



# GREEN BUILDINGS MARKET INTELLIGENCE

## SRI LANKA COUNTRY PROFILE



*Creating Markets, Creating Opportunities*

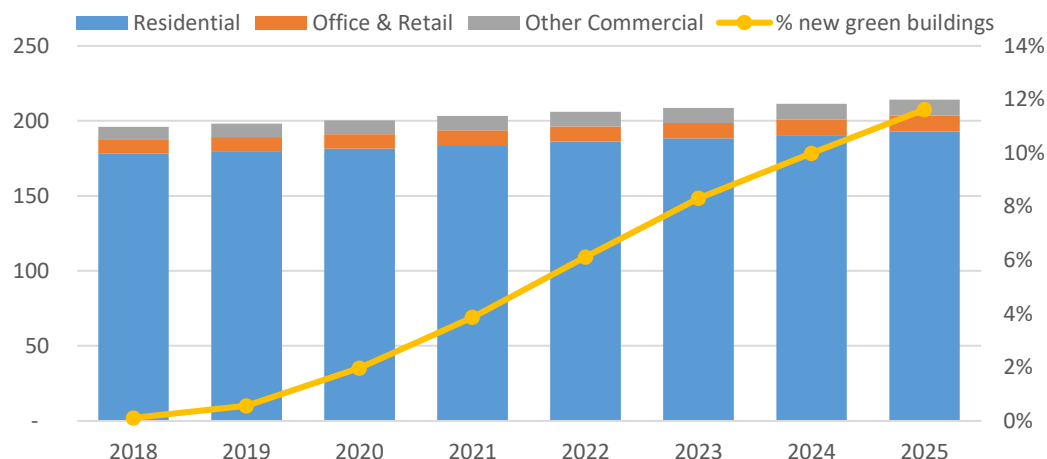
# SRI LANKA: COUNTRY SUMMARY



## MARKET GROWTH



Building Stock (million m2)



## OTHER FACTORS

- GDP growth expected to average 6.4%.
- Sri Lanka is transitioning its economy towards urban-based manufacturing and service sectors.
- Govt. introduced “blue-green era” strategy for green development and sustainable development of marine resources.
- Initiatives to encourage private sector investment to help bridge gaps between fiscal spending and tax earnings.
- Push towards developing climate resiliency since Sri Lanka is at significant risk from rising sea levels and climate change.



## CLIMATE POLICIES (NDCS)

Sri Lanka government and Green Building Council Sri Lanka helped create Sri Lanka’s own green building rating.

- National Policy and Strategy for Cleaner Production developed in 2005, and Cleaner Production for Tourism Sector in 2008.
- Initiatives to meet goal of reducing GHG emissions by 23% by 2030.



## MARKET STATUS

- Real estate is one of the top four fastest growing sectors in Sri Lanka.
- In 2014 the construction industry grew by 20% yoy, and there is currently about 2bn sq feet of total space built.
- Significant backlog exists in meeting growing demand for offices and residential spaces.

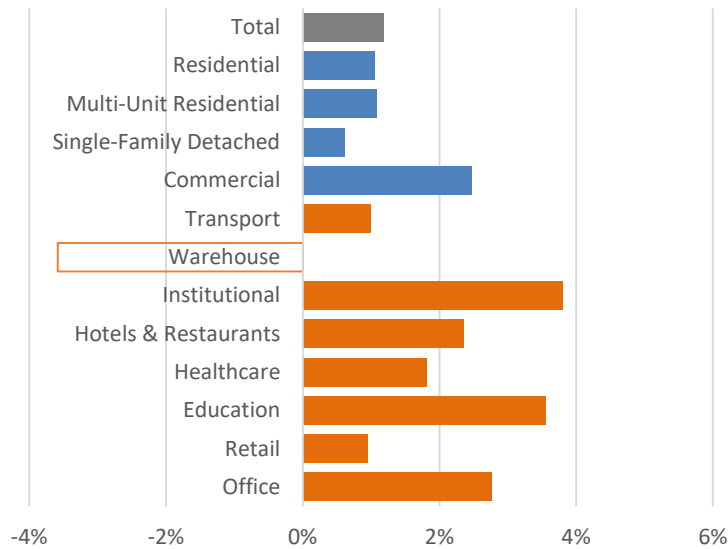


## GREEN BUILDING PROGRAMS

- Green Building Council of Sri Lanka created Sri Lanka’s indigenous rating system, which is better suited to the country’s tropical climate.
- Green Labelling System established to certify products and promote the use of green products in construction.
- All government buildings to be subject to green building standards by 2017.



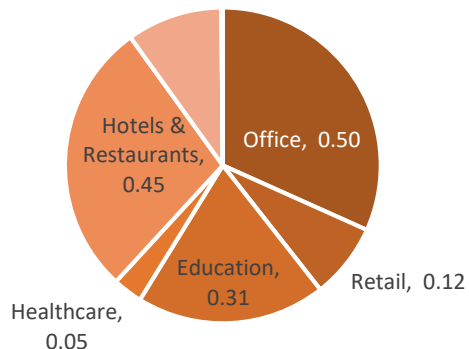
## STRONG GROWTH PROJECTED IN ALL SECTORS LED BY OFFICES, HOTELS AND RESIDENCES



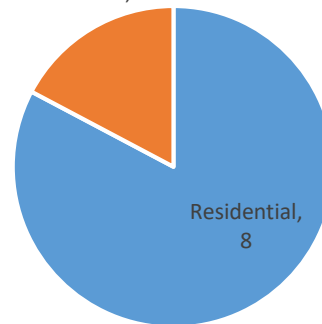
- Sri Lanka has a strong focus on construction growth given its need for redevelopment after the end of its civil war.
- The economy is developing with urban-based manufacturing and service sectors including tourism as its key pillars.
- In 2014, the construction industry grew by 20% over 2013 and similar growth is projected for coming years.
- Annual investment in new infrastructure is expected to reach \$11bn by the end of 2017.

### TOTAL MARKET SIZE, 2025 (USD BILLION)

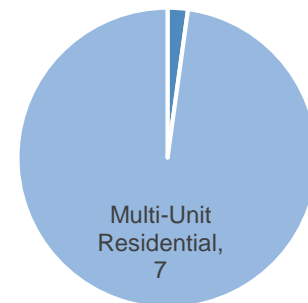
Institutional/Assembly, 0.16



Commercial, 2



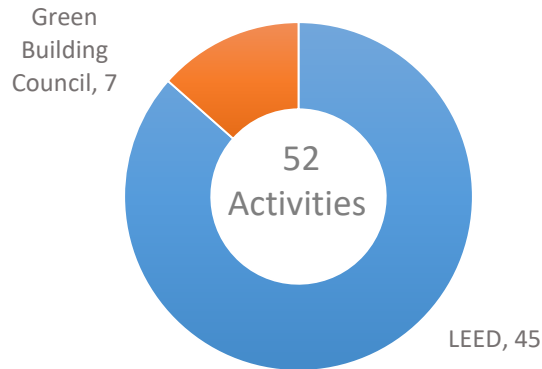
Single-Family Detached, 0



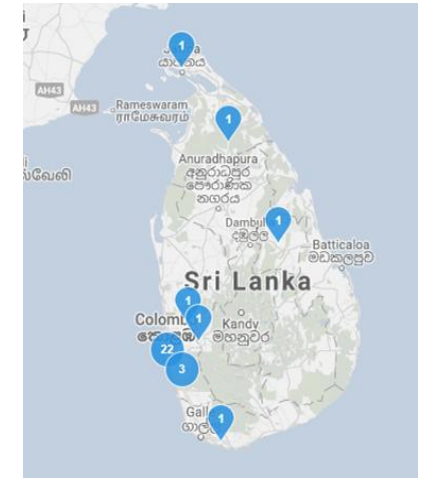


# PROMISING GROWTH IN SRI LANKAN GREEN MARKET

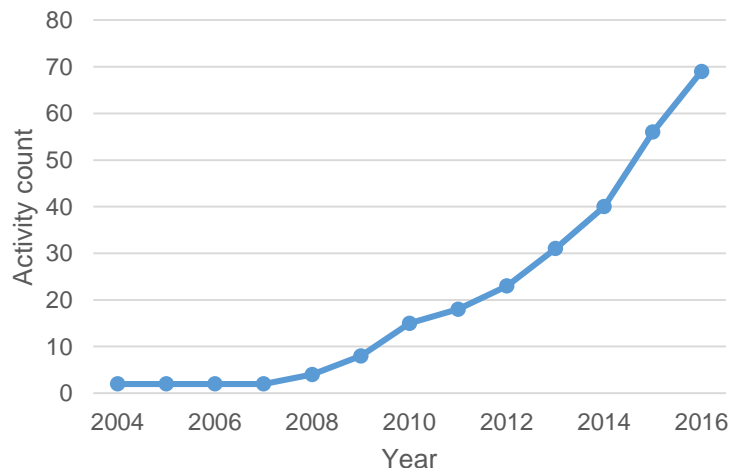
Certification Activity is dominated by LEED.



Green buildings are concentrated in the capital Colombo, with a handful of projects in the rest of the country.



Total activity count is increasing per year.



## Notable Green Projects include:

### Hotels:

- Marriott Weligama Bay Resort & Spa
- ITC One Colombo 1 Hotel, Colombo

### Offices:

- Orion City, Colombo

### Transport:

- Bandaranaike Intl. Airport, Katunayake



# SRI LANKA GREEN BUILDING COUNCIL'S RATING SYSTEM

## RATES BUILDINGS ON EIGHT KEY ASPECTS

Green Building Council has four categories:

- Platinum (70 points or above)
- Gold (60 - 69 points)
- Silver (50 - 59 points)
- Certified (40 - 49 points)

Projects can have a maximum of 100 points.

### 7 Buildings have been accredited 'GREEN'

Name of Project	Rating
Central Engineering Consultancy Bureau	Gold
Vario Systems Electronics (Pvt) Ltd	Platinum
Department of National Archives	Silver
Aliya Resort & Spa	Gold
Holy Family Conventm Kaluthara	Gold
New Hatton National Bank	Platinum
World Trade Centre Colombo	Gold

### PROCEDURE OF GETTING GREEN<sup>SL</sup>





## INITIATIVES TO PROMOTE INVESTMENTS IN GREEN PROJECTS

- IFC estimates an **investment opportunity** of almost **\$8.4 billion** in green buildings, with \$6.8 billion in the residential and \$1.6 billion in the commercial sector.
- Long standing partnership between IFC and Commercial Bank of Ceylon.
- IFC provides **advisory support to CBC** to help develop its green finance business.
- In August 2017, IFC committed a **\$100 million senior loan** to help CBC increase its lending for energy efficient projects.
- CBC has special terms for businesses and consumers on investments made in green projects.
- Colombo Stock Exchange is also part of the **Sustainable Stock Exchanges Initiative**.





## LEARN MORE ABOUT EDGE CERTIFIED PROJECTS IN SOUTH ASIA



### SPRINGHILL CONDOTEL AT JIMBARAN HIJAU

Location: **Bali, Indonesia**  
Architect: **Grounds Kent Arsitek Indonesia (GKAI)**  
Sector: **Commercial - Hotels**  
Size: **8,232 m<sup>2</sup>**

Predicted Savings of EDGE Certification:



21% Energy Savings



21% Water Savings



37% Less Embodied Energy in Materials



### KOLKATA WEST INTERNATIONAL CITY

Location: **Kolkata, West Bengal**  
Developer: **Shapoorji Pallonji Group**  
Sector: **Multi family Residential**  
Size: **> 600 units**

Predicted Savings of EDGE Certification:



27% Energy Savings



35% Water Savings



36% Less Embodied Energy in Materials

Case studies from other countries: <https://www.edgebuildings.com/projects/>



## PROJECTS CAN CHOOSE BETWEEN TWO EDGE CERTIFIERS FOR **FAST, EASY, AND AFFORDABLE** CERTIFICATION



CERTIFICATION	PRICE (PER M <sup>2</sup> , EXCLUDING PARKING)	MINIMUM
0-25,000 FLOOR AREA (SQM)	\$0.27	\$2,250
25,000-50,000 FLOOR AREA (SQM)	\$0.22	\$6,750
50,000-75,000 FLOOR AREA (SQM)	\$0.17	\$11,000

\*Price per m<sup>2</sup>; Project appoints an auditor



PROJECT TYPE	CERTIFICATION	DESIGN AUDIT	FINAL AUDIT	TOTAL
Residential (one unit type)	\$2,100	\$3,600	\$3,650	<b>\$9,350</b>
Commercial (single end use)	\$2,100	\$3,600	\$3,650	<b>\$9,350</b>

\*Price per type of project; Auditor fee is included

Details and registration forms can be found on the EDGE program website:  
<https://www.edgebuildings.com/certify/other-countries/>



# REGIONAL EDGE EXPERTS CAN HELP PROJECTS NAVIGATE THE CERTIFICATION PROCESS

**Anand Achari**

[anandachari@gmail.com](mailto:anandachari@gmail.com)

Architect, Bharati College of Architecture

📍 Navi Mumbai

**Kshitij Amodekar**

[amodekar@gmail.com](mailto:amodekar@gmail.com)

Sustainability Consultant

📍 Bangalore

**Nabeel Anwer**

[nabeel035@gmail.com](mailto:nabeel035@gmail.com)

Sustainability Consultant

📍 New Delhi

**Aravindaraj Baskaran**

[aravinth.4444@gmail.com](mailto:aravinth.4444@gmail.com)

Sustainability Consultant, SGS India Pvt Ltd

📍 Chennai

**Kumar Biplab**

[kumar@greentree.global](mailto:kumar@greentree.global)

Sustainability Consultant, GreenTree Building Energy Pvt. Ltd.

📍 Kolkata

**Dinesh Kumar Dhanasekaran**

[ddineshkumar@intecc.com](mailto:ddineshkumar@intecc.com)

Sustainability Consultant, L&T Construction

📍 Chennai

**Nandana Dilip Kumar**

[nandana.dk@lcsind.org](mailto:nandana.dk@lcsind.org)

Sustainability Consultant, LEAD Consultancy & Engineering Services

📍 Bangalore

**Nilesh Gandhi**

[nilesh.g@metadesign.co.in](mailto:nilesh.g@metadesign.co.in)

Architect, Metadesign India Pvt. Ltd.

📍 Mumbai

**Elavarasan Govindarasu**

[elavarasan.g@en3online.com](mailto:elavarasan.g@en3online.com)

Project Manager, En3 Sustainability Solutions Private Limited

📍 Chennai

Full list available at : <https://www.edgebuildings.com/edge-experts/edge-experts-around-the-world>



# RESEARCH METHODOLOGY

## COUNTRY LIST

- IFC chose countries that correspond to the [Climate Investment Opportunity Report](#) (CIO Report) as well as countries of strategic interest for IFC.
- IFC plans to release additional country analysis, pending resources.

## TOTAL MARKET OVERVIEW

- Building stock was sourced from the [Global Building Stock Database](#) and confirmed by country experts, if possible.
- The research team found local prices for capital construction expenses, or used global proxies otherwise.
- Market sizing was executed for new construction and did not focus on retrofits.

## SNAPSHOT OF THE CURRENT GREEN MARKET

- Main source of information was the [Green Building Information Gateway](#), confirmed by local green building council reports, if such existed.
- The research team focused on properties certified as green.

## GOVERNMENT POLICIES

- Main information was sourced from [IFC's Climate Investment Opportunities Report – South Asia](#).
- Additional information was found using various searches as well as government websites.

## PROJECTIONS FOR GREEN PENETRATION

- Based on the total market growth, snapshot of the current green market, and the enabling environment of government policies, the research team projected green penetration per each of the sub-sectors.
- Weighted average of combined sector data produced the final penetration number.
- The analysis focused only on new construction, and focused only on certified properties.
- As tools for retrofits take off in the market (including IFC's EDGE product), analysis may be amended to include the retrofit market.
- Market potential may be different from numbers reported in the CIO Report, as a more conservative estimate was used for business planning purposes.

## OTHER

- Information for green building councils was sourced from [World GBC website](#).
- Case studies were presented only for IFC's EDGE green building software and certification system.
- However, lists of all green certified projects in a given country can be found through the [Green Building Information Gateway](#).
- Finally, pricing for EDGE certification was included to illustrate that green certification is affordable and achievable in emerging markets.



# ACKNOWLEDGEMENTS

## **DONOR ACKNOWLEDGEMENT**

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