

PRESS RELEASE

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 இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Land Valuation Indicator¹ – First Half of 2021

Key Facts

LVI

Indicator Value

155.1

Annual Increase

9.5 %

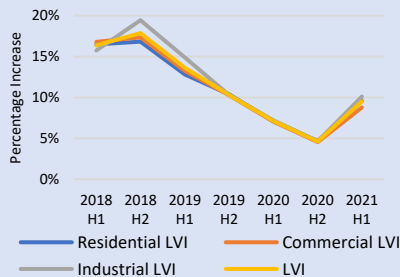
Semi-Annual²

Increase

6.8 %

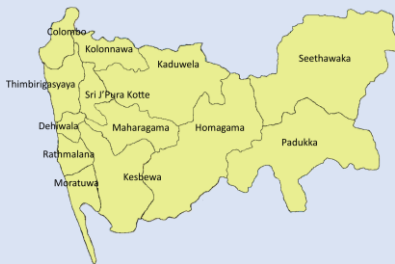
Land Valuation Indicator (LVI) for Colombo District increased to 155.1 during the first half of 2021. The annual increase of 9.5 and the semi-annual increase of 6.8 of LVI, reversed the declining trend observed in the LVI increases over the last two years.

Annual Percentage Increase of LVI

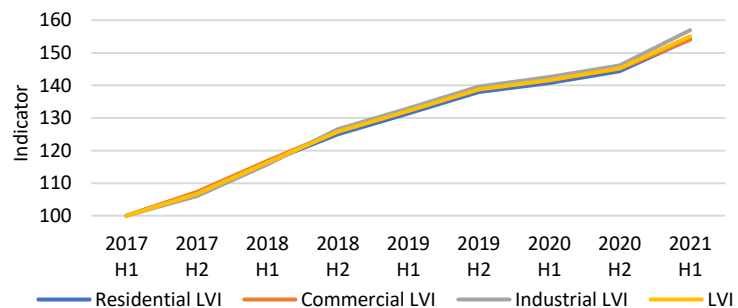


All sub-indicators of LVI, namely Residential LVI, Commercial LVI and Industrial LVI, contributed to the overall increase. Industrial LVI recorded the highest annual increase of 10.1 per cent, followed by Residential LVI and Commercial LVI.

Geographical Coverage of LVI Since 2017: Colombo District



Movements of LVI (2017 H1 = 100)



Land Valuation Indicator and Growth Rates

Land Valuation Indicator for Colombo District (Base period: 2017 H1)	Indicator Value					Annual Percentage Change			Semi-Annual ² Percentage Change		
	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2020 H1	2020 H2	2021 H1	2020 H1	2020 H2	2021 H1
Residential LVI	131.4	137.9	140.7	144.4	154.2	7.1	4.7	9.6	2.0	2.6	6.8
Commercial LVI	132.2	138.8	141.6	145.1	154.0	7.1	4.5	8.8	2.0	2.5	6.1
Industrial LVI	133.0	139.6	142.5	146.1	157.0	7.2	4.6	10.1	2.1	2.5	7.4
LVI	132.2	138.8	141.6	145.2	155.1	7.1	4.6	9.5	2.0	2.5	6.8

Source: Central Bank of Sri Lanka

¹ The Land Price Index (LPI) compiled by the CBSL was renamed as Land Valuation Indicator (LVI), effective from the 2nd half of 2019.

² Percentage change of the LVI for this half year compared to the previous half year.

Technical Note:**Coverage and Frequency**

The Land Price Index (LPI) compiled from 1998 to 2008 on an annual basis and from 2009 to 2017 on a semi-annual basis, covering 5 DS divisions in the Colombo District. Subsequently, from 2017 onwards, its geographical coverage was enhanced to represent all 13 DS divisions in the Colombo District and hence it was rebased considering 1st half of 2017 as the base period. From 2020 onwards LPI was renamed as Land Valuation Indicator (LVI) and continued to be released on a semi-annual basis.

Data Source

Per perch bare land prices are obtained from the Government Valuation Department on a semi-annual basis.

Methodology

Considering the diverse nature of land use, and the necessity of maintaining homogeneity, three sub-indicators for residential, commercial and industrial lands are computed separately for each DS division using the average per perch bare land price in the area. The LVI is the simple average of these three sub-indicators.