

**ANALYSIS OF LAND VALUE CAUSED
BY POST WAR DEVELOPMENT PROJECTS
IN NORTHEAST OF SRI LANKA**

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University of Moratuwa, Sri Lanka.
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Degree of Master of Science in Project Management

Department of Building Economics

University of Moratuwa

Sri Lanka

February 2013

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DECLARATION

I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Date

The above candidate has carried out research for the Masters dissertation under my supervision.

.....
Dr. K.A.K. Devapriya
Dissertation Supervisor

.....
Date

ABSTRACT

There has been a significant growth in Northeast of Sri Lanka due to ongoing Post War Development Projects (PWDPs) such as road, bridge, water supply, electricity, public buildings, amenities, infrastructure and commercial development. They directly give the benefit for urban and suburb people while PWDPs increase the commercial and residential Land Value (LV) according to the theories of urban development, land economics and real estate terms.

Meanwhile Land related investors and policy makers face sort of information about fluctuation of current and future LVs due to PWDPs which was special intention to attempt this study to find the trend of LVs. The study was entirely based on quantitative data collection of LVs in addition to the project information on PWDPs while data were collected from observation, websites and dissuasion with primary stake holders. The most of the LVs were collected from Valuation Department and finally all LVs were sorted out to 373 land transactions.

The analysis part mainly focused to find the relationship between dependant variable of LV and independent variables of Life Cycle Phases (LCPs) of PWDPs, distance from City Centre and year of value. An important result of this study is statistical findings to claim huge increment for commercial LVs and appreciation level for residential LVs. But, there is no reaction for agricultural LVs during the PWDPs. Furthermore, it is expected that in some selected areas there will have higher value at the completion stage of the PWDPs in future. Besides City Centre upgrading and Outer City expansion have been found respectively urban and suburb areas.



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The results of the study clearly reveal the value increment for commercial and residential land owners by PWDPs. Therefore policy makers may think to collect betterment charges from land owners. The local authorities need to maintain and preserve the project deliverables of PWDPs to sustain the LVs without low down them in future. For the investment purpose the real estate involvement in selected areas will be more profitable than ever.

Keywords: *Post War Development Projects, Land Value, Real Estate, Residential Land, Commercial Land*

DEDICATION

I lovingly dedicate this dissertation

to my parents and my wife,



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who have supported me each step of the way.

ACKNOWLEDGEMENT

I am sincerely and heartily grateful to my supervisor Dr. K.A.K. Devapriya for the support and guidance throughout my dissertation writing especially he has allowed me to several meetings and discussions in every stage of the dissertation process and given valuable comments to maintain the standard of dissertation. I am sure it would have not been possible without his help. Besides I am thankful for the education provided by the faculty members and assistance from the great staff of the Department of Building Economics, Faculty of Architecture, University of Moratuwa.

I would like to extend my sincere appreciation to the Department of Valuation in Northern and Eastern Regional offices. It could not have gotten the required data for my dissertation without their corporation. In addition I thank to my colleagues from the Institute of Valuers of Sri Lanka who have helped to additional data collection.

Also I wish to convey my thanks to staff members of Road Development Authority, Urban Development Authority, Local Authorities, National Water Supply and Drainage Board and Ceylon Electricity Board for the valuable project information provided by them in their respective fields.

Lastly, I show my gratitude for everyone who has supported me through the process of completing this dissertation without breaking my spirit.

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LIST OF ABBREVIATIONS

Abbreviation	Description
ADB	Asian Development Bank
ADF	Asian Development Fund
CBD	Central Business District
EPC	Eastern Provincial Council
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GIC	Government Information Center
IVSC	International Valuation Standards Council
IVSL	Institute of Valuers of Sri Lanka
KPMG	Klynveld Peat Marwick Goerdeler
LA	Local Authority
LCP	Life Cycle Phase
LV	Land Value
MC	Municipal Council
MCEHCA	 University of Moratuwa, Sri Lanka Ministry of Construction, Engineering Services, Housing and Common Amenities www.lib.mrt.ac.lk
MPE	Ministry of Power and Energy
MPH	Ministry of Ports and Highways
MWSD	Ministry of Water Supply and Drainage
NPC	Northern Provincial Council
PS	Pradesiya Saba
PWDP	Post War Development Project
R ²	Coefficient of Determination
RICS	Royal Institution of Chartered Surveyors
SPSS	Statistical Package for the Social Sciences
UC	Urban Council
UDA	Urban Development Authority
UDP	Urban Development Process
UN-HABITAT	United Nations Human Settlements Programme
WWC	World Water Council

LIST OF APPENDICES

Appendix	Description
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Appendix A:	Collection of Land Values in Northeast of Sri Lanka (2000 – 2012)
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Appendix B:	Details of Post War Development Project in Northeast of Sri Lanka
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