

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Land Valuation Indicator¹ – Second Half of 2022

Key Facts

LVI

Indicator Value

205.2

Annual Increase

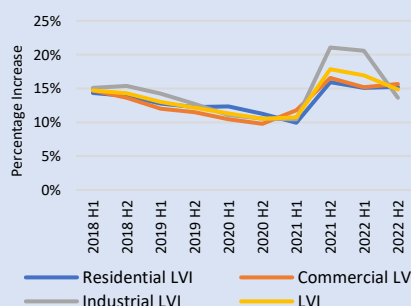
14.8 %

Semi-Annual²

Increase

9.8 %

Annual Percentage Increase of LVI



Geographical Coverage of LVI: Colombo District

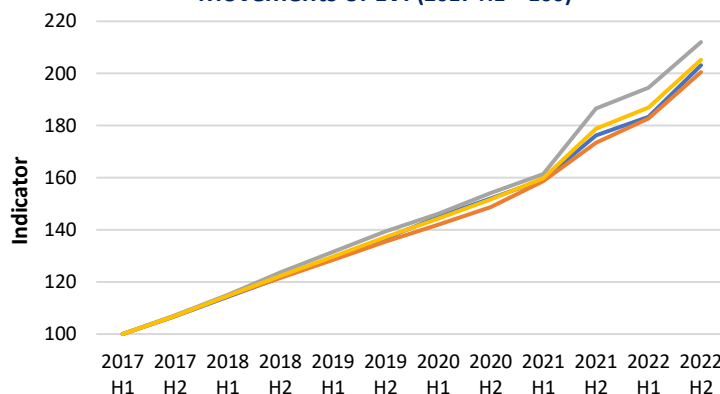


Source: Central Bank of Sri Lanka

Land Valuation Indicator (LVI) for Colombo District increased by 14.8 per cent on a year-on-year basis to 205.2 during the second half of 2022. All sub-indicators of LVI, namely Residential LVI, Commercial LVI and Industrial LVI contributed to the overall increase.

Commercial LVI recorded the highest annual increase of 15.7 per cent, followed by Residential LVI (15.2) and Industrial LVI (13.6). However, a downward trend was observed in the annual increase of LVI in second half of 2022, driven by the decline in the annual increase of Industrial LVI. Meanwhile, the annual growth of Residential and Commercial LVIs increased slightly during the second half of 2022.

Movements of LVI (2017 H1 = 100)



Residential LVI Commercial LVI Industrial LVI LVI

Land Valuation Indicator and Growth Rates³

Land Valuation Indicator for Colombo District (Base period: 2017 H1)	Indicator Value						Annual Percentage Change				Semi-Annual ² Percentage Change			
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2021 H1	2021 H2	2022 H1	2022 H2	2021 H1	2021 H2	2022 H1	2022 H2
Residential LVI	144.9	152.0	159.3	176.3	183.4	203.1	9.9	15.9	15.1	15.2	4.8	10.6	4.0	10.8
Commercial LVI	142.0	148.7	158.7	173.4	182.8	200.5	11.8	16.6	15.2	15.7	6.7	9.3	5.4	9.7
Industrial LVI	146.1	154.1	161.3	186.6	194.6	212.0	10.4	21.1	20.6	13.6	4.7	15.6	4.3	9.0
LVI	144.3	151.6	159.8	178.7	186.9	205.2	10.7	17.9	17.0	14.8	5.4	11.9	4.6	9.8

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 second half of 2019.

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

³ The whole series of LVI (2017 H1=100) was revised in June 2022 based on the re-estimated data provided by the Government Valuation Department with the revisions introduced to their valuation methodology. The revised series is available to be downloaded via the Data Library of the Central Bank of Sri Lanka (<https://www.cbsl.lk/eresearch/>).

Technical Note:**Data Source**

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

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.

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.