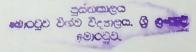
LB/DON/64/02

A study of Urban Development and the impact on land values.

A case study in Battaramulla.

72 TCP 04/70

A Dissertation presented to the Department of Town & Country Planning, University of Moratuwa, Sri Lanka.



In partial fulfilment of the requirements for the degree Master of Science in Town & Country Planning.

711 '97"

Piggir

TH

N. C. Wickramaarachchi July, 1997.

074613

74613



ACKNOWLEDGEMENT

This Study was carried out with the guidance and assistance of the academic staff of the Dpt. of Town & Country Planning, University of Moratuwa, Sri Lanka.

First and foremost, I owe a deep debt of gratitude to my supervisor Professor A. L. S. Perera, Head of the Dpt. of Town & Country Planning, and Director of Post Graduate studies, for his invaluable guidance, advises and assistance, that were enable me to activate my concept in most correct and meaningful manner. He also cleared many obstacles going through each chapter of this study

In a similar manner I'm grateful to Senior Professor, M. J. W. Mendis, Dpt. of Town & Country Planning, for his valuable suggestions and for his willingness to go through the drafts of the chapters of this report.

I must specially thanks to Mr. M. A. P. Senanayake, Senior Lecturer, Dpt. of Town & Country Planning, for his important discussions, assistance given me, throughout this study.

I'm also grateful to, Mr. Neil G. Karunarathne, Mr. K. D. Fernando Senior Lectures, Dpt. of Town & Country Planning, and Dr. Waduge, as well as Mr. K. P. S. Mahanama Lecturer, Dpt. of Town and Country Planning, for their guidance and willingness to discuss certain matters regarding this study.

Finally I wish to express my sincere thanks to all persons and Institutions for assisting me in numerous ways to carryout this study.



SYNOPSIS

This study is concerned on Urban development and the impact on land values with a case study in Battaramulla.

The discussion in the study has been pursued in five chapters. The first chapter deals with the definitions and theoretical concepts of urban development and urban land. It also discusses the importance of urban land in urban development.

Chapter two of the study examines the significance of land planning and land development on land value. It discusses the matters arise through the ad-hoc land development by the private land developers. It further discusses the reasons for the emergence of blocks of land that are irrationally integrated with the existing urban structures. The chapter highlights that these factors further limit the supply of land and limited supply of land hinder urban development and therefore it is necessary to increase the supply of land by means of urban planning.

The third chapter examines the land market operations in the context of Colombo Urban Area of Sri Lanka. It discusses the recent trends in land values and the factors that influence on land value. It further emphasised that the government measures for increasing land supply and stabilising prices are generally ad-hoc and grossly inadequate.



The fourth chapter is the empirical portion of the study which comprises of the case study. It justifies that the comprehensive development increases the land values than that of an incremental type of development. Also it discusses the advance consequences that arise through high land values. It further indicate that the market mechanism along is inadequate to ensure the optimum utilization of land in a given area and planning intervention is necessary to rationalise and to optimise the use of land.

Chapter five of the study comprises the conclusions and recommendations.

LIST OF CONTENTS

	Page No.
ACKNOWLEDGEMENT	iii
SYNOPSIS	iv
LIST OF MAPS	ix
LIST OF TABLES	x
LIST OF FIGURES	хi
INTRODUCTION	xii
CHAPTER 1: NATURE AND CHARACTERISTICS OF URBAN LAND AND URBAN	
DEVELOPMENT	1-9
1.1 INTRODUCTION	
1.2 DEFINITION OF URBAN AREAS	
1.3 THE MEANING OF URBAN DEVELOPMENT	
1.4 NATURE OF URBAN LAND AS A RESOURCE	
1.4.1 THE RELATIVE FIXITY OF SUPPLY	
1.4.2 SPACE	
1.4.3 HETEROGENEITY	
1.4.4 THE LAW OF DIMINISHING RETURNS	
1.5 CONCLUSION	

CHAPTER 2 : SIGNIFICANCE OF LAND PLANNING AND LAND DEVELOPMENT AND ITS IMPACT ON URBAN DEVELOPMENT AND LAND VALUES 10-25

- 2.1 INTRODUCTION
- 2.2 LAND DEVELOPMENT PROCESS
- 2.3 LAND DEVELOPMENT AND URBAN DEVELOPMENT
- 2.4 LAND PLANNING AND URBAN DEVELOPMENT
 - 2.4.1 THE URBAN LAND POLICY
 - 2.4.2 LAND RECORDS AND REGISTRATION
 - 2.4.3 LAND OWNERSHIP
 - 2.4.4 LAND TENURE PATTERN
 - 2.4.5 LAND TAXATION
 - 2.4.6 LAND REDEVELOPMENT



2.5	LAND	PLANNING	AND LAND	VALIDED
Z.)	LAIND	PULLIVIAL	WAD TWAD	VALUES

2.6 CONCLUSION

CHAPTER 3: AN ANALYSIS OF URBAN LAND MARKET OPERATIONS AND THE DETERMINATION OF LAND VALUES WITH SPECIAL REFERENCE TO COLOMBO URBAN AREA OF SRI LANKA

26-46

3.1 INTRODUCTION

3.2 DETERMINATION OF LAND VALUES

- 3.2.1. DEFINITON OF VALUE
- 3.2.2. DETERMINATION OF LAND VALUES
- 3.3 LAND MARKET IN THE COLOMBO URBAN AREA
 - 3.3.1 COLOMBO URBAN AREA
 - 3.3.2 DEMAND FOR LAND IN THE COLOMBO URBAN AREA
 - 3.3.3 SUPPLY OF LAND IN THE COLOMBO URBAN AREA
 - 3.3.4 LAND PRICES IN COLOMBO URBAN AREA

3.4 CONCLUSION

CHAPTER 4 : AN ANALYSIS OF LOCATIONAL IMPACT OF LAND VALUES WITH SPECIAL REFERENCE TO BATTARAMULLA AREA 47-82

4.1 INTRODUCTION OF THE CSE STUDY AREA

4.1.1. PHYSICAL ASPECTS

4.1.1.1. LAND USE

4.1.1.2. POPULATION

4.1.1.3. EMPLOYMENT

4.1.1.4. HOUSING

4.1.2 INFRASTRUCTURE FACILITIES

4.1.2.1. PHYSICAL INFRASTRUCTURE

4.1.2.1.1 ROADS

4.1.2.1.2 WATER SUPPLY

4.1.2.1.3 ELECTRICITY

4.1.2.1.4 TELECOMMUNICATION

4.1.2.2. SOCIAL INFRASTRUCTURE

4.1.2.2.1 SCHOOLS

4.1.2.2.2 HOSPITALS

4.2 LAND MARKET IN THE CASE STUDY AREA

- 4.2.1 DEMAND FOR LAND
- 4.2.2 SUPPLY FOR LAND
- 4.3 METHODOLOGY OF THE FIELD SURVEY
 - 4.3.1. LAND VALUES
- 4.4 IMPACT OF URBAN DEVELOPMENT ON LAND VALUES
- 4.5 CONSLUSION

CHAPTER 5: CONSLUSIONS AND RECOMMENDATIONS

83-97

- 5.1 CONCLUSIONS
- 5.2 RECOMMENDATIONS
 - 5.2.1 GENERAL RECOMMENDATIONS
- 5.2.2 SPECIFIC RECOMMENDATIONS FOR THE CASE STUDY AREA



LIST OF MAPS

	Page No.
3.1 COLOMBO URBAN AREA	34
4.1 LOCATION OF BATTARAMULLA PSSU WITHIN THE KADUWELA PS	48
4.2 LOCATION OF BATTARAMULLA PSSU WITH CLOSE PROXIMITY TO THE	49
CITY OF COLOMBO	
4.3 LOCATION OF BATTARAMULLA PSSU WITHIN THE CUA & CMR	50
4.3 POPULATION DELICTLY BY WARRIS DI PATTARAMILLA PRIN	
4.4 POPULATION DENSITY BY WARDS IN BATTARAMULLA PSSU	55
4.5 HOUSING SCHEMES IN BATTARAMULLA PSSU	58
4.6 MAJOR ROADS IN BATTARAMULLA PSSU	60
4.7 LOCATION OF SCHOOLS AND HOSPITALS IN BATTARAMULLA PSSU	63
4.8 LOCATION OF SUB CENTRES IN BATTARAMULLA PSSU	67
4.9 LAND VALUES BY WARDS IN BATTARAMULLA PSSU	70
4.10 LOCAITON OF BATTARAMULLA PSSU WITHIN THE ADMINISTRATIVE	76
BOUNDARIES OF NATIONAL CAPITAL PROJECT AREA	
5 1 DECROSED I AND LISE ZONING DI ANI BOD DATTIAD ANGLI I A DOGLI	04
5.1 PROPOSED LAND USE ZONING PLAN FOR BATT'ARAMULLA PSSU	96
5.2 PROPOSED DENSITIES FOR BATTARAMULLA PSSU	97

LIST OF TABLES

3 1	THE RESIDENTIAL LAND PRICES IN COLOMBO URBAN AREA	Page No.
J. 1	FROM 1976-1994	39
3.2	THE RATE OF INCREASE IN LAND VALUES IN CUA 1978-1994	41
4.1	LAND USE OF BATTARAMULLA PSSU	52
4.2	WARD WISE DISTRIBUTION OF POPULATION IN BATTARAMULLA PSSU	53
4.3	POPULATION DENSITY BY WARDS IN BATTARAMULLA PSSU	54
4.4	BUILDING APPLICATIONS BY WARDS IN BATTARAMULLA PSSU	57
4.5	BUILDING APPLICATIONS RECEIVED BY THE PSSU	64
4.6	LAND SUB DIVISIONS FROM 1987-1991	65
4.7	THE RESIDENTIAL LAND VALUES IN BATTARAMULLA PSSU	68
4.8	COMMERCIAL AND RESIDENTIAL LAND VALUES IN BATTARAMULLA PSSU	72
4.9	CAPITAL EXPENDITURE OF BATTARAMULLA PSSU	75
4.10) THE RATIING INCOME OF BATTARAMULLA PSSU	78
5.1	PROPOSED LAND USE ZONING FOR BATTARAMULLA PSSU	94



LIST OF FIGURES

		Page No
I	METHODOLOGY OF THE STUDY	xv
1.1	URBAN LAND SUPPLY IN SHORT TERM	5
1.2	DETERMINING THE NUMBER OF FLOORS OF THE BUILDING	7
2.1	DETERMINATION OF LAND VALUES ACCORDING TO THE DISTANCE FROM THE URBAN CENTRE	13
2.2	PATTEREN OF URBAN EXPANSION	14
3.1	LOCATION OF SHOPS ACCORDING TO ACCESSIBILITY AND LAND VALUES IN CBD	30
3.2	THE EFFECT ON LAND VALUES OF THE DESIGNATION OF A GREEN BELT	32
3.3	RATE OF INFLATION IN SRI LANKA(1973-1993)	37
3.4	AVERAGE LAND VALUES IN THE CUA(1978,1985,1994)	40
4.1	RESIDENTIAL LAND VALUES IN BATTARAMULLA PSSU	69
4.2	RATES OF INCREASE IN RESIDENTIAL LAND VALUES IN BATTARAMULLA PSSU	71
4.3	RESIDENTIAL LAND VALUES IN CUA (1994)	73
4.4	RATES OF INCREASE IN LAND VALUES IN CUA	
4.5	THE SCATTER GRAPH FOR CAPITAL EXPENDITURE AND LAND VALUES IN BATTARAMULLA PSSU	74