

PRESS RELEASE

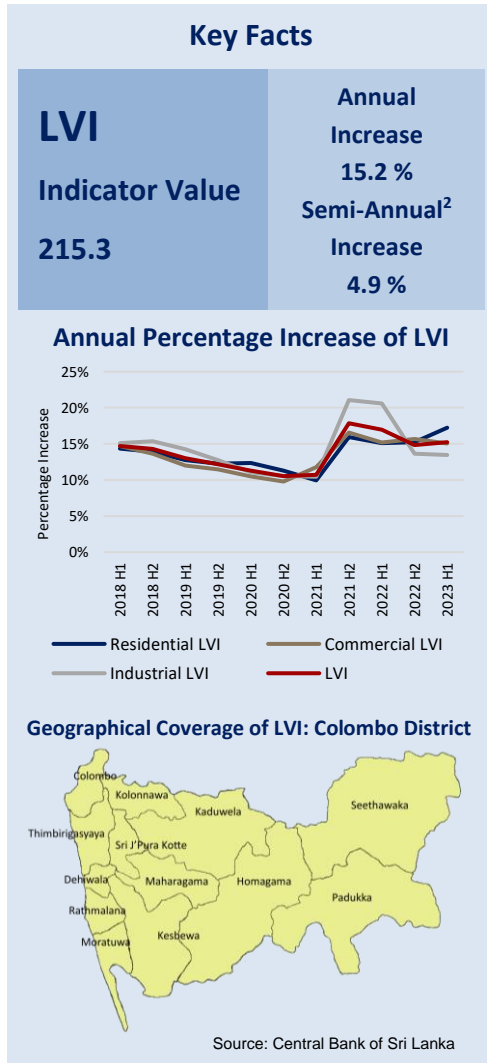
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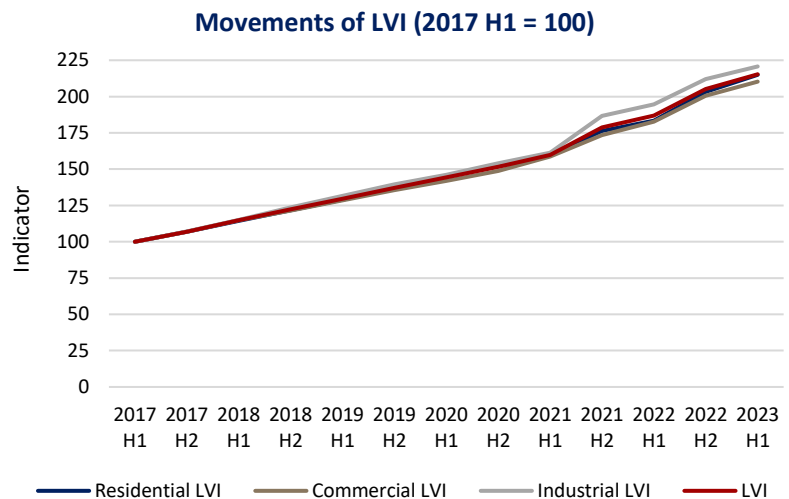
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 இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

[Public] **Issued By** Statistics Department
Date 2023.08.22

Land Valuation Indicator¹ – First Half of 2023



Land Valuation Indicator (LVI) for Colombo District recorded 215.3 during the first half of 2023 with a year-on-year increase of 15.2 per cent. All sub-indicators of LVI, namely Residential, Commercial and Industrial LVIs contributed to the overall increase with annual increases of 17.2 per cent, 15.1 per cent and 13.5 per cent, respectively. On semi-annual basis, LVI increased by 4.9 percent during the first half of 2023, compared to the second half of 2022. The highest contribution to this increase was from Residential LVI followed by Commercial and Industrial LVIs. However, a deceleration of the semi-annual growth of LVI could be observed during the first half of 2023.



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 H2 | 2021 H1 | 2021 H2 | 2022 H1 | 2022 H2 | 2023 H1 | 2021 H2 | 2022 H1 | 2022 H2 | 2023 H1 | 2021 H2 | 2022 H1 | 2022 H2 | 2023 H1 |
| Residential LVI | 152.0 | 159.3 | 176.3 | 183.4 | 203.1 | 215.0 | 15.9 | 15.1 | 15.2 | 17.2 | 10.6 | 4.0 | 10.8 | 5.8 |
| Commercial LVI | 148.7 | 158.7 | 173.4 | 182.8 | 200.5 | 210.3 | 16.6 | 15.2 | 15.7 | 15.1 | 9.3 | 5.4 | 9.7 | 4.9 |
| Industrial LVI | 154.1 | 161.3 | 186.6 | 194.6 | 212.0 | 220.7 | 21.1 | 20.6 | 13.6 | 13.5 | 15.6 | 4.3 | 9.0 | 4.1 |
| LVI | 151.6 | 159.8 | 178.7 | 186.9 | 205.2 | 215.3 | 17.9 | 17.0 | 14.8 | 15.2 | 11.9 | 4.6 | 9.8 | 4.9 |

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 first half of this year compared to the second half of previous 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.