

Urban Land and Property Markets in Colombo, Sri Lanka: Its way through Past Decades

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Sri Lanka practices market-oriented economic policies concerning its' development for nearly three decades. Therefore, it is important to evaluate the country's experience of the market system and its impacts even on property development. The main objective of this paper is to review the evaluation of land and property markets in the country in general and in the city of Colombo in particular.

This study is based exclusively on secondary data and a theoretical exercise. This paper discusses in detail about the historical context of property development, new experiences in the recent past and the current challenges in the sector.

The study realizes that the Colombo case provides a valuable experience for the global body of knowledge regarding "urban real estate markets in developing countries". In fact, massive economic reforms have already established the market system in the country in general and in the capital city of Colombo in particular. However, frequent political instability, and civil disorder prevailed in the recent past prevent the market system from smooth and rapid growing.

In addition, state vision on more advanced real estate development seems inadequate. State mere belief is handing over the responsibility to the private sector as a panacea. Research & development, internationally accredited professional practices etc are lack in the state attention. As in many developing countries, even in Sri Lanka, mostly valuation and planning professions are still used as statutory and some legal purposes. Therefore, the land and property market in the city of Colombo is growing slowly due to such social, political, and professional constrains, which keep the market still in less efficient and immature. Therefore, higher property price and unsatisfactory demand and imprudent private sector land development have become serious consequences in Colombo city and suburban land and property markets.

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