

**F-14 : FACTORS AFFECTING RESIDENTIAL USE LAND VALUES IN
THE INTER DEVELOPMENT SEGMENT OF THE COLOMBO CITY**

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No serious attempt had been made until recently to conduct research and publish much needed information on this subject.

The objective of this study is to investigate the factors affecting the market value of residential building sites in the city of Colombo and to make use of the existing relationships among them as guidelines to estimate the values of residential sites.

This study was conducted in the Urban Development Planning Unit of Narahenpita. Details in respect of a total of 54 public auction sales were considered for this purpose.

The multiple linear regression technique was used to ascertain whether there exists a linear relationship between land values and the seven independent variables viz electricity, water, site extent, drainage and sewerage, bids, frontage and bus routes. (Taking distance to each of these independent variables from each sale). Factors common to each observation were not incorporated into the analysis.

Three variables selected for the final model carry 0.81 of R^2 value. In the model selection process it was found that electricity, water and drainage were highly correlated with the bus route. The reduce model extent, bids and bus route is suggested as a measure of value and a vast field of professionals could use this information for their day to day applications.