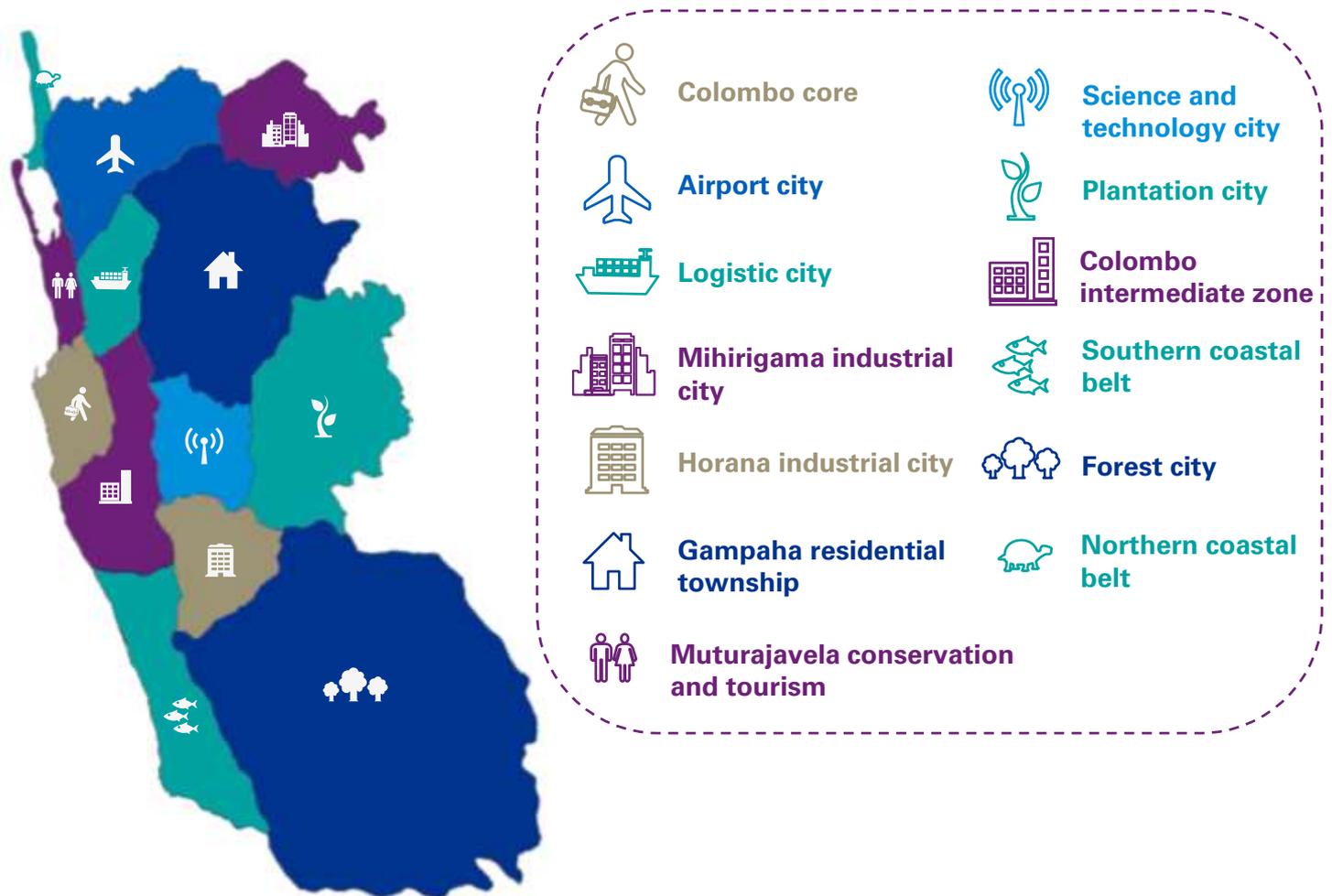
5. Infrastructure development

Megapolis development plan

The Megapolis is the development direction for the Western Region, providing the framework for planning regulations that will guide urban development in the region in the medium to long run. According to this Master plan, the area proposed to be developed spans across the three administrative districts of Colombo, Gampaha and Kalutara, and covers a total land area of 3,684 Sq.Km. The Western Province is the main contributor to the economy. It is also home to the commercial capital, Colombo, which has a rich history of being a maritime and trading hub.

The megapolis intends to minimize the negative effects of high urbanization within these areas, as the population is expected to grow to 9 Million by 2030 driven by the projected economic growth in the province. The megapolis aims to further improve the social and economic cohesion and support a more sustainable development, by emphasizing collaboration on important policy issues with infrastructure investment and facilitating economic growth through job creation

There are over 150 development projects identified under the Western Region Megapolis plan. The number will likely grow as projects are bound to evolve, given the mega nature of the development initiatives. These projects are identified within the planning areas as depicted on the right.



Source: Ease of doing Business Index 2018 – World Bank, Index of Economic Freedom for 2018 - Heritage Foundation, Board of Investment of Sri Lanka, Ministry of Megapolis and Western Development

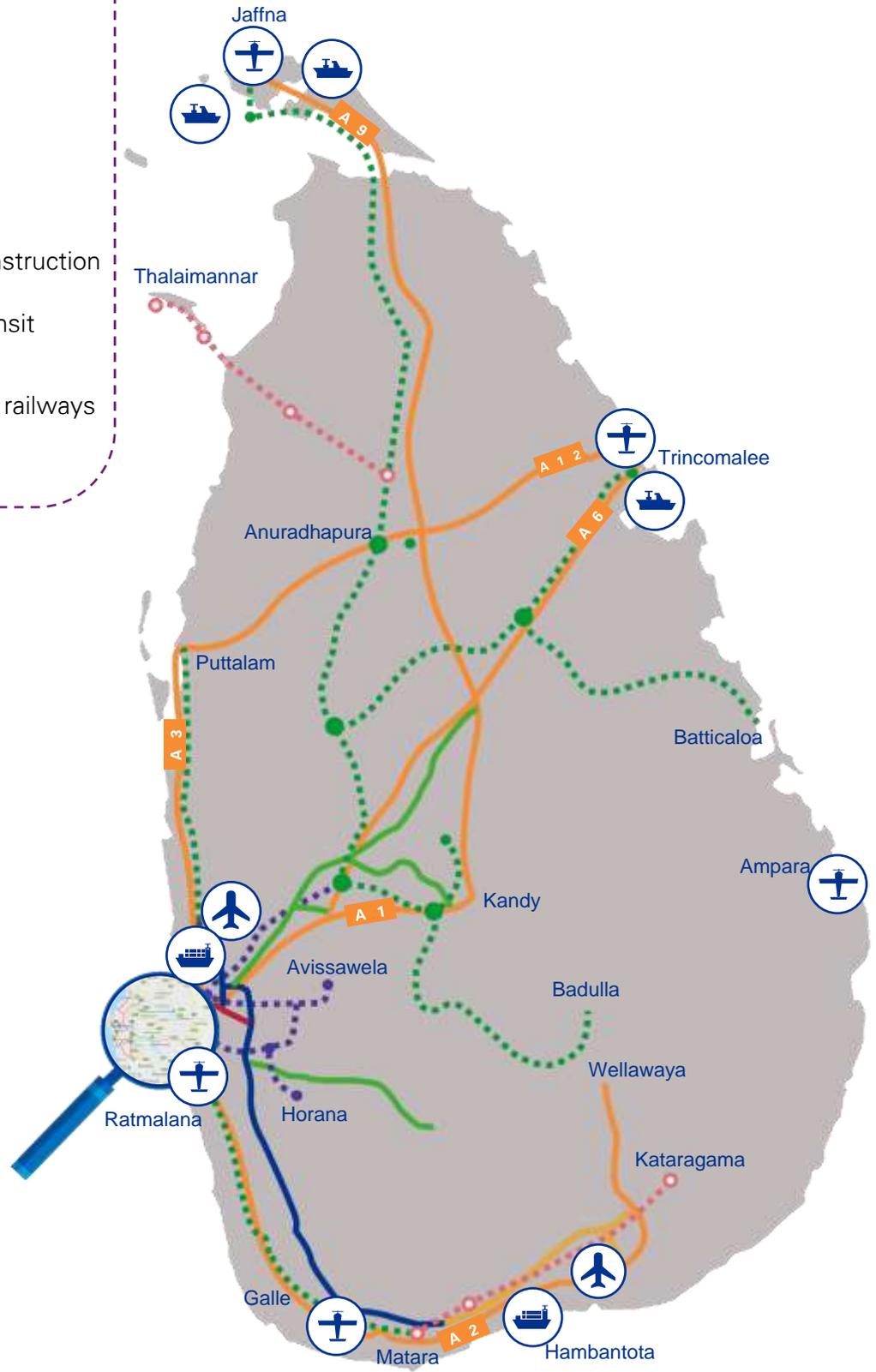
Why invest in Sri Lankan real estate

Improvement in external and internal connectivity



- RTS 1 – Fort > Kollupitiya > Bambalapitiya > Borella > Union place > Maradana (15km)
- RTS 2 – Fort > Maradana > Mattakuliya / Peliyagoda (11.5km)
- RTS 3 – Dematagoda > Borella > Kirulapona > Havelock City > Bambalapitiya (10km)
- RTS 4 – Borella > Battaramulla (10km)
- RTS 5 – Battaramulla > Kottawa via Malabe (9.6km)
- RTS 6 – Malabe > Kaduwela (6km)
- RTS 7 – Peliyagoda > Kelaniya > Kiribathgoda > Mahara > Kadawatha (10km)

-  International airports
-  Domestic airports
-  International seaports
-  Domestic seaports
-  Existing expressways
-  Proposed expressways
-  Expressways under construction
-  Existing highway
-  Proposed Light Rail Transit
-  Existing railway
-  Proposed electrification railways
-  Proposed railways



Source: Ministry of Megapolis and Western Development, Ministry of Transport and Civil Aviation, Road Development Authority

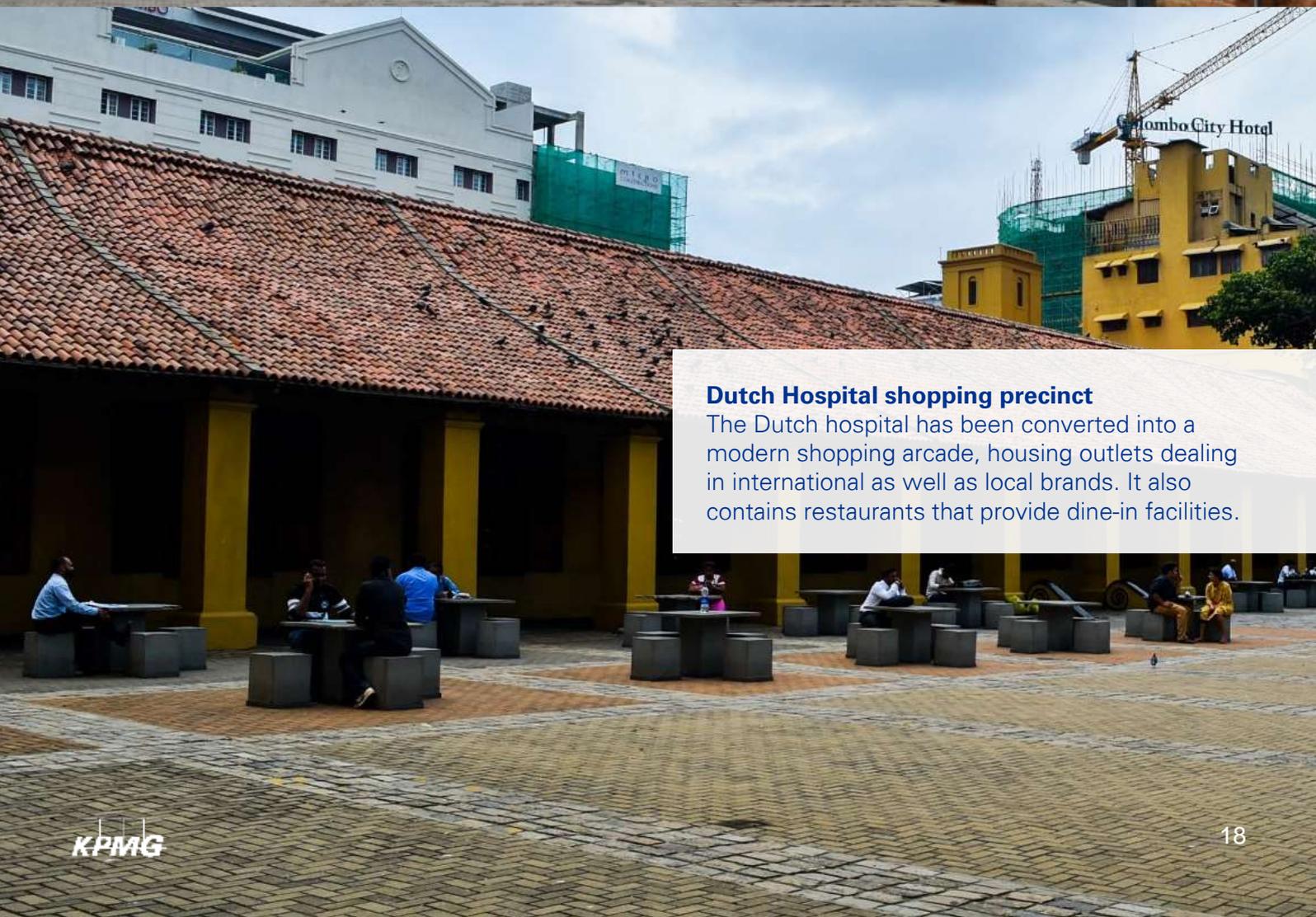
Why invest in Sri Lankan real estate

5. Infrastructure development

Following 2009, the Sri Lankan Government focused on providing Colombo with an infrastructure facelift. Many existing buildings were renovated, whilst new developments also came up to facilitate recreational needs and commercial and retail spaces needs.

TRACE Expert City

The one time Tripoli Market in Pettah, Colombo is to be converted to an Information Technology ("IT") park, attracting a range of IT related companies under an Urban Development Authority ("UDA") project. A 10 acre block of land, with three separate buildings, each costing LKR 450 million, has been rented out to IT related firms.



Dutch Hospital shopping precinct

The Dutch hospital has been converted into a modern shopping arcade, housing outlets dealing in international as well as local brands. It also contains restaurants that provide dine-in facilities.



Arcade – Independence Square

The Arcade – Independence Square offers entertainment, shopping, leisure and dining to please the requirements of an entire family. A portfolio of brands are present at the Arcade and many different restaurants, theatres and entertainment opportunities have been laid.



Race Course development

The Old Race Course has been converted into a shopping arcade, which has the capacity to accommodate 6 shops of approximately 1,720 sq. ft. each. The Development cost LKR 126 Million.

Why invest in Sri Lankan real estate

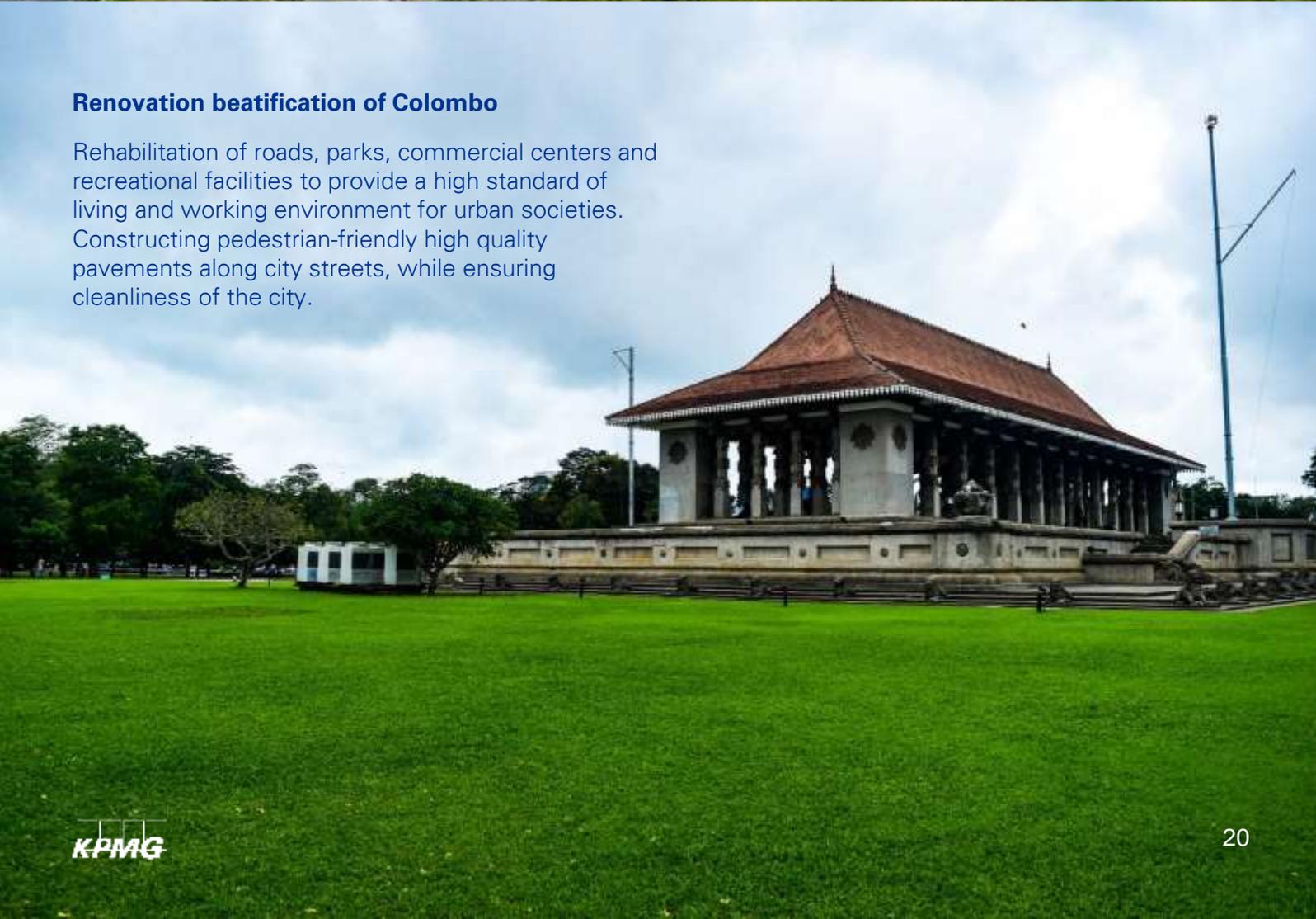


Renovation of the former Auditor General's Office

The former Auditor General's office located at Torrington Square in Colombo 7 facing Baudhaloka Mawatha, has been renovated and converted for suitable commercial purposes, by the UDA.

Renovation beatification of Colombo

Rehabilitation of roads, parks, commercial centers and recreational facilities to provide a high standard of living and working environment for urban societies. Constructing pedestrian-friendly high quality pavements along city streets, while ensuring cleanliness of the city.





Why invest in Sri Lankan real estate

On-going development initiatives

The Beira Lake development

The Beira Lake was once in a neglected state and awaited attention for several decades. According to a study completed in 1996, the authorities came up with the Beira Lake Restoration Master Plan to make this water body a big attraction in the city of Colombo. 27 hectares of the Beira belong to the Sri Lanka Railway Department and 26 hectares belong to the warehouses.

A new development plan hopes to clear away all nearby slum dwellings and control the chaos, which prevails around the area and create a picturesque place for both locals and tourists. Under the five categories, the improvement of all land around the lake will control pollution around the lake, incorporate the safety of nature during the process of development, safeguard the lake and bring in suitable events for both local and foreign tourists to enjoy and focus on their livelihood.



The Lotus Tower

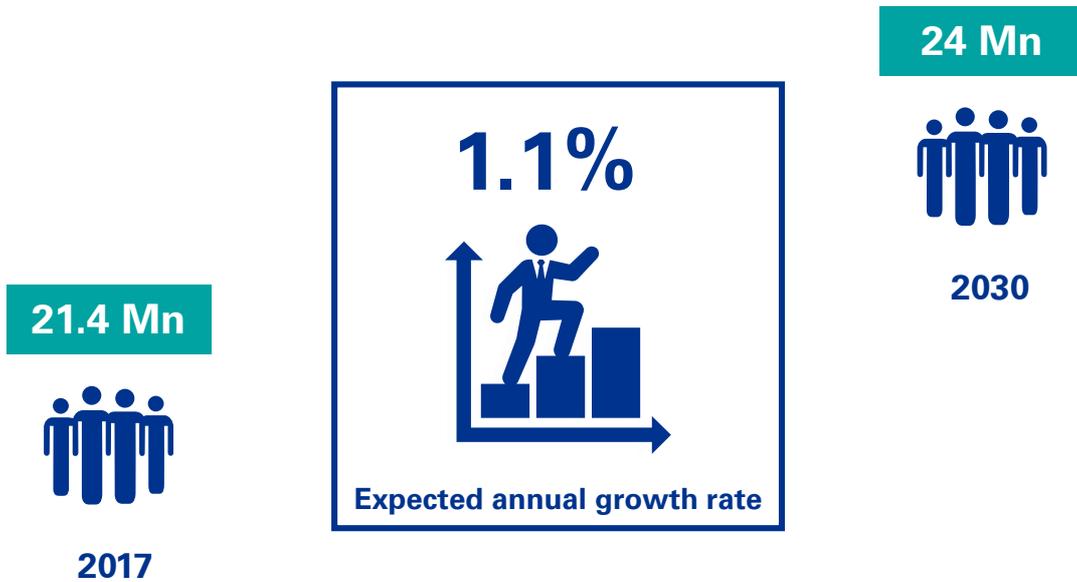
The Lotus Tower will offer facilities to enhance the digital infrastructure of Sri Lanka. An investment of USD 104.3 Million, funded by Chinese EXIM bank, the tower is 350 meters tall. It will be the tallest structure in the entire SAARC region and would also serve as a major tourist attraction.

The first and second floors of the tower, located at 215 meters and 219.8 meters, are to be used for TV and radio broadcasting. The tower will be able to accommodate, 50 radio broadcasters, 20 telecommunication service providers and 50 television broadcasters. The major draw would be the revolving restaurant on the top floor which would do one round in 90 minutes.



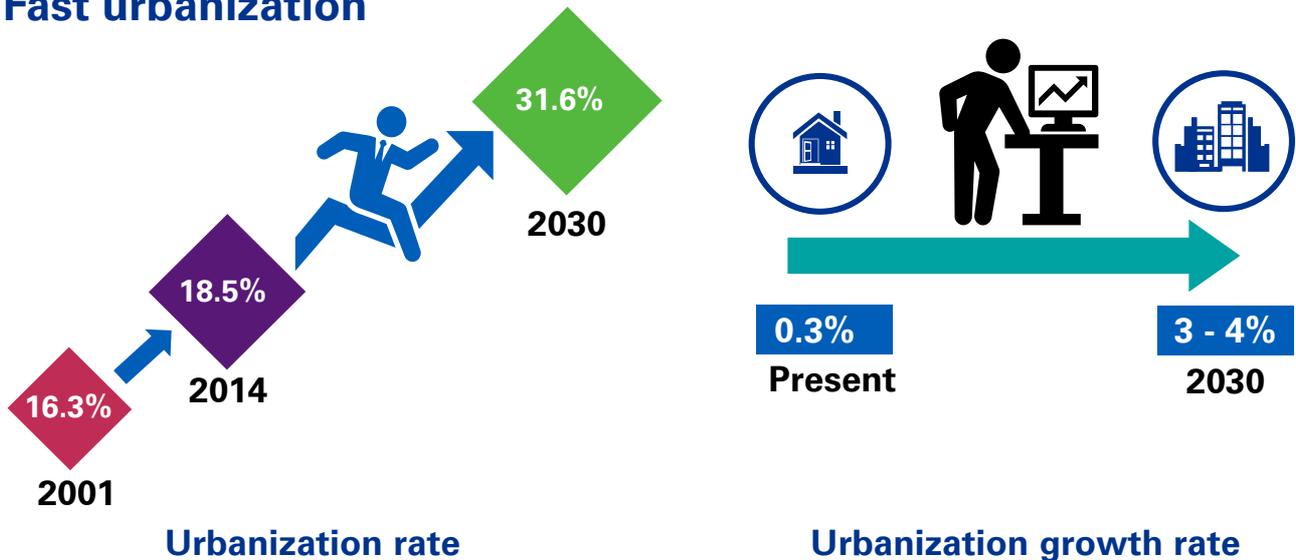
Real estate demand drivers in Sri Lanka

1. Population growth



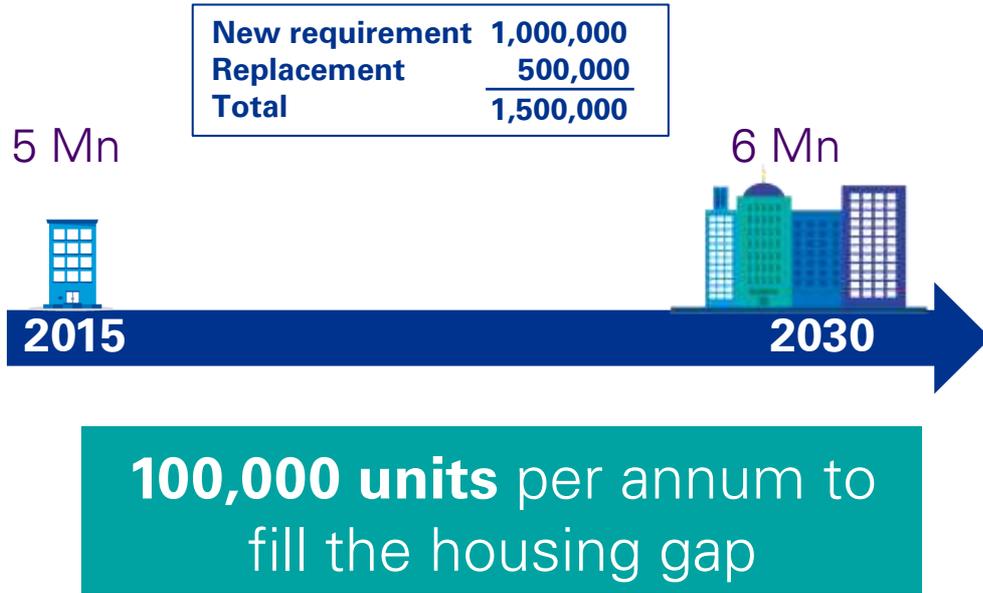
Population in Sri Lanka stood at 21.4 Million in 2017 and is anticipated to rise to 24 Million by 2030 indicating a population growth rate of 1.1%. At present the highest population is seen in the Western Province, which is approximately 29% of the total population. The Colombo District alone accounts for 11% of the entire population. The present population density of the Colombo District of 3,495 people per Sq. Km., is expected to grow up to 5,722 people per Sq. Km. by 2030.

2. Fast urbanization



Sri Lanka has the lowest urbanization rate and is on par with Nepal in the South Asian Region as per the 2014 World Bank Data Base. However, Sri Lanka may be among the 5 peers which may have hidden urbanization trends. The Government of Sri Lanka expects the urbanization growth rate to increase from 0.3% to 3 - 4% in the next 15 years, to reach an urbanization rate of 31.6% by year 2030.

3. Housing requirement



4. Growth in tourism



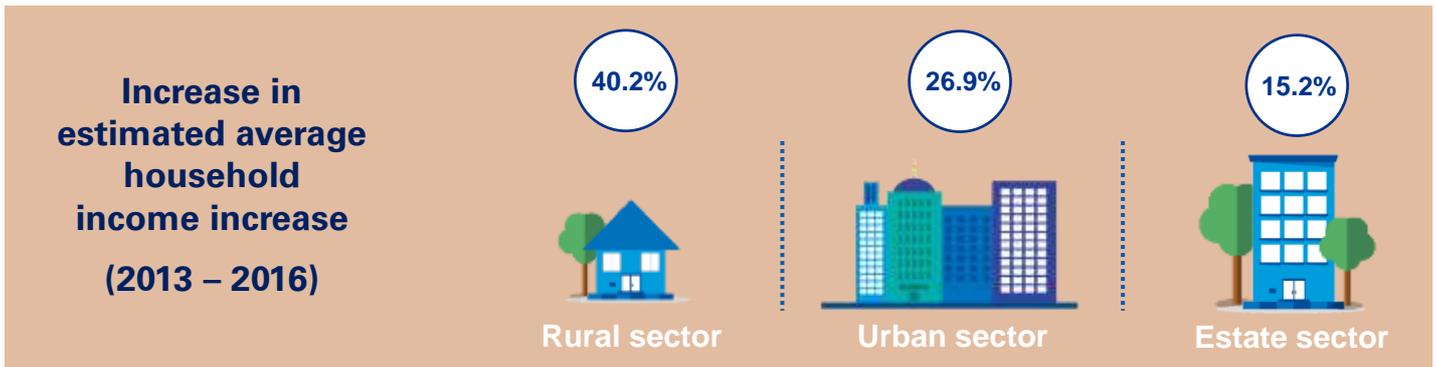
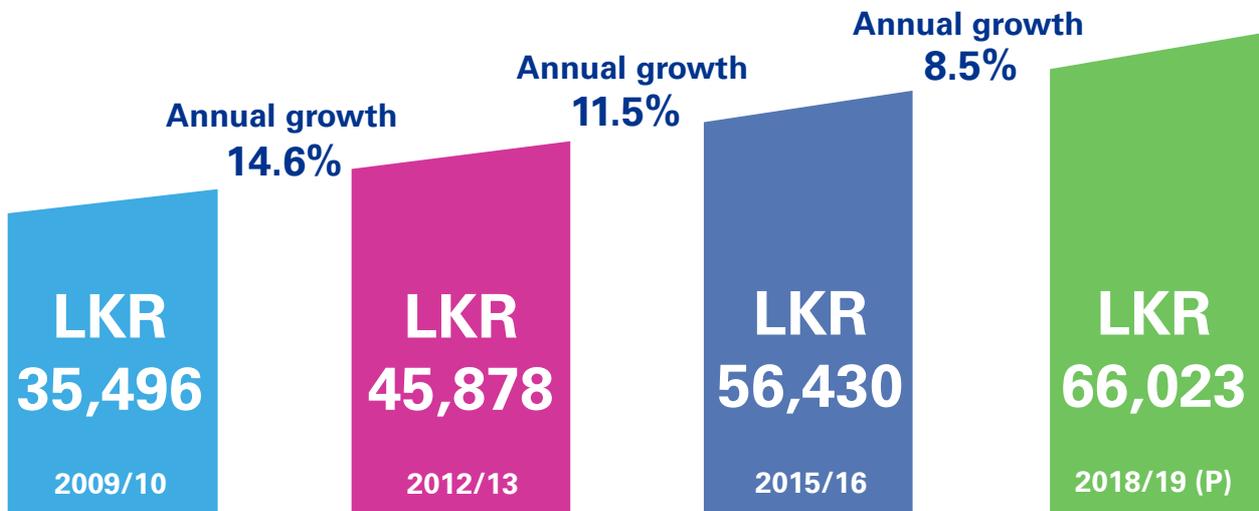
Tourism as an industry in Sri Lanka has grown at a fast pace, and has been a key contributor to the country’s economy in the post conflict era. Tourist arrivals have been on the rise and the average spending per tourist per day has also risen on an year – on – year basis. With ambitious targets for the overall sector in the future, with business travelers, high spending tourists and budget travelers, more accommodation facilities and demand for retail space will be on the rise.

Source : Department of Census & Statistics, Annual Report 2017 - Central Bank of Sri Lanka, World Urbanization, Prospects 2014, UN

Real estate demand drivers in Sri Lanka

5. Growth in household income and per Capita Income

Rise in average household income per month



Rise in per Capita Income (US\$)



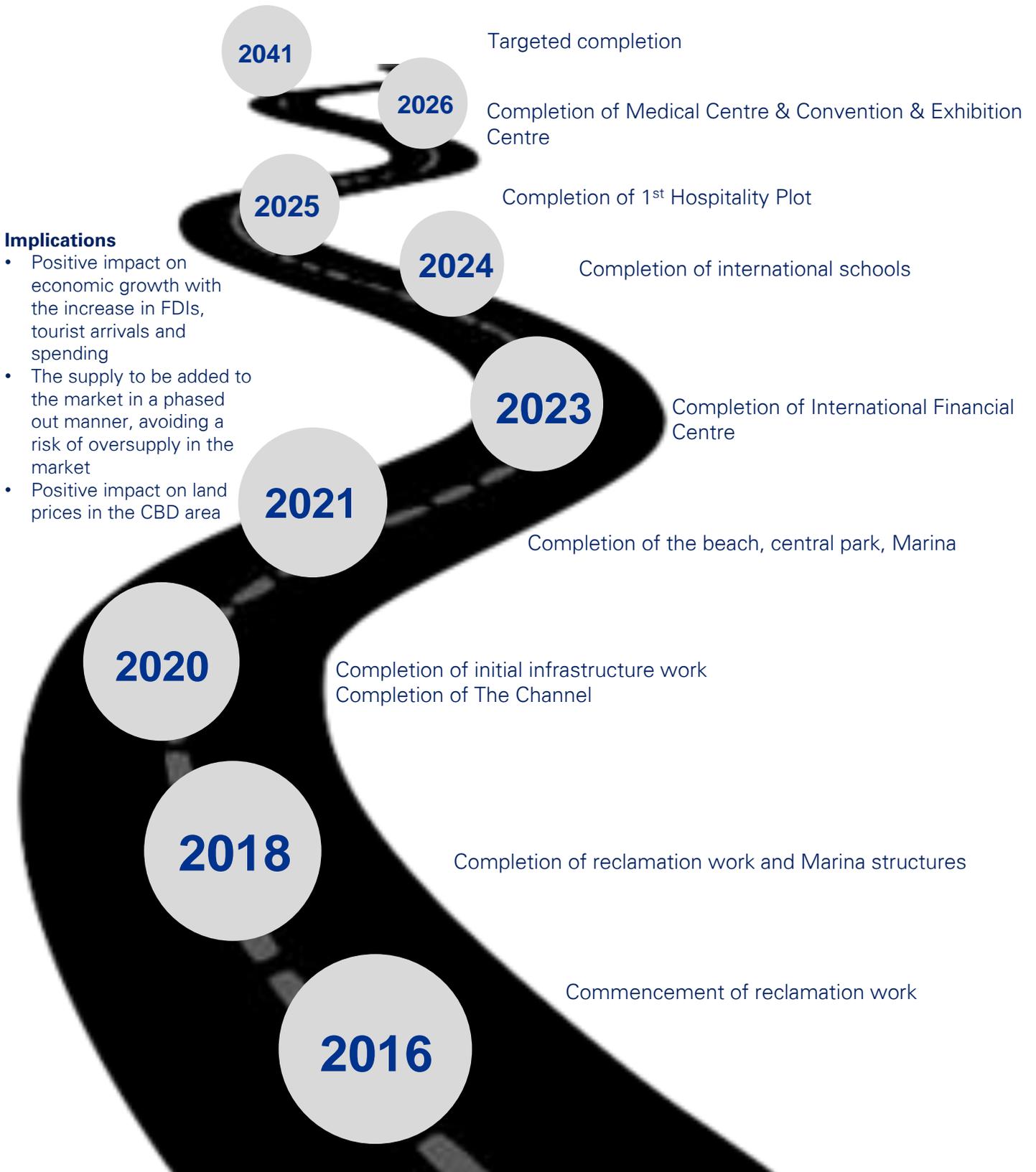
(P) - Projected

Source : Department of Census & Statistics, Annual Report 2017 - Central Bank of Sri Lanka, Household Income and Expenditure Survey 2016



Real estate demand drivers in Sri Lanka

6. Growth in the market, driven through Port City development



World class facilities and amenities will be provided



Total investment: USD 15 billion
 Expected city population 250,000
 Creating over 83,000 new job opportunities



Phase 1

Total saleable land: 58 Ha.
 Total gross floor area: 2.57 million sq. mile

Total reclaimed land: 269 Ha.
 Total saleable land: 178 Ha.
 Total gross floor area: 5.6 million sq. mile



Phase 2

Total saleable land: 117 Ha.
 Total gross floor area: 2.93 million sq. mile



Source: CHEC Port City Colombo

Investing in Sri Lanka



Most countries have restrictions in place for ownership of property by foreigners.

What is the situation in Sri Lanka?

Foreign ownership - Leasehold

- Leasehold ownership of property could be taken for a maximum tenure of 99 years
- Notarial execution and registration of lease agreement is a requirement

Foreign freehold ownership of property is prohibited under The Land (Restriction on Alienation) Act. However freehold ownership is allowed;

- Above the fourth floor of a condominium property
- Companies incorporated in Sri Lanka with less than 49% (direct or indirect) foreign shareholding





Open an authorized Inward Investment Account (IIA) through a bank. This allows to repatriate money from Sri Lanka. This must be done with one of the licensed banks in Sri Lanka

Other tax on transactions

- Capital Gains Tax (“CGT”) will be charged on the gain arising from realization of an investment asset at the rate of 10%. CGT will only arise, if the net cost of the asset accrues a gain to the owner of the asset. The gain is calculated on the consideration received for the asset or liability exceeding the cost of the asset. The cost of the asset would be the market value of such an asset at 30th September 2017.

Professional fees on transactions

- Legal Fees would range from 0.5% to 3% of the transaction value.
- Valuer’s fee varies with the transaction value and is calculated according to the approved fee scale by the Institute of Valuers Sri Lanka (“IVSL”)
- Brokers Fee would be generally 3% to 5% of the transaction value

Stamp Duty on transactions

- For transfer of immovable property, the stamp duty rate is LKR 3 for every LKR 100 or part thereof where the value of property is LKR 100,000 or less and LKR 4 for every LKR 100 or part thereof on the balance when the value exceeds LKR 100,000
- For lease instruments, it is LKR 10 for every LKR 1,000 or part thereof of the aggregate lease rental

High end condominium market in Colombo

Why Colombo?

- Fast growing commercial hub in the region
- Density of population in Colombo City is expected to double over the next 15 years
- Service industries such as Hospitality, Financial and IT have seen tremendous growth through the entry of prominent global players
- 11% of the country's population live in the city of Colombo
- Home to a number of private companies and Government Institutions and busiest port in Asia
- 40% of GDP is from the Western province
- Growing pool of expatriates
- Quality of Life
- Multi ethnic identities
- Increasing demand for residential and commercial space

Presence of

International hotel chains – Hilton, Movenpick, Shangri La, Sheraton, Marriot, RIU, Taj
World renowned banks - HSBC, Citi, Standard Chartered, Deutsche
IT companies– Virtusa, WSO 2

Price points



Super luxury

Extreme luxury

1 unit per floor

(USD 400 to USD 550)



Luxury

Comfort and elegance

2 – 4 units per floor

(USD 200 to USD 399)



Luxury - Suburban

Highly expensive

8 – 12 units per floor

(USD 120 to USD 199)

6,827

Apartment units to be added
in to the market by 2020

Local investors

61%



Local end users

17%



Sri Lankan expatriates

18%



Institutional investors

4%



High end condominium market in Colombo - Secondary

Investing in condominiums

Primary

Drawing board to completion

Average **20%** price increase

For an investor entering the primary market it is **10% ROI per annum.**

Secondary

Year 1 - 3

From the **1st year up to the 3rd year after completion** of a project, there is a **40% - 45% increase in price historically.**

For an investor entering the secondary market it is **15% ROI per annum.**

3rd Year onwards

The historical projects have seen an average **price increase of 10%** after the 3rd year.

**ROI
17%
per
annum**

Entering at the drawing board stage and holding the investment for a couple of years and exiting

Rental yields

For an investor entering the primary market, the rental yields on historical average figures have shown **9% per annum.**

For an investor entering the secondary market, the rental yields on historical average figures have shown **5% to 7% per annum.**

Tenant Profiles



Local end users

19%



Local tenants

13%



Foreign professionals

67%



Foreign tourists

1%

Source – Department of Census & Statistics, Annual Report 2017 - Central Bank of Sri Lanka, Sotheby's

Appetite for beach front properties

Approximate average land prices of the beach front properties (South & East coasts)



1. Galle – LKR 1,500,000
2. Weligama – LKR 1,300,000
3. Matara – LKR 1,300,000
4. Dickwella – LKR 650,000
5. Tangalle – LKR 450,000
6. Hambantota – LKR 250,000
7. Arugam Bay – LKR 300,000
8. Komari – LKR 100,000
9. Kalkudah – LKR 180,000
10. Trincomalee – LKR 150,000

Demand for beach front properties are mainly from leisure related businesses and property developers



Demographics of Colombo district

699
Sq. Km

Total land
mass

2.4 Mn

Total population in
2015

3,417
per Sq. Km

Population
density in 2015

Colombo district profile

Zoning of Colombo district

Land values are comparatively high, due to the commercialized nature of the area

Major financial institutions & commercial establishments

Five star hotels, global retailers & luxury condominiums

Approximately 1 Million people commute daily to the city mainly for work, business or other purposes

Colombo 01, 02, 03 & 04 are considered to be the Business Hubs

Tier 1 Suburban

Colombo 05 – 15 generally consists of a mix of commercial and residential properties

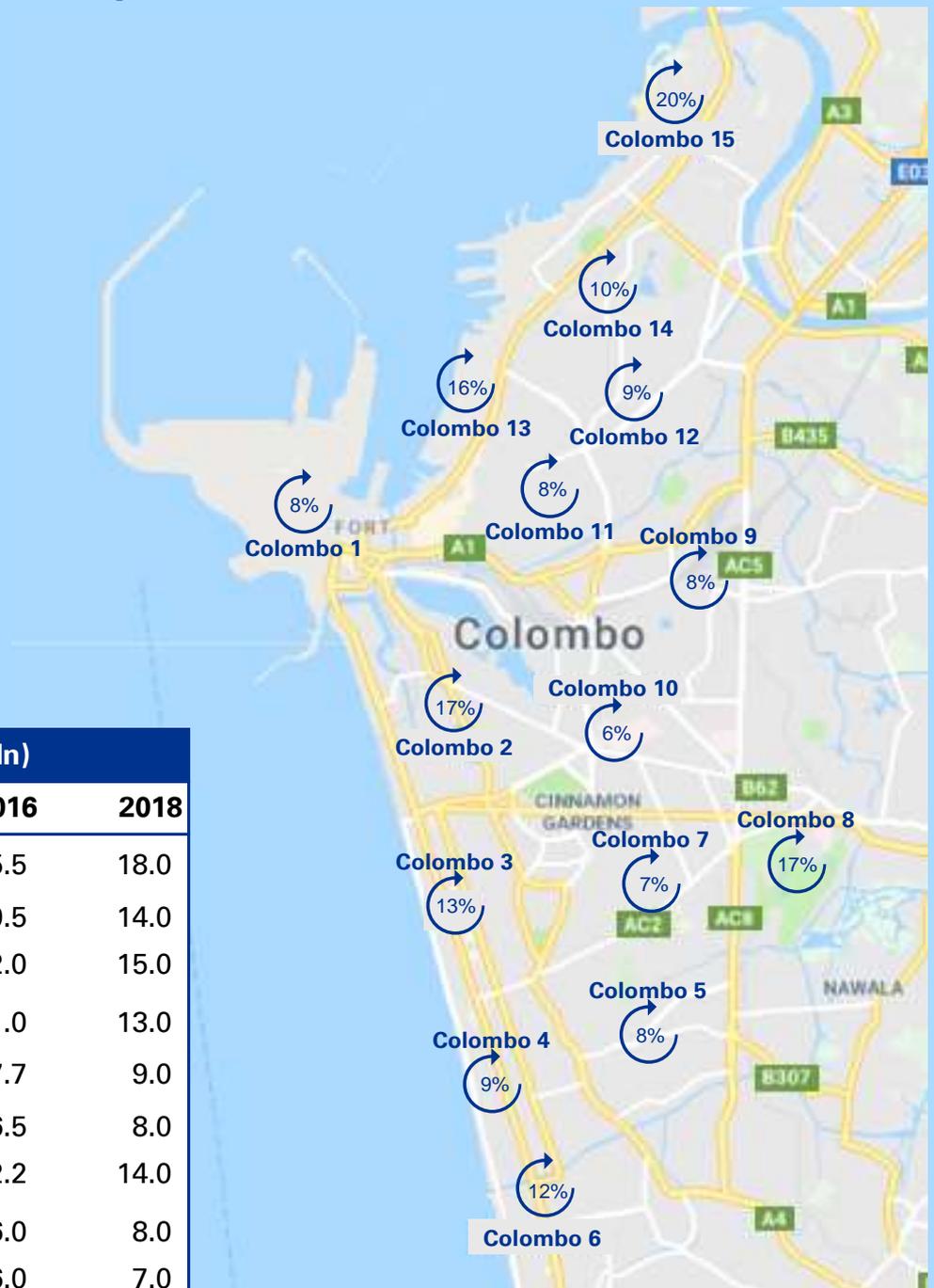
Tier II Suburban

- Kolonnawa, Rajagiriya, Kotte, Battaramulla, Thalawathugoda, Malabe, Kaduwela
- Nugegoda, Maharagama, Pannipitiya, Kottawa
- Dehiwala, Mount Lavinia, Rathmalana, Moratuwa

Appetite for prime land in and around Colombo

Growth in Colombo's land prices (2016 – 2018)

Land price per perch (LKR Mn)			
	2012	2016	2018
Colombo 1	10.0	15.5	18.0
Colombo 2	7.0	10.5	14.0
Colombo 3	5.0	12.0	15.0
Colombo 4	4.0	11.0	13.0
Colombo 5	3.5	7.7	9.0
Colombo 6	3.0	6.5	8.0
Colombo 7	6.0	12.2	14.0
Colombo 8	4.4	6.0	8.0
Colombo 9	2.0	6.0	7.0
Colombo 10	4.0	7.1	8.0
Colombo 11	6.0	16.1	20.0
Colombo 12	4.0	9.3	11.0
Colombo 13	2.5	5.3	7.0
Colombo 14	1.5	4.2	5.0
Colombo 15	0.8	2.5	3.5



Source: KPMG Research

How KPMG Real Estate Advisory can help you

KPMG's Real Estate Advisory is committed to advising corporate institutions and individuals in identifying, evaluating real estate opportunities and enhancing returns on real estate investments. With a broad network built, working with over 1100 businesses and keeping abreast of changing market dynamics, the firm advises clients on a range of options and assists in executing a client's real estate strategies with appropriate structures.

The Real Estate Advisory Practice provides advise on;

- Advise on structuring, financing and sale-leaseback services pertaining to real estate transactions
- Analysis and valuation of real estate investments and portfolios
- Market studies and project feasibility studies
- Project management advise to better manage risk and enhance returns from real estate investments

Contact Us



Shiluka Goonewardene
Principal
Deal Advisory
KPMG in Sri Lanka
E: sgoonewardene@kpmg.com



Jiffry Mohamed
Manager
Real Estate Advisory
KPMG in Sri Lanka
E: mohamedjiffry@kpmg.com



Gihani Hewavitarana
Manager
Real Estate Advisory
KPMG in Sri Lanka
E: ghewavitarana@kpmg.com



KPMG Leadership



Reyaz Mihular
Managing Partner
T: +94 11 5426500
E: reyazmihular@kpmg.com



Yohan Perera
Partner, Audit
T: +94 11 5426400
E: yohanperera@kpmg.com



Priyanka Jayatilake
Partner, Head of Advisory
T: +94 11 5426401
E: priyankajayatilake@kpmg.com



Suren Rajakarier
Partner, Head of Audit
T: +94 11 5426301
E: srajakarier@kpmg.com



Jagath Perera
Partner, Risk Consultancy
T: +94 11 5426100
E: jperera@kpmg.com



Ranjani Joseph
Partner, Audit
T: +94 11 5426302
E: ranjanijoseph@kpmg.com



Shamila Jayasekara
Partner, Head of Tax & Regulatory
T: +94 11 5426503
E: sjayasekara@kpmg.com



Dulitha Perera
Partner, Management
Consulting & Risk Consulting
T: +94 11 5426101
E: dperera@kpmg.com



Chamara Abeyrathne
Partner, Audit
T: +94 11 5426300
E: cabeyrathne@kpmg.com



Dhammika Rajapakse
Partner, Audit
T: +94 11 5426304
E: drajapakse@kpmg.com



Upul Karunaratne
Partner, Audit
T: +94 11 5426303
E: ukarunaratne@kpmg.com



Thamali Rodrigo
Partner, Audit & Family
Business Services
T: +94 11 5426305
E: trodrigo@kpmg.com



Rajesh Rajan
Partner, Audit
T: +94 11 5426102
E: rajeshrajan@kpmg.com



Shameel Nayeem
Partner, Accounting Advisory
T: +94 72 7313535
E: mshameel@kpmg.com



Shiluka Goonewardene
Principal, Deal Advisory
T: +94 11 5426403
E: sagoonewardene@kpmg.com



Suresh Perera
Principal, Tax & Regulatory
T: +94 11 5426502
E: sperera@kpmg.com



Kamaya Perera
Principal, Advisory
T: +94 11 5426402
E: kperera@kpmg.com



kpmg.com/socialmedia

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