

Land Valuation Indicator

First Half of 2022



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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Land Valuation Indicator¹ – First Half of 2022

Key Facts

LVI

Indicator Value

186.9

Annual Increase

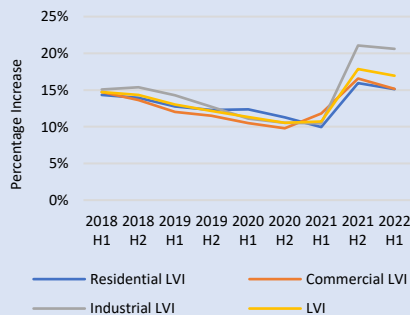
17.0 %

Semi-Annual² Increase

4.6 %

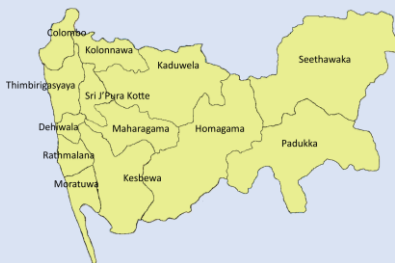
Land Valuation Indicator (LVI) for Colombo District increased to 186.9 with a year-on-year change of 17.0 per cent during the first half of 2022. This annual increase (17.0) and the semi-annual increase (4.6 per cent) of LVI, showed a deceleration of the increasing trend observed in the second half of 2021.

Annual Percentage Increase of LVI



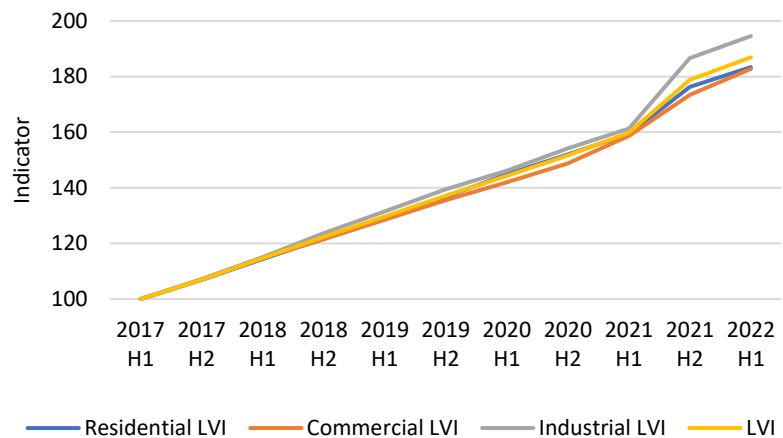
All sub-indicators of LVI, namely Residential LVI, Commercial LVI and Industrial LVI contributed to the overall increase. Industrial LVI recorded the highest annual increase of 20.6 per cent, followed by Commercial LVI and Residential LVI.

Geographical Coverage of LVI Since 2017: Colombo District



Source: Central Bank of Sri Lanka

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 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2020 H2	2021 H1	2021 H2	2022 H1	2020 H2	2021 H1	2021 H2	2022 H1
Residential LVI	136.6	144.9	152.0	159.3	176.3	183.4	11.3	9.9	15.9	15.1	4.9	4.8	10.6	4.0
Commercial LVI	135.5	142.0	148.7	158.7	173.4	182.8	9.8	11.8	16.6	15.2	4.8	6.7	9.3	5.4
Industrial LVI	139.4	146.1	154.1	161.3	186.6	194.6	10.5	10.4	21.1	20.6	5.5	4.7	15.6	4.3
LVI	137.2	144.3	151.6	159.8	178.7	186.9	10.5	10.7	17.9	17.0	5.1	5.4	11.9	4.6

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.

