

shifting grounds

UNPACKING THE TENSIONS BETWEEN REAL ESTATE DEVELOPMENT AND NATURE IN COLOMBO

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LIST OF ABBREVIATIONS AND ACRONYMS

CBSL	Central Bank of Sri Lanka
CEA	Central Environmental Authority
CMA	Condominium Management Authority
CMC	Colombo Municipal Council
CMRSP	Colombo Metropolitan Regional Structure Plan
CoC	Certificate of Conformity
CSO	Civil Society Organisation
DAD	Department of Agrarian Development
CCD	Coast Conservation Department
DLUPP	Department of Land Use Policy Planning
DS	Divisional Secretariat
DWC	Department of Wildlife Conservation
EIA	Environmental Impact Assessment
EPA	Environmental Protection Area
ESA	Environmentally Sensitive Area
FAR	Floor Area Ratio
FCO	Forest Conservation Ordinance
FFPO	Fauna and Flora Protection Ordinance
FUA	Functional Urban Area
GN	Grama Niladhari
GND	Grama Niladhari Division
IEE	Initial Environmental Examination
IPCC	Intergovernmental Panel on Climate Change (referenced in "IPCC report")
KII	Key Informant Interviews
KMC	Kaduwela Municipal Council
LEED	Leadership in Energy and Environmental Design
LVI	Land Valuation Indicator
MC	Municipal Council
NEA	National Environmental Act

NHDA	National Housing Development Authority
NI	Narrative Interviews
NWSDB	National Water Supply & Drainage Board
PPC	Preliminary Planning Clearances
RDA	Road Development Authority
SEA	Strategic Environmental Assessment
SLLDC	Sri Lanka Land Development Corporation
UDA	Urban Development Authority
UNDP	United Nations Development Programme
WP	Western Province
WRMMP	Western Region Megapolis Master Plan

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EXECUTIVE SUMMARY

Colombo's real estate market has seen a rising demand for housing and lifestyle aspirations that valorise 'green living'. Wetlands, paddy fields, and peri-urban landscapes are being positioned as exclusive residential enclaves. However, this demand is rapidly expanding into the already dwindling natural spaces in the city's suburbs, reducing their environmental and social value. This report examines the paradox of 'green living' and the destruction of natural spaces through the lens of one of Colombo's nature-rich suburbs - the Thalangama Lake and its surrounding neighbourhoods. Drawing on a mix of desk research, policy analysis, and qualitative research with real estate developers, government urban planning officials, and residents, the study unpacks the complex and often contradictory forces shaping the interface between real estate development and the natural environment.

The study's central question asks whether Colombo's current development trajectory - where real estate markets increasingly commodify proximity to nature - can continue without eroding the very ecosystems that make such developments attractive. To explore this, the research investigates the drivers of real estate development in and around green spaces, the pressures associated with real estate development, and the adequacy of the current policy and governance framework in safeguarding these landscapes. It also examines community responses and evolving aspirations for a more balanced urban development.

The findings reveal that Colombo's urban expansion is a layered process driven by overlapping forces. From the demand side, buyer preferences play a pivotal role in shaping this transformation. Interviews with developers and residents highlighted that proximity to natural areas such as lakes, paddy fields, and other green spaces has become an increasingly influential factor in property purchases. While access to physical and social infrastructure - such as schools, hospitals, and transport - remains the foremost consideration, buyers view green spaces as markers of quality of life and well-being. Properties and condominium units that offer scenic views or proximity to protected or semi-protected green spaces command a significant premium. For many suburban residents, particularly the growing middle- and upper-middle-income segments, "living close to nature" provides a symbolic escape from the congestion and chaos of the city centre while remaining within reach of the city's economic opportunities.

Developers have responded to this sentiment with a surge of nature-themed projects, often advertising "green" and "blue" features. Real estate companies are increasingly branding their projects using imagery and language associated with sustainability and natural harmony - green vistas, water bodies, and tranquil settings. Content analysis of real estate advertisements of properties in Colombo District revealed that 65% of property listings used nature-related descriptors, while billboards and signage frequently borrow from ecological aesthetics. Yet, much of this is superficial. Certification systems such as 'GreenSL' or LEED remain rare and inconsistently applied, and there are no binding standards for environmental claims in marketing.

Infrastructure development, which continues to be a major pillar of national growth policies across multiple governments, is another double-edged driver of this expansion. The extension of highways and arterial roads has catalysed a boom in property values along new connectivity corridors. Areas such as Kaduwela, Malabe, and Thalawathugoda have seen property prices rise by 30 - 40% annually, attracting developers eager to capitalise on improved access and connectivity. Infrastructure investment has undoubtedly unlocked economic potential and enhanced mobility, but it has also accelerated land-use conversion and ecological fragmentation. The Thalangama Environmental Protection Area (EPA) case exemplifies these tensions: while improved connectivity makes the area desirable for buyers, it also exposes sensitive ecosystems to intense pressure. Community opposition to projects like the proposed elevated highway through the EPA - eventually cancelled after public resistance - highlights the limits of infrastructure-led urbanisation that disregards ecological and social costs.

On the supply side, the private sector dominates Colombo's real estate landscape, while state-led affordable housing remains limited. Private developers focus largely on high- and middle-income buyers. Government agencies such as the Urban Development Authority (UDA) and the National Housing Development Authority (NHDA) have attempted to address affordability gaps through middle-income housing programmes, but these remain limited in scale and many projects have had serious deficiencies in affordability and livability. As land in central Colombo becomes scarce and expensive, developers are targeting suburban belts around the city. These developers justify high-density housing as a means of land efficiency, but in practice, vertical expansion is concentrated in peri-urban zones rather than the city core, leading to horizontal sprawl interspersed with scattered high-rises. The result is a patchwork of developments - condominiums and gated communities interwoven with remnant paddy fields and wetlands.

Underlying these market dynamics is a fragmented and inconsistent planning environment. Colombo's city plans, including the 'Western Region Megapolis Master Plan', the 'Colombo Commercial City Development Plan' and UDA development plans for various municipalities, articulate disparate visions for the city. They fail to provide a broad and holistic vision for Colombo and its suburbs beyond the narrow framing of the city as the country's economic hub. There is a lack of emphasis on the "livability" of the city. The absence of a unified policy governing urban green spaces means that conservation efforts are piecemeal, often confined to small pockets of protected land, while unprotected green areas remain vulnerable to conversion. Zoning regulations are ambiguous. Clauses that allow exceptions for vital infrastructure projects have enabled encroachment into wetland and paddy zones, undermining environmental protections. Moreover, planning often follows infrastructure development rather than guiding it, reacting to new highways and urban projects instead of proactively managing spatial growth.

The governance and policy landscape at the intersection of real estate and environmental management is equally disjointed. Within the Thalangama EPA alone, eight government agencies share overlapping mandates. While this multi-agency presence could theoretically provide checks and balances, in practice it leads to confusion, weak enforcement, and opportunities for regulatory evasion. The UDA's authority to rezone land supersedes other agencies' environmental protections. Limited inter-agency coordination leaves gaps in day-to-day

management and accountability. Legal loopholes further exacerbate these issues - paddy land conversion can be justified under provisions for “abandoned” or “low-yielding” fields, a clause that has been exploited to legitimise reclamation.

Environmental approval processes also suffer from systemic weaknesses. Environmental Impact Assessments (EIAs) are mandated only for large-scale projects or those adjacent to specified sensitive zones, leading to many high-density developments being approved and constructed without adequate feasibility tests. Additionally, the cumulative effects of multiple smaller projects across time and space are not analysed. Public access to land-use data is limited, making it difficult for civil society or local communities to monitor compliance. Developers can also secure construction permits without land-use clearance or environmental feasibility tests.

The consequences of this uncoordinated growth are evident at the community level. In Thalangama and surrounding areas, residents have witnessed dramatic landscape changes over the past two decades: wetlands drained, paddy fields converted, and formerly quiet neighbourhoods transformed into dense developments. Long-term inhabitants have raised concerns over rising noise, traffic, and waste burdens, alongside reduced air quality and loss of flood protection. The once-distinct rural-urban mosaic that characterised this area is giving way to residential blocks with reducing public space or greenery. Socially, the influx of new residents and speculative investors has inflated land prices, leading to long-term farmers and many of the ancestral families pushed to sell their plots, making way for a rapidly changing social fabric of the area. Yet, amid this transformation, community-based resistance and environmental activism are emerging as important counter-forces. Local civil society groups and residents have successfully mobilised against pollution and inappropriate infrastructure projects, signalling a growing civic consciousness around ecological stewardship.

The research also explored stakeholders’ collective “imaginaries” - shared visions and narratives that shape how communities perceive, experience, and aspire to the future of their city and neighbourhood. Developers, regulators, and residents envisioned the city’s future through markedly different lenses. Developers prioritised growth and profit, regulators focused on managing immediate governance issues (specifically waste management), and residents adopted a more holistic, place-based perspective rooted in their lived daily experience. Together, these contrasting visions reveal how differing motivations shape each group’s hopes and priorities for the city’s future. Interestingly, all stakeholders strongly emphasised the need for clearer zoning to protect suburban green spaces, calling for height and plot size limits, better public transport to ease development pressures on specific areas, and the inclusion of green buffers in city plans to balance growth with environmental preservation and the city’s livability.

The study concludes with a set of policy, planning, and governance recommendations to address the gaps and shortcomings identified in this research.

Policy recommendations:

1. A unified definition of ‘urban green space’ and ‘abandoned paddy’ across all planning and environmental legislation is crucial to coherently protect green spaces and prevent misuse of conversion laws.
2. Regulating sustainability terms such as ‘eco-friendly’, ‘green building’, ‘sustainable design’, or ‘climate-smart housing’ is necessary to avoid greenwashing in real estate marketing. Claims need to be supported by measurable performance indicators and recognised certifications such as LEED or GreenSL.
3. UDA land-use and zoning data should be made publicly accessible to enhance transparency and public accountability in development approvals. Project approval processes can be strengthened by requiring PPCs to include zoning verification certificates capable of identifying recent land-use changes.
4. Initial Environmental Examinations (IEEs) need to be mandated for all condominium developments, regardless of location, to assess potential environmental impacts and determine the need for more detailed EIAs. The list of “prescribed projects” under the CEA should also be expanded to include high-density developments. Additionally, the UDA needs to institutionalise Strategic Environmental Assessments (SEAs) within its city planning processes to evaluate cumulative impacts and set clear thresholds for the scale and type of development permitted across Colombo.
5. Financial incentives such as tax benefits, grants, and rebates can be introduced to encourage developers to adopt sustainable design and construction practices. Competitive green home loans can be promoted to increase consumer demand for certified sustainable housing.

Policy recommendations:

1. Urban planning needs to be holistically expanded beyond Colombo Municipal Council to encompass Colombo’s ‘Functional Urban Area’ for a coherent framework that can guide development and integrate suburban areas into the city’s long-term vision.
2. Height and plot-size restrictions can be established based on ecological sensitivity and infrastructure capacity to manage density and preserve suburban character.
3. Expanding and legally protecting urban green spaces by designating more EPAs and introducing tiered protection categories can help protect more green spaces. Additionally, interconnected green buffers and corridors can be created to link ecosystems and provide residents with accessible recreational and ecological benefits.
4. Green buffers can be strategically expanded and new buffers can be created to connect the scattered ESAs, which can also provide local communities with recreational spaces, and deliver critical environmental benefits.
5. While it is essential to create and protect green spaces, it is also crucial to ensure equitable access to green spaces by enhancing visual, physical, and environmental accessibility across all neighbourhoods.
6. Integrating climate adaptation and resilience into city plans to address increasing climate risks is the need of the hour.

Governance recommendations:

1. A central coordinating authority can be established (or designated) to manage, monitor, and enforce the protection of urban green spaces across institutions. This would also harmonise agency mandates and responsibilities to reduce overlaps and ensure consistent governance of land use and environmental management.
2. Embedding participatory mechanisms such as 'Public-Private-People Partnerships' (4P) to involve communities, civil society, developers, and government in all stages of urban planning can help shift urban planning away from the existing top-down approach, and reflect community priorities in urban development.

As the city's suburban expansion accelerates, these interventions are critical to prevent further loss of green spaces and ensure that development enhances, rather than undermines, the city's livability. The insights from this research reveal that the challenge is not merely conserving green spaces in isolation, but re-imagining them as integral systems within a rapidly urbanising region. To safeguard its natural landscape while meeting urban growth needs, Colombo must move from fragmented, reactive planning to a model of integrated, participatory, and ecologically informed development.

1 THE PARADOX OF REAL ESTATE DEVELOPMENT AND NATURE



1.1 UNDERSTANDING THE CONTEXT

An intriguing contradiction is unfolding in Colombo's rapidly urbanising landscape. Real estate developers are increasingly marketing nature-centric living, using images of lush greenery, water features, and open sky in marketing material, offering promises such as green or blue views, paddy facing lands, and serene environments. This is particularly evident in the marketing material of recent projects in the suburbs of Colombo.¹ These suburbs, situated outside the municipal boundaries of Colombo City,² but still within its economic orbit, are often rich in naturally occurring green spaces such as wetlands, paddy lands, water bodies, and peri-urban³

¹ Due to the lack of a centralised definition, this study defines the 'suburbs of Colombo' as areas surrounding Colombo City beyond the more developed areas of Dehiwala, Mount Lavinia, Nugegoda, Nawala, and Rajagiriya located within the Outer Circular Expressway in Colombo District. Annex 1 outlines the common terminology used in literature and Colombo's City planning and policy documents.

² 'Colombo City' refers to the administrative boundary laid down by the Colombo Municipal Council and covers the formal municipal core of Colombo 1-15. Annex 1 outlines the common terminology used in literature and Colombo's city planning and policy documents.

³ Peri-urban areas are transitional zones at the interface of urban and rural landscapes, characterised by a mix of urban and rural (including agricultural) land uses, diverse stakeholders, and fragmented development patterns.

landscapes. Through the increase in marketing of these green spaces and promoting nature-centric living in these suburbs, developers offer buyers the dual benefit of living outside the hustle and bustle of central Colombo, yet close enough and well connected to the city's economic activities, major roads, and infrastructure hubs.

This surge in nature-themed development raises critical questions regarding the underlying factors that are driving this expansion into green and peri-urban areas and how proximity to nature is shaping buyer preferences and property values. Beyond just the dynamics of demand and marketing, there are also deeper concerns about the sustainability of this development model, such as the ecological and social pressures emerging as housing and infrastructure encroach on green spaces, and the adequacy of the legal and institutional safeguards currently in place to mediate these pressures and emerging considerations.

These questions are made more urgent by the reality that Colombo's green spaces are steadily disappearing. Rapid urbanisation, land use changes, and changes in landscape practices have greatly transformed the spatial patterns of urban green spaces in the city of Colombo, with some studies estimating an approximate 83.8% of green space loss within 35 years from 1980 to 2015.⁴ This is not merely a local environmental issue but a matter of global ecological concern, given Colombo's unique designation as a Ramsar-accredited Wetland City. This recognition - shared by only a handful of cities worldwide - highlights the international importance of Colombo's wetlands and commits the city to safeguard its urban ecosystems under the Ramsar Convention on Wetlands.

To add to this concern, Colombo, in contrast with other cities in countries such as Singapore⁵ and Denmark,⁶ does not currently have a national urban green space integration policy embedded within its city planning frameworks. In these countries, such policies play a critical role in guiding and shaping how urban development interacts with nature. Without such a national policy regulating green spaces within the city or a centralised definition of "green spaces", there is a concern that development will threaten to encroach on the city's natural areas and come at the cost of Colombo's greenery.

This research sets out to address these concerns, and to understand the impacts and interdependencies between real estate development and nature in Colombo. The study examines the key drivers prompting real estate development in and near green spaces. It investigates the pressures real estate development places on green spaces, as well as the reciprocal impact - how green spaces influence real estate markets, developer strategies, and buyer preferences. The research also examines the regulatory landscape at the intersection of the built and natural environment, focusing on how policies shape and respond to real estate development around green spaces.

⁴ L Li and P. G. R. N. I. Pussella, 'Is Colombo City, Sri Lanka Secured for Urban Green Space Standards?', *Applied Ecology and Environmental Research* 15, no. 3 (2017): 1789-99, https://doi.org/10.15666/aer/1503_17891799.

⁵ 'Singapore Green Plan 2030', accessed 22 August 2025, <https://www.greenplan.gov.sg/>.

⁶ Eva Sørensen and Jacob Torfing, 'The Copenhagen Metropolitan "Finger Plan": A Robust Urban Planning Success Based on Collaborative Governance', in *Great Policy Successes*, 1st ed., ed. Paul 'T Hart and Mallory Compton (Oxford University Press/Oxford, 2019), <https://doi.org/10.1093/oso/9780198843719.003.0012>.

BOX 1: WHAT ARE URBAN 'GREEN SPACES'?

Urban 'green spaces', also called blue-green infrastructure or urban nature, are predominantly unbuilt spaces that are multifunctional and support both social and ecological functions.⁷ These spaces manifest as parks, forests, street trees, gardens, playgrounds, rivers, lakes, and oceans.

Due to the lack of a centralised definition for what counts as "green spaces" in Colombo, Kumudini and Weerakoon (2024)⁸ aimed to propose one, and defined them as "any naturally occurring and man-made vegetated areas in diverse landscapes that fulfill multifunctional roles, enhancing environmental quality and community well-being". Within this scope, green spaces include both public and private areas such as wetlands, paddy fields, marshlands, private forests, farmlands, parks, and cemeteries.

Building on these definitions, this study considers 'green spaces' to encompass public and private unbuilt areas in urban settings that include not just vegetated spaces but also any inland water features (such as lakes, canals, ponds, and tanks) and surrounding vegetation.

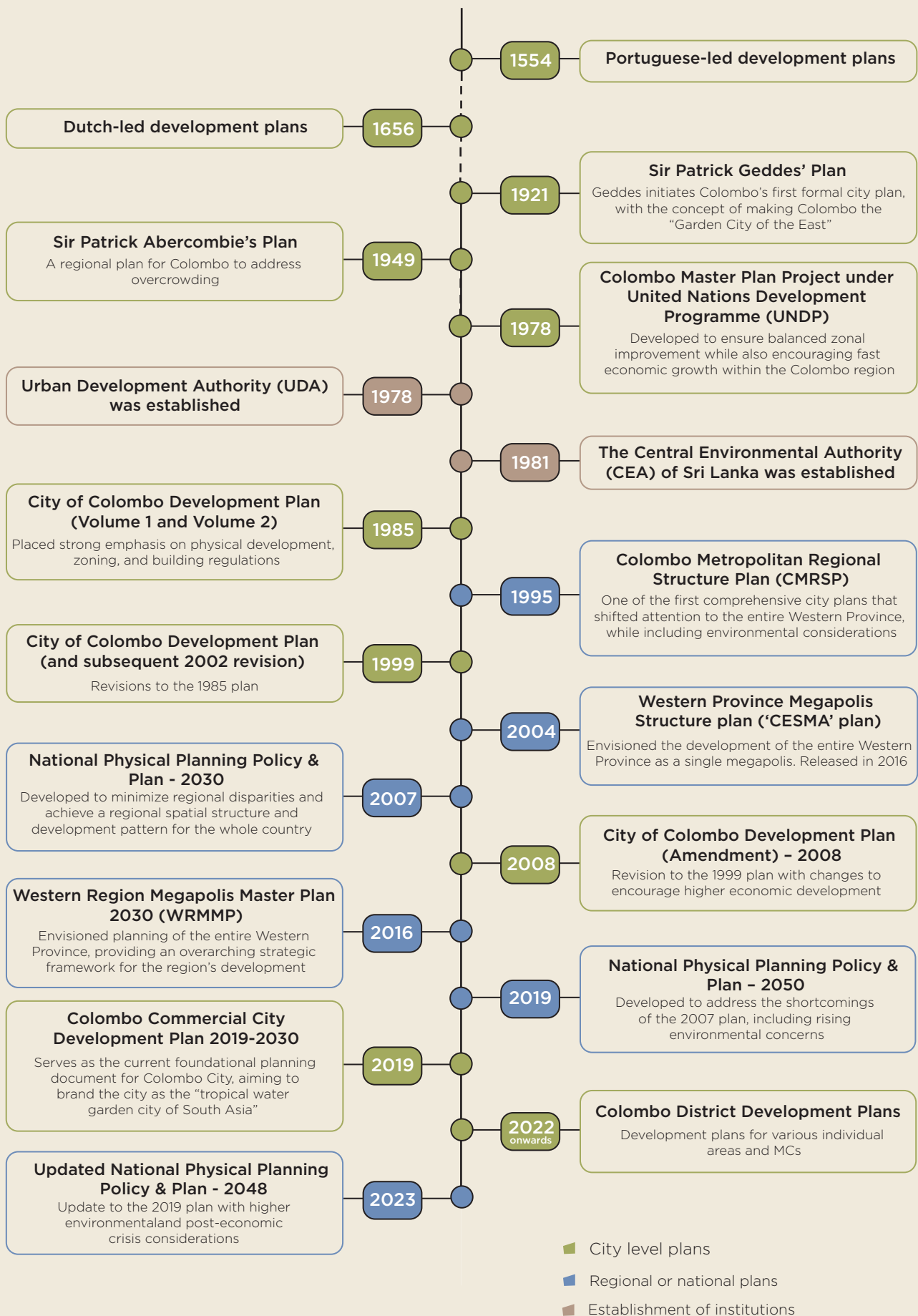
1.1.1 EVOLUTION OF COLOMBO CITY PLANNING

The urban development of Colombo has been shaped by a unique mix of geography, colonial legacies, and post-independence planning ideologies. Its location as a natural harbour on the western coast of Sri Lanka positioned it as a vital maritime and trading hub from ancient times, with successive colonial powers cementing its role as the island's primary administrative and commercial centre. The earliest development efforts can be traced to the Portuguese-led development plans (1554) and Dutch-led development plans (1656), which laid the initial urban foundations of the city.

⁷ Zander S. Venter et al., 'Environmental Justice in a Very Green City: Spatial Inequality in Exposure to Urban Nature, Air Pollution and Heat in Oslo, Norway', *Science of The Total Environment* 858 (February 2023): 160193, <https://doi.org/10.1016/j.scitotenv.2022.160193>.

⁸ Yasheema Kumuduni and K. G. P. K. Weerakoon, 'Defining Urban Green Spaces in the Colombo District across Multiple Uses', *Journal of Real Estate Studies* 21, no. 2 (2024), <https://doi.org/10.31357/jres.v21i2.7543>.

Box 2: Urban planning milestones in Colombo



In 1921, Sir Patrick Geddes initiated Colombo's first formal city plan, envisioning it as the "Garden City of the East" by committing to garden and garden village designs.⁹ Geddes was motivated by a fear – much relevant even in this day and age – of destruction to green spaces by unplanned urban development. However, while the Ceylon officials expected a 'scientific layout' with symmetry, straight lines, and grid patterns that prevented haphazard growth, Geddes argued that this was unlike the garden and village principles prevalent in Colombo and Ceylon, and advocated for horizontal housing with open spaces. However, formal plans drawn up by Geddes (and Clifford Holliday in the 1940s) were not adopted, and this resulted in the city largely developing without a reference plan until after World War II. In 1949, Sir Patrick Abercrombie and Oliver Weerasinghe introduced a regional plan to decentralise Colombo through the creation of three satellite towns - Ratmalana, Ragama, and Homagama - linked via a ring road.¹⁰ These colonial interventions not only introduced new architectural and infrastructural forms but also laid the groundwork for spatial hierarchies that persist today. Interestingly, nature has often been deeply embedded in Colombo's urban planning identity.

The Colombo Master Plan Project (1978), under the UNDP, emerged alongside Sri Lanka's Open Economic Policy. It aimed for balanced zonal improvement while spurring economic growth, but urban sprawl persisted. The outer sub-region's designated growth nuclei failed to attract the level of economic and demographic activity envisioned by the Plan.¹¹ However, the momentum toward modernised city planning took a major step in 1978, when this effort led to the establishment of the Urban Development Authority (UDA). The Central Environmental Authority (CEA) was formed in 1981, marking an early alignment between urban planning and environmental governance.

The 1985 City of Colombo Development Plan (Volume 1¹² and Volume 2¹³) prioritised zoning and building regulations to "channelise development to desirable locations", though it lacked a comprehensive growth strategy. The 1995 Colombo Metropolitan Regional Structure Plan (CMRSP)¹⁴ was one of the first comprehensive city plans that shifted attention to the entire Western Province, including Colombo, Gampaha, and Kalutara. It incorporated a "mixed strategy" with the development of selected activities (such as commerce, trade and port related activities) within Colombo and shifting other activities (institutional, administrative and industries) outside of Colombo. It also introduced an environmental dimension, identifying conservation areas covering 26% of the region's landmass - an early recognition of ecological importance in planning.

⁹ Ramla Wahab-Salman, 'Planning Colombo: Tracing the Vision of Colombo as a Garden City', *Himal Southasian*, 28 September 2021, <https://www.himalmag.com/comment/planning-colombo-garden-city-2021>.

¹⁰ Iain Jackson, 'Sri Lanka, Oliver Weerasinghe and Patrick Abercrombie', *Transnational Architecture Group*, 16 December 2014, <https://transnationalarchitecture.group/2014/12/16/current-research-sri-lanka-and-patrick-abercrombie/>.

¹¹ Kgpk Weerakoon, 'Origin and Expansion of Colombo Urban Area, Sri Lanka; Planners' Perspective', *International Journal of Physical and Social Sciences* 3 (November 2013).

¹² City of Colombo Development Plan, Volume 1 (Ministry of Local Housing and Construction, 1985), https://www.uda.gov.lk/attachments/devplan_detailed/Development%20Plans%202019-2030/colombo1985/1985_Vol_I.pdf.

¹³ City of Colombo Development Plan, Volume 2 (Ministry of Local Housing and Construction, 1985), https://www.uda.gov.lk/attachments/devplan_detailed/Development%20Plans%202019-2030/colombo1985/1985_Vol_II.pdf.

¹⁴ Colombo Metropolitan Regional Structure Plan (Urban Development Authority, 1995), https://www.uda.gov.lk/attachments/devplan_detailed/Development%20Plans%202019-2030/colombo1995/1995.pdf.

Subsequent plans, such as the 1999 City of Colombo Development Plan¹⁵, the 2002 revision¹⁶, and its 2008 amendment¹⁷ continued to focus on physical development. The 2008 amendment shifted from “maximum permissible height” strategy to “floor area ratio” strategy.¹⁸ It also redefined zoning and permissible land uses within the zones to allow for greater flexibility. Both these changes were implemented to essentially encourage higher economic development - indicating a shift in priorities from the older ‘garden city’ planning.¹⁹

National and regional frameworks also followed. At the national level, the 2007 National Physical Planning Policy & Plan (2030)²⁰ integrated some Protected Area Network considerations, but was geared towards economic development and identified large scale national projects and development of physical infrastructure. This plan laid the foundation for the highways and expressways networks that continue to influence and shape how Colombo city and the suburbs develop. The 2019 update of the plan²¹ emphasised conservation, identifying protected zones covering a third of the landmass and establishing a clear focus on environmental protection as a planning priority. Finally, the 2023 Updated National Physical Planning Policy & Plan - 2048²² responded to the impacts of COVID-19, the economic crisis, and climate change, planning for an anticipated urban population increase to 70% by 2048 - signalling a renewed commitment to resilient, environmentally conscious urban development.

The 2004 Western Province Megapolis Structure Plan (CESMA) conceptualised the Western Province as a single megapolis, although it was not released until 2016.²³ The Western Region Megapolis Master Plan 2030 (WRMMP)²⁴, adopted in 2016, envisioned planning for the entire Western Province, providing an overarching strategic framework to guide the region’s spatial and economic transformation while addressing congestion pressures on infrastructure, services,

¹⁵ City of Colombo Development Plan, Volume 2 (Urban Development Authority, 1999), https://www.uda.gov.lk/attachments/devplan_detailed/Development%20Plans%202019-2030/colombo1999/1999Voll.pdf.

¹⁶ Proposed Revisions to City of Colombo Development Plan, Volume 2 (Urban Development Authority, 2002), https://www.uda.gov.lk/attachments/devplan_detailed/Development%20Plans%202019-2030/colombo1999/1999VolIII.pdf.

¹⁷ City of Colombo Development Plan (Amendment) (Urban Development Authority, 2008), <https://www.colombo.mc.gov.lk/downloads/ccdp-2008.pdf>.

¹⁸ Floor area ratio (FAR) is a zoning tool that regulates the density and height of building development on a piece of land. It is calculated by dividing the total floor area of the building by the total area of the land it occupies.

¹⁹ Narein Perera et al., Projected Urban Development, Changing ‘Local Climate Zones’ and Relative Warming Effects in Colombo, Sri Lanka (2013).

²⁰ National Physical Planning Policy & Plan: Sri Lanka 2011-2030 (National Physical Planning Department, 2011), 2011-30, https://www.nppd.gov.lk/images/National_Physical_Plans/National%20Physical%20Planning%20Policy%20and%20the%20Plan%202030.pdf.

²¹ National Physical Planning Policy & The Plan - 2017-2050 (National Physical Planning Department, 2019), https://www.nppd.gov.lk/images/National_Physical_Plans/NPPP2050/National_Physical_Planning_Policy_and_Plan_-_2050.pdf.

²² Updated National Physical Planning Policy & Plan - 2048 (National Physical Planning Department, 2023).

²³ DNR Samaranyaka, ‘The Western Province Megapolis: A Project Without Clear Directions Or Objectives’, Colombo Telegraph, 20 March 2016, <https://www.colombotelegraph.com/index.php/the-western-province-megapolis-a-project-without-clear-directions-or-objectives/?tztc=1>.

²⁴ Western Region Megapolis Master Plan (Ministry of Megapolis and Western Development, Urban Development Authority, 2016).

and the environment. It aimed to create a sustainable and resilient region through the protection of natural resources and identified ten “Mega Projects” that grouped development activities into functional and geographic categories. Building on this, the Colombo Commercial City Development Plan 2019–2030²⁵ serves as the foundational planning document for Colombo City, branding it as the “tropical water garden city of South Asia”. It recognises the potential of the city’s waterfronts or “Aqua Regions” and integrates infrastructure development with networks of green spaces. From 2022 onwards, the UDA has prepared Colombo District Development Plans for individual areas, formulated in consultation with local authorities and tailored to their specific built and natural environments. Notably, specific plans such as Moratuwa and Kotte emphasise goals such as transforming into a “green city” and achieving a “well protected green-blue environment”.

This historical trajectory is crucial for understanding the present-day dynamics of urban growth in Colombo. It is clear that Colombo’s development, which began with a close integration with natural spaces, has evolved far beyond since its early days, during which the city itself has moved from a small colonial port city to a sprawling regional megapolis structured by modern planning ideals and infrastructure-driven expansion. While early plans integrated nature into urban form, later planning frameworks and zoning ambitions prioritised transport, infrastructure development, and densification, often sidelining coherent strategies for preserving green spaces.

1.1.2 EMERGING GROWTH CHALLENGES

People migrate to the Western Province from other parts of the country in search of jobs, opportunities, and in the hopes of a better standard of living. Remote-sensing research shows that after the mid-2000s agricultural productivity declined in dry zones of the country, pushing many rural households toward urban industrialised areas.²⁶ The issue, however, was that urban growth and the associated opportunities were concentrated in Colombo, the Western Megapolis Region and the cities well-connected to it.²⁷ In fact, in 2013, Colombo City was nominated as one of the fastest economically growing urban cities in South Asia by the World Bank.²⁸ Colombo offered migrants from other parts of the country benefits such as off-farm income, modern services, and improved livelihoods, prompting significant rural-to-urban migration.²⁹ Interestingly, a more recent study in 2021 based on Sri Lanka’s 2012 Census and interviews with migrant families in Colombo District, found that about two-thirds of

²⁵ Colombo Commercial City Development Plan – 2019-2030, Volume 2 (Ministry of Megapolis and Western Development, Urban Development Authority, 2019), 2, https://www.uda.gov.lk/attachments/devplan_detailed/Development%20Plans%202019-2030/commercial%20city/CommercialCity-eng-v2.pdf.

²⁶ Shyamantha Subasinghe et al., ‘Spatiotemporal Analysis of Urban Growth Using GIS and Remote Sensing: A Case Study of the Colombo Metropolitan Area, Sri Lanka’, ISPRS International Journal of Geo-Information 5, no. 11 (2016): 197, <https://doi.org/10.3390/ijgi5110197>.

²⁷ State of Sri Lankan Cities: 2018 (Sri Lanka Institute of Local Governance, UN-Habitat Sri Lanka, 2018).

²⁸ Li and Pussella, ‘Is Colombo City, Sri Lanka Secured for Urban Green Space Standards?’

²⁹Subasinghe et al., ‘Spatiotemporal Analysis of Urban Growth Using GIS and Remote Sensing’.

respondents moved primarily for their children's education.³⁰ They also cited better access to non-agricultural employment opportunities, better educational facilities (including access to schools and universities), public services, and infrastructure as major drivers.

However, this migration and urban growth has put pressure on land in the Colombo District. The Western Province, which contains less than 6% of Sri Lanka's total land mass but houses nearly 28% of the country's population.³¹ Colombo district alone, occupying 19% of the Western Province landmass, houses approximately 39.8% of its population at a density of about 3,549 people per square kilometre.³² With the expanding population also comes demand for housing. Some studies estimate that Colombo district experienced a surge of 10% in housing demand between 2012 and 2022.³³ While the rest of the cities in the country are predominantly residential (as highlighted in the land use mapping zones), in Colombo less than 40% of the built-up area was categorised as residential given the city's role as an economic and commercial hub of the country.³⁴ This increases pressure on housing as less land becomes available in the city.

This convergence of economic growth, rising urban migration, and increasing housing demand has continued to significantly intensify pressure on both available land and natural ecosystems in Colombo District. As a result, Colombo's urban footprint has increasingly expanded as well as encroached into the city's green spaces, particularly wetlands, flood retention areas, and paddy lands, many of which are not only ecologically sensitive but also serve critical climate adaptation and water regulation functions. These overlapping developments, as well as demographic and ecological pressures have shaped a highly contested urban landscape, where the survival of nature and rising real estate development are in direct competition.

1.1.3 ENVIRONMENTAL CONCERNS ARISING FROM REAL ESTATE DEVELOPMENT

Alongside rapid real estate development and urbanisation, the land use and land cover of the city has changed dramatically. As suburbs grow and population pressures mount, Colombo's remaining green spaces are shrinking and fragmenting. Studies show that within Colombo City itself, green spaces have reduced from 31 square kilometres in 1980 to 5.02 square kilometres in 2015.³⁵ This is an 83.8% decrease within 35 years. Rapid housing and infrastructure projects have steadily filled and drained Colombo's wetlands. Studies note that over two decades

³⁰ D. P. K Manel, 'Urban Family Migration and Economic Livelihoods of Migrants in Colombo District, Sri Lanka', *Applied Economics & Business* 5, no. 2 (2021): 11-22, <https://doi.org/10.4038/aeb.v5i2.34>.

³¹ Census of Population and Housing - 2024, Preliminary Report (Provisional)-1 (Department of Census and Statistics, 2025) https://www.statistics.gov.lk/Resource/en/Population/CPH_2024/CPH2024_Preliminary_Report.pdf.

³² Census of Population and Housing - 2024.

³³ Impact of Anti-Competitive Practices in the Construction Industry on Affordable Housing in Urban Sri Lanka (Advocata Institute, 2024), <https://static1.squarespace.com/static/55697ab8e4b084f6ac0581ef/t/675c116a38ebf61fbbbd9e78/1734087045295/Impact+of+Anti-Competitive+Practices+in+the+Construction+Industry+on+Affordable+Housing+in+Urban+Sri+Lanka.pdf>.

³⁴ State of Sri Lankan Cities.

³⁵ Li and Pussella, 'Is Colombo City, Sri Lanka Secured for Urban Green Space Standards?'

(1989–2016), the built-up environment of Colombo metropolis increased by 25% while forest cover and freshwater habitats (including wetlands) declined by 6% and 52% respectively.³⁶ The remaining wetlands are now highly fragmented by buildings and roads. A recent analysis found that about 31% of habitat loss resulted in the dislocation and extinction of many species in the wetland forest.³⁷ This patchiness disrupts wildlife movement and leads to local extinctions - with even city-adapted species like birds and amphibians losing nesting grounds.

Likewise, wetlands are used to filter city wastewater, and filling them increases runoff pollution into the sea. Increased construction and human activity also brings new contaminants into green areas. On-the-ground observers report that illegal dumping of garbage and sewage into canals and remaining wetlands is rampant.³⁸ Even paths built around marshes (to keep builders out) often become litter sites, and “garbage builds up along the border” of these green spaces.³⁹ This pollution chokes plants and animals, undermining the ecological value of these pockets.

The loss of vital flood retention lands and wetland buffers has made the city more prone to flooding. Colombo’s wetlands historically acted as natural “sponges” - they absorb monsoon runoff and slowly release it, preventing floods in built-up areas.⁴⁰ However, these sponges are disappearing due to urbanisation and resulting land-use changes, weakening their ability to regulate floods - a growing concern as climate change intensifies rainfall and amplifies flood impacts in Colombo.⁴¹ Studies stress that converting flood-prone land to buildings accentuated the environmental damage in the Kelani basin.⁴² The Kelani River flows through Colombo City, and as Colombo’s suburbs expand, the basin is undergoing major land-cover transformations. Historically, much of the Kelani floodplain was speckled with a variety of wetlands, and these have since been drained, filled, or dredged for urban development or for agriculture (rice fields), greatly diminishing the extent of floodplain wetlands and freshwater marshes.

Urban wetlands and green spaces not only provide benefits such as air and water purification, stormwater management, and biodiversity conservation, but also help regulate microclimates in the city. Studies estimate that each square kilometre of wetland conserves millions of litres of water and many tons of carbon, so losing them deepens the urban heat-island effect and carbon emissions.⁴³ Rapid urbanisation in Colombo has led to the intensification of surface

³⁶ Thilina Surasinghe et al., ‘Challenges in Biodiversity Conservation in a Highly Modified Tropical River Basin in Sri Lanka’, *Water* 12, no. 1 (2019): 26, <https://doi.org/10.3390/w12010026>.

³⁷ Maheshika Ekanayake, ‘Habitat Patch Metrics for Restoring Species Flow in Urban Context; Special Reference to Fragmentation of Colombo Wetlands, Sri Lanka.’, preprint, 20 May 2021, <https://doi.org/10.21203/rs.3.rs-538351/v1>.

³⁸ Laura Keil, ‘Urban Wetlands and the Built Environment: How Colombo’s Green Spaces Enhance City Life’, International Water Management Institute (IWMI), 2 February 2024, <https://www.iwmi.org/news/colombo-wetlands-and-the-built-environment/>.

³⁹ Keil, ‘Urban Wetlands and the Built Environment’.

⁴⁰ Keil, ‘Urban Wetlands and the Built Environment’.

⁴¹ Tristan Bove, ‘Once Used as Trash Dumps, Sri Lanka’s Wetlands Are Remade as Flood-Buffering Parks’, *Bulletin of the Atomic Scientists*, 7 June 2024, <https://thebulletin.org/2024/06/once-used-as-trash-dumps-sri-lankas-wetlands-are-remade-as-flood-buffering-parks/>.

⁴² Surasinghe et al., ‘Challenges in Biodiversity Conservation in a Highly Modified Tropical River Basin in Sri Lanka’.

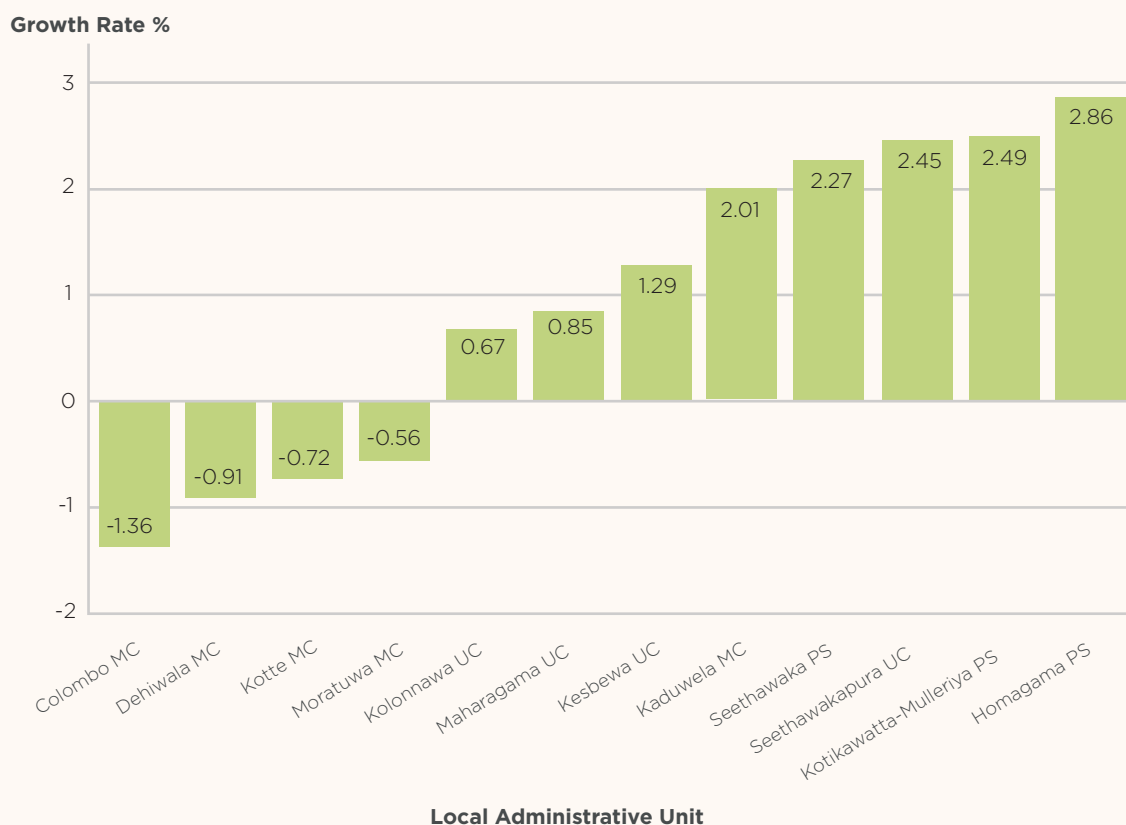
⁴³ Deekirikewage Dona Thamali Lushanya Dayathilake et al., ‘Estimation of Aboveground and Belowground Carbon Stocks in Urban Freshwater Wetlands of Sri Lanka’, *Carbon Balance and Management* 15, no. 1 (2020): 17, <https://doi.org/10.1186/s13021-020-00152-5>.

urban heat island effect.⁴⁴ When green spaces decrease and natural land cover is replaced with buildings, the city also loses cooling shade. Research shows that neighbourhoods with even small parks and large trees cope better than areas that have no green cover.⁴⁵ In Colombo, where population density is increasing and real estate developments are proliferating, maintaining and integrating green infrastructure is crucial.

1.1.4 REAL ESTATE DEVELOPMENT TRENDS

Beyond the nodes within the city, there are other suburban areas rapidly seeing real estate development. An analysis of population growth rate in Colombo district from 2002 to 2012 indicates that areas at the periphery of Colombo and suburban areas such as Kaduwela, Homagama and Kesbewa have the highest growth rates, with more central areas showing a negative growth trend, as indicated in Figure 1.

Figure 1: Annual average population growth rate in Colombo District: 2002 - 2012



Note: While the 2024 census data is released with the Colombo district population, local authorities of Colombo are yet to provide population data for their respective administrative

Source: 2012 Census⁴⁶ & Weerakoon (2021)⁴⁷

⁴⁴ Manjula Ranagalage et al., 'An Urban Heat Island Study of the Colombo Metropolitan Area, Sri Lanka, Based on Landsat Data (1997-2017)', ISPRS International Journal of Geo-Information 6, no. 7 (2017): 189, <https://doi.org/10.3390/ijgi6070189>.

⁴⁵ Iromi Perera and Meghal Perera, Heat Stress in Colombo: Understanding Impacts and Planning for the Future (Colombo Urban Lab - Centre for a Smart Future, 2025), https://www.csf-asia.org/wp-content/uploads/2025/07/Heat-stress-and-outdoor-workers-in-Colombo_June-2025.pdf.

⁴⁶ 'Census of Population and Housing - 2012', accessed 29 August 2025, <https://www.statistics.gov.lk/pophousat/cph2012/visualization/htdocs/index.php?usecase=indicator&action=DSDData&indId=510&district=Colombo>.

⁴⁷ Kgpk Weerakoon, Analysis of Population in the Colombo District by Different Population Zones, September 2021.

The Central Bank of Sri Lanka (CBSL) data shows that the Land Valuation Indicator (LVI)⁴⁸ has been on a steady rise across Colombo district, and rose 11.4% in the first half of 2025 from a year earlier.⁴⁹ While the land values are accelerating across the district, the growth has not been homogenous over the years. Data from the LankaPropertyWeb shows that within Colombo district, land prices in areas outside Colombo 1-15 are growing at a more rapid pace. Between 2020 and 2025 average land price per perch within Colombo 1-15 grew at a rate of about 5.4% per year, while areas outside Colombo 1-15 rose at a much higher rate of nearly 11% per year.⁵⁰

Conversations with key stakeholders validated these findings and highlighted that most locals are moving towards these outer suburbs. Interviewees noted that these locations have been increasingly attractive because they offer relatively affordable land and properties along with better road connectivity. Colombo's real estate trends also show fast expansion into the peri-urban belt. A wide range of neighbourhoods - many along new highway links - are transitioning to higher-density residential use. The shifting focus away from saturated central areas explains why the profile of development now includes more family-sized apartments and luxury villas in the outer suburbs. Stakeholders reinforced that land values in areas like Malabe and Kaduwela have been increasing remarkably - some estimating annual growth of 30-40% driven by highway accessibility, quality schools, and expanding civic infrastructure.

While there is an outward sprawl of development, the concept of vertical living is also becoming increasingly popular.⁵¹ In fact, Colombo has the highest proportion of high-rise⁵² residential land use - 9% of the city's total residential land use compared to the 1.5% in other urban areas in the country.⁵³ Past studies have shown that after 2003, condominium⁵⁴ developments were concentrated in certain areas within Colombo. Areas like Colombo 3 and 6, and inner suburbs like Dehiwala, Mount Lavinia and Kalubowila host the highest number of condominiums indicating more dense residential development.⁵⁵ The last two decades have seen a rise in high-end property developments, particularly condominiums and gated community complexes to cater to the rising urban middle class.⁵⁶ "Secondary level developers" (such as Prime Lands, Blue Ocean Residencies, Home Lands and Blue Mountains) catering to the upper-middle and middle income buyers have focused on development of condominiums in the periphery of Colombo and in the suburbs.⁵⁷

⁴⁸ LVI measures the average per perch bare land price. The data is an average of three sub-indicators (residential, commercial and industrial lands) and is calculated for all 13 DS divisions in the Colombo District.

⁴⁹ Land Valuation Indicator - First Half of 2025 (Central Bank of Sri Lanka, 2025), https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20250827_land_valuation_indicator_first_half_of_2025_e.pdf.

⁵⁰ Author's calculations based on data from LankaPropertyWeb (https://www.lankapropertyweb.com/land_prices.php)

⁵¹ Dharmasiri Prathapasinghe et al., *Evolution of Condominium Market in Sri Lanka: A Review and Predict* (2018).

⁵² Residential properties with four or more floors are usually categorised as 'high-rises'.

⁵³ State of Sri Lankan Cities.

⁵⁴ 'Condominiums' are buildings subdivided into separate units, where each unit is individually owned, while common areas are jointly owned by all unit owners.

⁵⁵ Sepani Senaratne et al., 'Factors Affecting Condominium Development in Sri Lanka', *Built-Environment Sri Lanka* 7, no. 1 (2010): 23-28, <https://doi.org/10.4038/besl.v7i1.1948>.

⁵⁶ State of Sri Lankan Cities.

⁵⁷ Prathapasinghe et al., *Evolution of Condominium Market in Sri Lanka: A Review and Predict*.

With a rapidly changing urban landscape and without a clear policy on how to manage green spaces within the city, there is undoubtedly a growing concern for the future of Colombo's green environment. Taking into account all the pressures exerted on the natural environment due to development, along with the increase in promoting access to green spaces in marketing property, while also in the same breath holding room for the fact that urbanisation will continue to increase, a key question arises that sets the tone for our study. Can Colombo's current development trajectory continue in its current form without eroding the very nature that developers market and residents desire?

“Over the past 10 years, Colombo has changed so much, it is barely recognisable... in another 10 years, it will undoubtedly change more”

Representative from Central Environmental Authority (CEA)

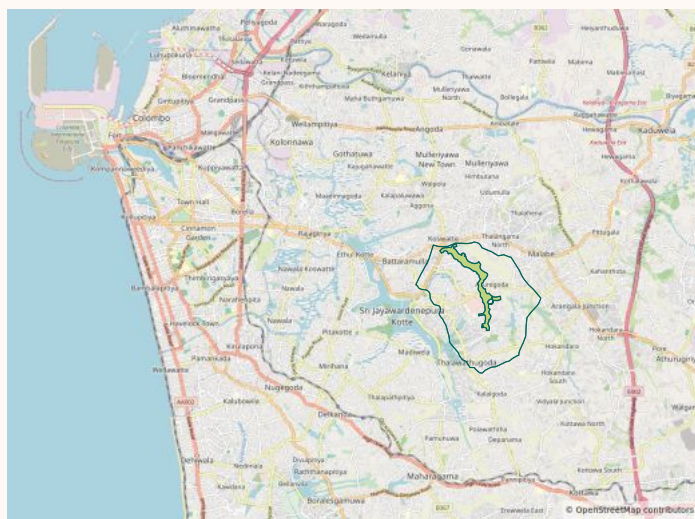
1.2 A LOCAL LENS ON BROADER TRENDS

Thalangama EPA and surrounding areas, including neighbourhoods falling within Pelawatta, Thalawathugoda, and Hokandara were selected as the study site for this research. Thalangama lies at the forefront of Colombo's shifting urban footprint, while also containing a diverse range of naturally occurring and man-made green spaces. This makes it an ideal site through which to examine the converging pressures of real estate markets, policy contradictions, nature-based marketing, and community-level responses. Figure 2 indicates the geographical location of the study site within Colombo District as well as the Thalangama EPA. The GN divisions bordering and within the study site and the details of the Thalangama EPA are attached in Annex 2 and Annex 3 respectively.

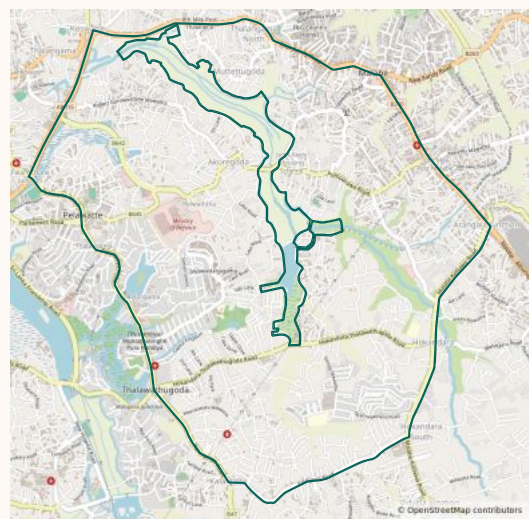
The Thalangama Wetlands and surrounding landscape are arguably among Colombo District's most picturesque urban landscapes. Residents of the area describe it as one of Colombo's last existing areas with such greenery, with some expressing that they were lucky to have chosen it for their retirement. As Sri Lanka's capital expands outward along new infrastructure corridors, areas like the suburbs around Thalangama have become somewhat emblematic of a national paradox: landscapes, once valued for their ecosystem services, scenic beauty, and agricultural heritage, are increasingly targeted for residential development. The Thalangama area has a high scenic and aesthetic value but it also offers a vast amount of ecosystem services - they are flood buffers, biodiversity refuges, and paddy irrigation sources all at once.⁵⁸ Maintained by the Department of Irrigation, the tanks are important for floodwater retention and store irrigation and stormwater. They are particularly rich in biodiversity with a remarkable avifauna (bird population), which is admired among local and foreign wildlife enthusiasts and attracts many visitors.

⁵⁸'Thalangama Wetland Watch', accessed 29 August 2025, https://www.wetlandwatch.lk/files/location_and_its_challenges.htm.

Figure 2: Geographical location of the study site



Study site within Colombo District



Study site with Thalangama EPA mapped

Source: Author's own construction using base city maps from OpenStreetMap

Yet they are now embattled by development pressure. Real estate demand around Thalangama has surged. Analysts describe this phenomenon as a wave of “urban wetland grabbing,” driven by short-term investors seeking to carve out small plots from green fields.⁵⁹ Residents from the area note that rapid urbanisation has made lakeside land very expensive, leading to an increase in land filling and the reclamation of paddy lands for housing, even though such conversion is not legally allowed.⁶⁰ EPA regulations and the presence of policies require layers of permissions from authorities to build on paddy lands or flood retention lands. However, private construction continues encroaching within buffer zones, and reclamation of paddy lands is a common phenomenon especially in GN divisions such as Wellangiriya, with many locals expressing concerns for the future of green spaces outside the EPA.

“Most small pockets of green spaces have been converted to estates. The area was very sparsely populated, and most development has happened in the last 40 years. The area used to have rubber plantations, elephant baths and villages”

Resident and local Civil Society Organisation (CSO) member

Paradoxically, developers market these new projects by highlighting the very ecology that they are eroding. Promotional materials for Thalangama real estate boast lakeside living, access to jogging trails, plantation-like landscaping, and scenic water views, appealing to buyers' desire for nature. It is fair to conclude that the “blue-green” branding of Thalangama, boasting its lakeside serenity and paddy views, coexists uneasily with expanding construction. A surge in housing on the watershed may well undermine the very flood buffering, rich biodiversity and serenity that make the place attractive. Thalangama thus distills the study's central tension: the protection of natural spaces and nature-based marketing operate in parallel, even as real

⁵⁹ Missaka Hettiarachchi et al., ‘Power, Politics and Policy in the Appropriation of Urban Wetlands: The Critical Case of Sri Lanka’, *The Journal of Peasant Studies* 46, no. 4 (2019): 729–46, <https://doi.org/10.1080/03066150.2017.1393801>.

⁶⁰ ‘Thalangama Wetland Watch’.

estate growth undermines the already sensitive ecological foundations that give that marketing meaning. Thalangama is also an interesting area in terms of highlighting the local struggle, in which community watchdogs, environmental organisations, and legal action push back against encroachment and threats to the EPA, providing a living laboratory to examine how these forces and tensions interact.

1.3 RESEARCH METHODOLOGY

The study is guided by the following research questions:

1. What factors are driving real estate development in and around green spaces?
 - a. How does proximity to nature influence the buying preferences of properties?
 - b. How are the marketing strategies of real estate developers dependent on nature?
2. What are the pressures associated with real estate development near green spaces?
 - a. What is the current state of green spaces and their changes over time within the study site?
 - b. What are the impacts of real estate development on surrounding green spaces and communities?
3. What is the regulatory landscape shaping the interface between real estate development and green spaces?
 - a. What institutional and regulatory mechanisms exist to manage and mitigate the impacts of real estate development on nature?
 - b. Are there gaps and potential reforms?

To answer these questions, the research used field-based qualitative inquiry within the case study site as the primary research method, with desk research as secondary research.

1.3.1 DESK RESEARCH

The desk review involved an analysis of existing literature, policies, plans, and land-use regulations at national, provincial and district levels. This included analysing existing literature with similar research focus, city masterplans and zoning maps, building regulations issued by the UDA, and legal and policy frameworks governing the real estate-nature nexus. The review also analysed how real estate markets signal nature-centric value - through advertisement scraping and analysis of promotional material-especially those that market proximity to wetlands, open spaces, and natural views. During this phase, a real estate agent was interviewed using a Narrative Interview format. The insights obtained from this first interview helped shape the research questions for the rest of the study.

There were also specific analyses carried out for the study site as secondary research. Historical and current satellite imagery was used to map changes in land use and green space over time, with land use maps obtained from the Survey Department of Sri Lanka for the years 1985 and 2017. The research also analysed how real estate markets signal nature-centric value - through advertisement scraping and analysis of promotional material - especially those that market proximity to wetlands, open spaces, and natural views.

1.3.2 STUDY SITE SELECTION

Our initial site selection process started with establishing the preliminary boundaries as outlined in Table 1.

Table 1: Initial site selection criteria

Boundary	Criteria
Administrative	Areas surrounding Colombo city beyond the more developed areas of Dehiwala, Mount Lavinia, Nugegoda, Nawala, and Rajagiriya, and located within the Outer Circular Expressway in Colombo District
Developmental	Areas that have had a documented surge in real estate development over the last 10-15 years
Ecological	Proximity to naturally occurring or man-made green spaces

After narrowing down all areas that fit into the above boundaries, the following areas were shortlisted: Athurugiriya, Pamunuwa, Pelawatte, Thalawathugoda, Ethulkotte, Thalangama, Boralesgamuwa, Bolgoda, Kolonnawa, Piliyandala, and Moratuwa.

Extending from the primary criteria, we applied a secondary selection criteria (outlined in Table 2). Thalangama emerged as the ideal site that met all the selection criteria. To ensure a more comprehensive study, the site included all areas that fell within a 1.5km radius from the Thalangama lake, which included the entire Thalangama EPA, as well as adjacent residential and paddy areas.

Table 2: Selection of the study site using secondary selection criteria

Secondary Criteria	Features of Thalangama and surrounding areas
Contain diverse green spaces that vary in ecology, protection status, and whether they are privately or publicly owned	Contains a variety of green spaces which provide diverse uses and benefits for the residents both historically and currently. These green spaces include the Thalangama EPA, the lake itself, paddy fields, marshlands, parks, privately owned forest patches, cemeteries, and several “undefined” green areas.
Have experienced significant real estate growth over the past 10-15 years	The area has seen considerable growth and urbanisation in the last two decades. Reports suggest that the demand for land has increased significantly, leading to excessive landfilling and the reclamation of paddy lands for housing. ⁶¹
Include development projects that use nature in their marketing	Properties and advertisements that frequently include terms such as “green”, “lake facing”, “paddy-facing”, “scenic view” in their marketing and branding.

⁶¹ ‘Thalangama Wetland Watch’.

Offer a range of property types catering to different market segments

The area features a wide spectrum of real estate activity - including private houses, suburban apartments, and new condominium developments - shaped by diverse socio-economic dynamics that add complexity to the research. It also hosts a mix of large and small developers, individual homes, and short-term rentals

1.3.3 FIELD RESEARCH

Qualitative research was carried out through in-depth in-person or online interviews in a semi-structured format that included open-ended questions as well as targeted questions. A combination of stakeholder mapping and snowballing methods were used to recruit participants from relevant organisations and residential areas within the study site.

The interviews were broken down into two main categories:

1. Key Informant Interviews (KIIs)
2. Narrative Interviews (NIs)

The KIIs were mainly used for interviewing experts and stakeholders including property developers, urban planners, government officials, municipality authorities, UDA representatives, and environmentalists. The KII questions (listed in Annex 4) revolved around general real estate development trends, factors driving real estate in and around green spaces, pressures associated with real estate development near green spaces and perceptions regarding reforms. There were a total of 15 KIIs carried out, with the list of interview participants outlined in Annex 5.

On the other hand, the NIs were used primarily for residents residing within the study site. Participants were recruited from both low- and middle-income housing, as well as from high-income housing. The questions (listed in Annex 6) focused on their relationship with green spaces, changes that they observed over time, and their concerns and hopes for the future. A total of 12 NIs were carried out, with the list of participants provided in Annex 7.

2 FACTORS INFLUENCING REAL ESTATE DEVELOPMENT AROUND NATURE



There are some key drivers that shape real estate development in and around natural and green spaces. This section explores these drivers and influences from two perspectives - demand-side influences and supply-side influences. Together, these perspectives aim to provide a comprehensive understanding of the factors and nuances influencing the expansion of real estate near nature.

2.1 DEMAND-SIDE INFLUENCES

This section explores what drives consumer interest for properties located near green spaces or nature-rich areas, as well as factors that influence buying decisions.

2.1.1 BUYER PREFERENCES FOR REAL ESTATE AROUND NATURE

Private real estate developers indicated that the rapid increase of high rises that are now being built in the suburbs cater to the increasing demand for housing in Colombo. In addition to large developers focusing on major housing projects, banks are now increasingly lending to the private construction sector, leading to a proliferation of new property developments.⁶² While there is increasing demand for houses in Colombo district, the rate and areas of development are not consistent, with some suburbs and divisions seeing a sharper increase in development projects than others. This boils down to the buying preferences of potential homeowners. Most interviewees - developers, policy-makers and residents - highlighted three factors that are instrumental in influencing buying decisions: location, physical infrastructure, and social infrastructure. Crucial social infrastructure that were most commonly cited were schools, hospitals, and supermarkets.

Considering most residents in and around Colombo work within the main city, physical infrastructure such as accessibility and good road connectivity are given priority when buyers decide on areas to live in. This is particularly important for first-time buyers who purchase properties for immediate living, but it also applies to those buying for investment purposes - a group that has doubled in number over the past year alone.⁶³

Location, on the other hand, is more nuanced than just practicality and proximity to Colombo. The natural environment plays an underlying role - it may not be a critical factor, but it strongly influences where people choose to live. Developers interviewed highlighted that projects and units that have a “good view” (be it wetlands, lakes, braces, paddy fields, or other green spaces) sell out the fastest.

“Paddy fields are huge, lagoons are huge. We did a six acres project just by the lagoon there as well. We sold out in a day. People love to buy properties near the lagoon. We did an apartment project, it's ongoing, it's just next to the beach. The beachside units sold out in a day.”

Representative from the management team of Prime Group

All these factors are still contained within the umbrella of affordability, given that the majority of buyers use personal funds rather than bank loans to buy properties. Interestingly, the affordability bracket has expanded, as indicated by the increase in the sale of condominium units priced between Rs. 25 million to Rs. 50 million - a noticeable shift from 5 years ago when majority buyers bought units priced below Rs. 25 million.⁶⁴ Although this could be partly attributed to the fact that the supply of low-income housing has sharply declined, a notable change as observed by developers is the saturation of the luxury condominium market

⁶² State of Sri Lankan Cities.

⁶³ Real Estate Market Analysis - First Quarter 2025, Condominium Market Survey (Central Bank of Sri Lanka, 2025), https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/real_estate_market_analysis_2025_q1.pdf.

⁶⁴ Real Estate Market Analysis - First Quarter 2025.

(priced over Rs. 75 million). Real estate developers are capitalising on this trend by launching projects with higher numbers of units in suburban areas which are growing in popularity due to their physical, social, and natural environments, yet can still be categorised as 'affordable'.

The interplay between physical and social infrastructure and nature is particularly evident in the study site - an area that most interviewees deemed "the best area in Colombo" because it's "nice" and has all the necessary "infrastructure". The area has grown rapidly in the last 10-15 years, attracting different types of buyers and residents. Some residents have moved there purely because of the natural environment it boasts - the Thalangama Lake, wetlands, rubber forests, paddy fields and the various walking tracks peppered throughout the area. Many, particularly recent movers, are drawn not only to nature but also to the growing infrastructure and development in the area, including physical and social infrastructure, as well as the newly established government activities and buildings. The rapidly appreciating property values are an added, yet significant, benefit: a double win of securing a great place to live while also knowing their investment is likely to grow in value over the coming years.

As urban housing options dwindle, sustainability sentiments are rising among many city-dwellers, and the desire to move to greener, quieter areas away from the bustling city is growing. The real estate market is beginning to reflect this shift. Properties that are around or overlooking green spaces are commanding a higher price, particularly those that are around protected areas like EPAs or paddy fields which benefit from certain degrees of protection against encroachment. Developers interviewed indicated that such properties could command a premium of anywhere between 2.5% to 10% for condominium units with views, and up to 20% for properties that are in close proximity to nature. Many residents echoed these industry insights, affirming the influence of nature on property prices.

"There used to be a time where you could buy land here for 12,000 rupees, now it is close to 4 million to buy a perch around the lake"

Farmer and resident who has lived in the area for generations

"The area has developed a lot in the last 10-15 years. When I bought the property, it was priced at 2 lakhs per perch but the last time I checked it was 4 million per perch."

Resident who purchased land by the lake about 20 years ago

"In the last year alone the real estate prices have gone up substantially. A perch, particularly in properties with the lake view, that was 1 million before is now going at 4 million."

Resident and local CSO member

2.1.2 RISE OF NATURE-CENTRIC MARKETING

Marketing practices in the real estate sector are manifestations of beliefs held by real estate developers and buyers. Interviews highlighted that from the real estate developers' perspective, "green" (natural and semi-natural) and "blue" (water-based) features of properties are held in high regard, often associated with well-being and luxury. Such green and blue features can be incorporated into properties in multiple ways, such as proximity to green and blue spaces, architectural design, the usage of sustainable construction materials, environmentally friendly management practices and CSR projects. Marketing campaigns use all the above features wherever possible. Standardisation of environmental features is still nascent in the real estate sector with certifications such as LEED,⁶⁵ and the locally developed GreenSL Rating System or Green Building Certificates provided by the Green Building Council of Sri Lanka occasionally used to signal credibility. So, what is considered nature-friendly for marketing purposes is still largely determined by subjective beliefs held by industry actors.

"I see real estate vertical development as sustainable development because you can build a lot of apartments within a small space. so those are sustainable aspects. We try to convey it to a customer, especially when we talk to customers directly."

Representative from the marketing team of Fairway Holdings

Green spaces do not have to be adjacent to the property that is being marketed and developers market charismatic green spaces that may be a distance away from their property. A resident in the study site noted that properties which were "two or three levels away" from the Thalangama lake still market the lake emphasising the walking distance. Some take a step further and recreate nature within real estate projects, linking such "natural" elements to wellbeing and eco-friendly living. The following is such a project which aims to build a 100-foot artificial waterfall in sub-urban Colombo.

"Given the stunning green terrain surrounding Waterfall residencies, the upper floors of all houses give way to spectacular vistas including bird watching. Another unique component within the complex would be the breath-taking 100-feet tall waterfall finished with natural stonework and crystal waters leading to a pond preserving and enhancing the sense of nature."

Press release of an ongoing property development

Interviewees have mixed reactions about the integrity of using nature-friendly features in marketing. A real estate agent remarked that "most developers don't care much for the environment, apart from using it for marketing and economic growth". In contrast, a real estate developer emphasised that there is an incentive to engage in good faith nature-centric

⁶⁵ LEED certification (Leadership in Energy and Environmental Design), awarded by the U.S. Green Building Council, is a globally recognised standard for sustainable buildings. It indicates that a building meets high benchmarks in energy efficiency, water conservation, indoor air quality, and overall environmental performance.

marketing as genuine nature integration adds long-term value while greenwashing will not be appreciated by buyers.

There are many perceived benefits attributed to nature-centric marketing. Interviewees highlighted that nature-centric features can be marketed for a premium price. This premium can be attributed to two factors. Firstly, the inherent value of nature-centric features themselves, and secondly, the demand for nature-centric features by high-end consumers. Jayasiri and Wickramaarachchi (2024) finds that green features such as management practices, water efficiency, and energy use are perceived to increase the property values of condominiums. Price may not be the only consideration. Wickramaarachchi et al (2020), in a study which included properties in the Malabe-Thalangama Lane, observed that the access to a waterfront view significantly reduced the time a residential property spent on the market. Reflecting on the influence of nature-centric marketing on purchasing decisions, a resident in the study site remarked that they almost invested in a property purely due to the marketing campaign of a developer.

Nature-centric marketing campaigns use physical mediums such as billboards and signboards, and digital media including online marketing and television advertisements. Roadside physical advertisements are a cornerstone of traditional real estate marketing in Sri Lanka. In the study-site, researchers observed the use of billboards, posters, and flyers for on-site physical advertisements. Nature featured through several mechanisms such as the names of the developments, the descriptions of the property and design elements such as pictures and colour palettes used. Figure 3 highlights examples of physical nature-centric marketing methods encountered at the site.

Figure 3: Examples of nature-centric marketing methods



Example 1: Name - leaflet



Example 2: Description - leaflet



Example 3: Design - banner

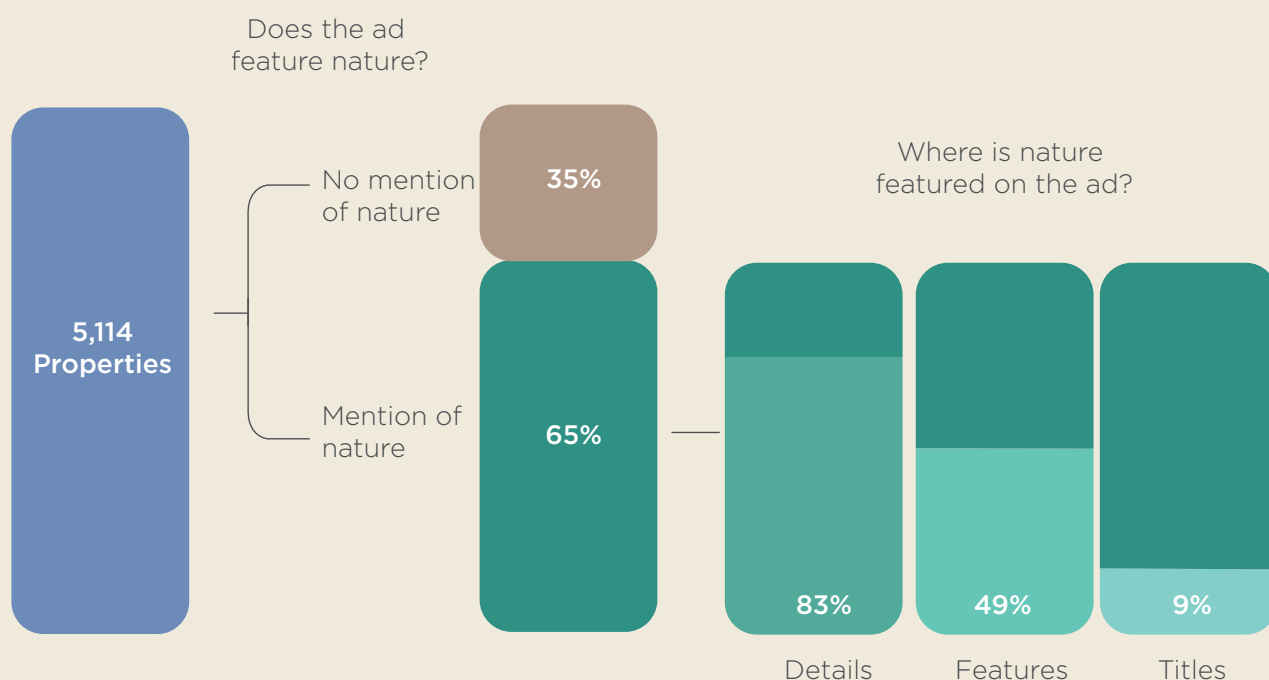
Source: Authors' compilation

Though there were many banners attached to light posts, electricity and telephone poles, and posters pasted on walls in the study site, many properties advertised were not from the vicinity with some as far away as Dambulla in the Central Province. When enquired, interviewees mentioned that the study site and the surrounding roads are frequented by many upper- and middle-class individuals who are the target market for such properties.

The extent of physical marketing has prompted both public and private actors to intervene. Authorities have prohibited attaching banners onto light posts and electricity poles. The community around the Thalangama Lake are actively monitoring and removing such banners. However, stakeholders note that such banners consistently reappear despite the above efforts. A resident reflected on the apparent contradiction of this practice since nature-centric marketing efforts themselves are destabilising the scenic beauty of green spaces in the area and causing environmental pollution.

Box 3: Content analysis of real estate advertisements in Colombo District

The analysis was carried out in June 2025 on www.LankaPropertyWeb.com. The search criteria included all properties listed within Colombo District. The 5114 unique observations include houses, apartments, and other properties. Using the corpus of advertisements, 37 nature-associated words (e.g. sea, beachfront, garden, scenic, green, eco) were picked with the assistance of ChatGPT (4.0) to analyse how nature is featured in advertisements.



Interestingly, preliminary correlations indicate that advertisements listed by property owners use more nature-related language than those listed by agents. The property type (houses and apartments) influences the relationship between the use of nature-related language and the price of such properties. Lower-priced houses and higher-priced apartments displayed references to nature.

2.1.3 THE DICHOTOMY BETWEEN INFRASTRUCTURE AND NATURE

Infrastructure development has a clear and multi-faceted impact on real estate development and buying preferences, and this has been documented in various contexts globally. Infrastructure boosts local market demand and improves housing activity in adjacent neighbourhoods.⁶⁶ In some cities, rising property prices have been attributed to improved transport networks, social amenities, educational institutions, and commercial hubs, all of which enhance the attractiveness and functionality of surrounding areas.⁶⁷ However, not all impacts are uniformly positive. While easier access to city centres, transport hubs, metro lines and road connectivity makes areas more accessible and attractive for residents, it may also lead to increased traffic, congestion, and noise - factors that can diminish desirability of certain neighbourhoods.⁶⁸ In some cases proximity to the infrastructure dictates if the impact is positive or negative - while neighbourhoods in the vicinity may benefit from increased infrastructure, it may negatively impact residences and areas that are next to or in very close proximity to these infrastructure developments. This is particularly the case in peri-urban areas where “quality-of-life enhancements”, like parks and public spaces are more desirable.⁶⁹ This highlights the nuanced role that infrastructure plays in shaping real estate dynamics, depending on type, timing and local context.

Our research revealed a dichotomy between infrastructure and nature. Most regulatory authorities and developers interviewed emphasised on the positive impacts that infrastructure has had on real estate and development of certain areas around Colombo. The development of the expressways, and particularly the Outer Circular Highway⁷⁰ and more recently the 3K Project⁷¹, was touted as the reason for rapid development in certain areas around Colombo, emphasising the role that road networks, access and mobility have played in real estate development. Also, other major infrastructural developments, like the multimodal transport centre in Kottawa, influence increased real estate development, as well as increase prices of the properties around the infrastructure.

⁶⁶ Hanli Chen et al., ‘Analysis on the Spatial Effect of Infrastructure Development on the Real Estate Price in the Yangtze River Delta’, *Sustainability* 14, no. 13 (2022): 7569, <https://doi.org/10.3390/su14137569>.

⁶⁷ James M. Gatawa and M. Murungi, ‘Infrastructure Development and Real Estate Values in Meru County, Kenya’, *Research Journal of Finance and Accounting* 6, no. 8 (2015).

⁶⁸ Attila Béres et al., ‘Spatial Econometrics: Transport Infrastructure Development and Real Estate Values in Budapest’, *Regional Statistics* 9, no. 2 (2019): 89-104, <https://doi.org/10.15196/RS090202>; Dimitrios Efthymiou and Constantinos Antoniou, ‘Measuring the Effects of Transportation Infrastructure Location on Real Estate Prices and Rents: Investigating the Current Impact of a Planned Metro Line’, *EURO Journal on Transportation and Logistics* 3, no. 3 (2015): 179-204, <https://doi.org/10.1007/s13676-013-0030-4>.

⁶⁹ ‘Ride the Wave: How New Infrastructure Projects Can Boost Your Real Estate Portfolio’, *Steers Global Real Assets*, 4 February 2025, <https://globalrealassets.georgetown.edu/insight/new-infrastructure-projects-can-boost-your-real-estate-portfolio/>.

⁷⁰ The Outer Circular Highway runs through Colombo and Gampaha districts and is planned as an orbital beltway that connects radial routes and other expressways out of Colombo. This highway runs around 20 km away from the city centre.

⁷¹ The Townships Development of Greater Colombo Urban Transport Development Project or the “3K Project” was established by the Ministry of Megapolis and Western Development to develop and/or improve the townships along three interchange cities (Kottawa, Kaduwela and Kadawatha) along the Outer Circular Highway.

But infrastructure is not limited to projects sanctioned and developed by the government. There is a reinforcing mechanism at play when real estate projects being driven by private entities enter certain areas. The resulting increase in housing and new residents encourages commercial activity, which in turn attracts further economic development. Developers highlighted how certain projects led to an increase in the prices of surrounding properties. In some cases, such big development projects also bring in development of carpeted roads, access to three-phase electricity and better water infrastructure, leading to property values in the area increasing multi-fold. Interestingly, as per one developer, this jump in property values is used as a negotiating factor with the local community if any disagreements or issues arise due to the development project. This trend is evident even within the study site, where residents have noticed that increased development has led to land prices going up.

“The development projects cause land value to increase very rapidly. Within the 4 months that I have been employed here the amount for a perch of land under this division rose from 2.5 million to 4 million.”

Grama Niladari of one GN division

Although the economic benefits of infrastructure development are significant, rising property values are making many areas less affordable for lower-income populations, leading to the gentrification of several neighbourhoods. Residents are also growing cautious about the scale and speed of development. The impacts of infrastructure expansion are often more pronounced around green spaces and protected areas. Many have moved to suburban and peri-urban areas seeking tranquility, green spaces, and paddy fields - an escape from the congestion and bustle of city centres. In some cases, heightened development interest near these areas has led to a decline in property values, as they become less desirable. One resident from the study site observed that after the Defence Headquarters Complex was established, property values fell due to concerns over increased traffic and a busier environment.

There has also been notable resistance from residents regarding certain infrastructure projects. A prominent example is the community opposition to development in the Thalangama EPA. In 2021, the CEA amended a 2007 gazette that had declared the ecologically rich Thalangama wetland an EPA, in order to permit the elevated highway from the New Kelani Bridge to Athurugiriya to pass through the area.⁷² Strong community-led movements argued that the project would result in environmental and social harm, ultimately leading to its cancellation four years after the initial announcement.⁷³ These incidents underscore that while infrastructure development can drive real estate demand in new suburban areas, residents and users of these spaces are often critical of the extent of development. They emphasise the need to preserve the social and environmental character of these neighbourhoods, ensuring that transformation does not happen too rapidly or drastically.

⁷² Namini Wijedasa, 'Thalangama Wetland: CEA Amends 2007 Gazette to Allow Elevated Highway', The Sunday Times, Sri Lanka, 25 July 2021, <http://www.sundaytimes.lk/210725/news/thalangama-wetland-cea-amends-2007-gazette-to-allow-elevated-highway-2-450215.html>.

⁷³ Lakmal Sooriyagoda, 'Thalangama Wetlands Saved from Elevated Highway Project', Daily Mirror (Colombo), 19 May 2025, <https://www.dailymirror.lk/breaking-news/Thalangama-wetlands-saved-from-elevated-highway-project/108-309252>.

2.2 SUPPLY-SIDE INFLUENCES

While demand-side dynamics are primarily shaped by consumer needs and preferences, our research identified three key supply-side influences that determine the nature of properties entering the market. This section focuses on the types of real estate developers, types of properties being constructed, and the policies that govern the industry.

2.2.1 TYPES OF DEVELOPERS AND PROPERTIES BEING CONSTRUCTED

The government and the private sector are the two main categories of real estate developers in Colombo, concentrating on various facets of the real estate market. The National Housing Development Authority (NHDA) and the UDA are principally in charge of government housing projects. While the NHDA carries out national housing policy and affordable housing programs, the UDA is primarily responsible for Colombo's urban planning and low-income housing efforts. As opposed to government developers, private developers freely carry out mixed-use, commercial, and residential projects, frequently focussing on middle-class to upper-class populations. These private developments, which include gated communities, apartments, and luxury condominiums, are usually in response to the growing urban demand.

While the housing demand in Colombo has surged, studies show that there is a shortfall of housing units in Colombo.⁷⁴ This scarcity (in addition to other macro-economic factors) is driving prices up and has challenged the broader affordability of housing in Colombo, leaving large segments of society, particularly the middle- and low-income populations, priced out of the market.⁷⁵ While construction and new developments that were stalled due to the pandemic and the economic crisis have resumed, many of the new condominiums are expensive luxury developments targeting high-income local residents and Sri Lankans living abroad.⁷⁶

“These are profitable ventures for a developer, while building for middle- or lower-income markets is not.”

Statement by urban development specialist and president of the property sector at John Keells Group in a 2025 interview with The Sunday Times.⁷⁷

⁷⁴ Impact of Anti-Competitive Practices in the Construction Industry on Affordable Housing in Urban Sri Lanka; Maheesha Mudugamuwa, 'House Ownership: A Disappearing Dream for Many', The Morning, 23 June 2024, <https://themorning.lk/articles/N9dG2RvV0eVAzE5QsE8D>.

⁷⁵ Mudugamuwa, 'House Ownership'; Mimi Alphonsus, 'Housing Shortage in Colombo Makes Families Endure Substandard Living', The Sunday Times, Sri Lanka, 12 January 2025, <https://www.sundaytimes.lk/250112/news/housing-shortage-in-colombo-makes-families-endure-substandard-living-584444.html>.

⁷⁶ Alphonsus, 'Housing Shortage in Colombo Makes Families Endure Substandard Living'.

⁷⁷ Alphonsus, 'Housing Shortage in Colombo Makes Families Endure Substandard Living'.

However, following a 2016 survey by the NHDA that identified a need for approximately 42,000 mid-income units in Colombo, there has been a shift of focus towards middle-income housing by the private sector as well as the government.⁷⁸ The UDA has launched the 'Middle-Income Housing Programme'⁷⁹ to address the growing demand from Sri Lanka's expanding middle class, particularly those seeking housing close to urban centres. The UDA's policy emphasises regulated high-density developments, accompanied by upgraded infrastructure such as roads, water supply, sewerage, and drainage. The initiative began with an apartment targeting government employees at affordable prices, and has since expanded to include middle- and upper-middle-income projects in Colombo and the suburbs. Representatives interviewed from UDA and Condominium Management Authority (CMA) emphasised that houses would lead to a horizontal city sprawl that would not only lead to fragmentation of lands, but is also impractical given the lack of efficient and reliable public transport infrastructure in the city.

In case of the private sector, the focus on middle-income housing, coupled with elevated construction costs and the scarcity of available land for development within the city, has led to developers pivoting towards more high-density developments in the suburbs where land is more affordable. Developers interviewed also highlighted that even in the case of housing and land projects, the average plot size has reduced from 10 perches to about 7-8 perches.

“High-rise buildings offer more efficient land usage, allowing for 150-200 apartments on 90 perches of land compared to only 9-10 houses. Yes, there's an instant impact on nature. But this provides a good solution for the land scarcity problem.”

C-suite member of Fairway Holdings

Similar trends have been observed in many large Asian cities, which are increasingly growing upward.⁸⁰ The strategy of promoting 'vertical' over 'horizontal' development is widely regarded as a more viable and sustainable approach for housing in urban centres, particularly for emission control and to save more land for nature outside the city centres. However, in the case of Colombo, vertical development within the city is increasingly becoming unaffordable for the growing middle class. This has resulted in increasing development of high-density housing in nature-rich suburban areas. Additionally, this increase does not indicate a polycentric verticality with secondary CBDs, but rather a horizontal sprawl in terms of residences with haphazard vertical residential developments in the suburbs, raising concerns about encroachment, fragmentation and the gradual shrinking of green spaces.⁸¹ This also contributes to various other negative externalities such as increased car dependency (worsening pollution and traffic), intensifies urban heat islands, raises energy demands and reduces livability.⁸²

⁷⁸ Mudugamuwa, 'House Ownership'

⁷⁹ 'The Urban Development Authority', accessed 1 September 2025, <https://www.uda.gov.lk/middle-income-housing.html>.

⁸⁰ 'Steve Frolking et al., 'Global Urban Structural Growth Shows a Profound Shift from Spreading out to Building Up', Nature Cities 1, no. 9 (2024): 555-66, <https://doi.org/10.1038/s44284-024-00100-1>.

⁸¹ Ali Soltani et al., 'Volumetric Urban Sprawl: Horizontal and Vertical Growth in Two Metropolitans', Journal of Urban Management, April 2025, S2226585625000433, <https://doi.org/10.1016/j.jum.2025.03.006>.

⁸² Soltani et al., 'Volumetric Urban Sprawl'.

Residents interviewed voiced concerns about growing competition for basic resources like clean water and air, as well as the increase in trash pollution and noise brought on by the rise in population. Some also questioned the underlying rationale of vertical development, pointing out that there are no checks and balances in place to guarantee that people's access to green spaces is maintained, and that the majority of these green spaces would likely be turned into populated areas, undermining the sustainability that the strategy is meant to encourage.

2.2.2 INFLUENCE OF CITY PLANS ON REAL ESTATE DEVELOPMENT AROUND NATURE

City plans have a big influence on how real estate development is patterned, especially in places that are close to natural landscapes. Zoning regulations, land-use classifications, and urban planning strategies can either protect or expose nature-rich areas to rapid development. From Geddes' early vision of a "Garden City of the East," rooted in harmony with nature, to today's fragmented patchwork of development plans, Colombo's urban planning reveals a history of competing priorities, inconsistent implementation, and aspirational visions that often overlook critical ground-level challenges.

There are three main city planning documents that are currently influencing the development of Colombo District - the WRMMP implemented in 2016, the Colombo Commercial City Development Plan - 2019-2030 implemented by the UDA in 2019, and the individual UDA development plans for Colombo and other municipal areas implemented post 2022. One of the key challenges in city planning in Colombo and the Western Province is the absence of a clear schedule for how often urban plans are reviewed or updated. While the WRMMP offers a broad vision, individual city and municipal council plans are released independently and follow different timelines. This leads to fragmented planning processes and a lack of a common vision for the city as well as the context within which it exists.

There is also a lack of a broader, holistic vision for Colombo and its suburbs beyond the narrow framing of the city as the country's economic hub. Most plans are geared toward economic growth and focus heavily on the 'Colombo Core' - particularly the central business district and surrounding commercial areas. While this emphasis is not inherently problematic, it often sidelines the livability of the city. Livability is dependent on two key elements: the availability of essential services for residents (such as housing, healthcare, mobility, and social infrastructure) and the health of natural and built environments.⁸³ Current city planning fails to balance these priorities and overlooks the importance of cohesively integrating livability into the city's growth strategies.

As a result, natural environments are marginalised, often treated as afterthoughts in the face of more immediate urban concerns like waste management. The WRMMP introduces concepts like

⁸³ Matthias Ruth and Rachel S. Franklin, 'Livability for All? Conceptual Limits and Practical Implications', *Applied Geography* 49 (May 2014): 18-23, <https://doi.org/10.1016/j.apgeog.2013.09.018>.

the 'Eco Habitat' and 'Plantation City' zones, which are based on ecological characteristics of the region with the aim of conserving and capitalising on them. However, these efforts largely remain peripheral and disconnected from more central urban areas. Furthermore, individual city plans offer limited and often superficial references to green zones, mostly aimed at conserving what little green spaces remain. While some individual plans, like the Colombo Commercial City Development Plan, have mapped out networks of connected green spaces within the city, there is little monitoring and evaluation to assess whether (or how well) these strategies are implemented. Moreover, the lack of coordination between plans makes it difficult to incorporate climate resilience and adaptation strategies into mainstream urban planning.

Another key shortcoming of Colombo's city plans is that they seem to be developed in response to major infrastructure projects rather than proactively guiding urban growth from the outset and shaping development through early land-use planning. For instance, reports suggest that planning for the first network of major expressways began in the late 1980s and early 1990s.⁸⁴ The Environmental Impact Assessment (EIA) for the Southern Expressway was conducted by the University of Moratuwa in 1996, with the report submitted in early 1997.⁸⁵ Around the same period, the Colombo Metropolitan Regional Structure Plan (1995) also refers to the planning of the Outer Circular Highway and other major corridors extending out of the city. Such large-scale transport infrastructure inevitably reshapes urban form by influencing patterns of expansion into the suburbs. Although the WRMP acknowledges seven transport corridors radiating from Colombo based on these projects, their integration into broader city plans remains limited - primarily confined to outlining transport routes, with little attention to the wider implications for land use, housing, environmental sustainability, or infrastructure demand. This raises important concerns about whether Colombo's planning framework is adequately future-oriented or whether it is merely reactive to the consequences of infrastructure-led development.

Beyond the city planning practices, zoning principles in Colombo raise several concerns too. Zoning in many areas revolves around naturally occurring green spaces and wetlands and all city plans within Colombo District use UDA's guidelines for wetlands zoning to classify wetlands and green spaces.⁸⁶ The guidelines define 5 zones - Wetland Protection Zone, Wetland Nature Conservation Zone, Wetland Agriculture Zone, Special Paddy Cultivation Zone, Low-lying Potential Development Zone. They each have specific conditions for development, including specifications for permitted plot sizes, building heights, maximum built area in the ground floor, and building types. While these conditions are strict for the first four categories, the guidelines included a clause that states that "in the rare event of having to accommodate a vital public infrastructure project, the above conditions may be relaxed" which allows for expansions and encroachments into green spaces. There have been many notable cases of such developments within the study site. The reclamation of paddy lands for government buildings including the Defence Headquarters Complex has been possible because of the above relaxation clause.

⁸⁴ Amal S. Kumarage, 'What You Should Know about Expressways', Business Times, The Sunday Times, Sri Lanka, 16 October 2011, <https://www.sundaytimes.lk/111016/BusinessTimes/bt08.html>

⁸⁵ Environmental Impact Assessment Report: Southern Expressway Development Project (University of Moratuwa, 1999).

⁸⁶ Guidelines for Western Province Wetlands Zoning & Relevant Regulations (Urban Development Authority, 2006), https://www.uda.gov.lk/attachments/regulations/wetland_zoning_guidelines_in_wp.pdf.

Studies show that 63.5% of Colombo's wetlands disappeared between 1959 and 2018, and that wetland filling became a common response to rising land demand.⁸⁷ New planning initiatives and infrastructure have made previously rural wetlands and paddy lands highly attractive to developers. Existing city plans also hold key contradictions within them that further enable this demand. For example, plans that simultaneously use zoning to conserve green patches yet use land-use categories like "residential mixed", which do not exclude wetland or paddy land, arguably create ambiguity that fuels encroachment onto these spaces. While the National Physical Planning Policy and Plan has evolved considerably to include not just environmental and conservation zones, but also take into account climate vulnerabilities, the Colombo City Plans have not similarly evolved and continue to have these glaring gaps.

⁸⁷ A. G. Amarasinghe, 'Trends of Wetland Reclamation in Colombo Metropolitan Region in Sri Lanka and Strategies to Minimize Adverse Impact', *Sri Lanka Journal of Advanced Social Studies* 9, no. 1 (2019): 18, <https://doi.org/10.4038/sljass.v9i1.7145>.

3 POLICY LANDSCAPE AT THE NEXUS OF REAL ESTATE AND NATURE



3.1 POLICIES AT URBAN PLANNING LEVEL

While master plans and zoning maps set the stage for development, it is the underlying statutes, regulations, and institutional arrangements that ultimately shape how (and whether) these plans are implemented in practice. The policy and regulatory framework that governs the intersection between real estate development and nature conservation in Colombo is vast - with several organisations having specific but sometimes overlapping mandates and a range of underlying issues such as fragmented policies and mandates that govern the landscape, loopholes in legal text, and approval processes. A range of government institutions are involved in governing green spaces and land use in Colombo to ensure the protection of key ecosystems. However, these organisations often function in silos, with little integration or coordination across agencies. This fragmentation leads to jurisdictional overlaps and enforcement gaps, leading to a somewhat fragmented governance landscape. A deeper look into the study site helps us unpack this issue. Eight organisations are in charge of the governance of Thalangama EPA, as outlined in Table 3.

Table 3: Organisations in charge of governance of Thalangama EPA and their roles

Organisation	Role
Urban Development Authority (UDA)	<ul style="list-style-type: none"> ● Controls zoning classifications for wetlands and green spaces, as well as within the Thalangama EPA boundary ● Approves land-release schemes and issues Preliminary Planning Clearances (PPC) in line with Zoning
Central Environmental Authority (CEA)	<ul style="list-style-type: none"> ● Gazetted Thalangama as an EPA ● Oversees any EIA for developments within or adjacent to the EPA ● Issues environmental licences and enforces compliance
Ministry of Agriculture and Department of Agrarian Development (DAD)	<ul style="list-style-type: none"> ● Reviews and approves any conversion of paddy fields within the EPA that are classified under DAD's register⁸⁸ ● Monitors abandonment declarations that trigger eligibility for conversion
Sri Lanka Land Development Corporation (SLLDC)	<ul style="list-style-type: none"> ● May grant reclamation permits for "low-lying potential development" zones ● Manages the designation of flood retention lands for flood control
Kaduwela Municipal Council (KMC)	<ul style="list-style-type: none"> ● Issues building permits and Certificates of Conformity (CoC) for developments within the Kaduwela DS division ● Manages local drainage, sanitation and small-scale environmental complaints near the EPA
Road Development Authority (RDA)	<ul style="list-style-type: none"> ● Plans, constructs, and maintains national roads and highways, including expressways and major arterial roads
Irrigation Department	<ul style="list-style-type: none"> ● Oversees water resource management in lake, canals, and tanks ● Issues permits for water-related works
Department of Wildlife Conservation (DWC)	<ul style="list-style-type: none"> ● Enforces Fauna and Flora Protection Ordinance - for protected species within EPA

With various organisations governing the same green spaces, there are often issues of overlapping bureaucracy. The DAD lacks enforcement capacity at the municipal level, relying on Municipal Councils and Divisional Secretariat offices for on-the-ground oversight. Local drains and waste disposal that is managed by the KMC can impact EPA water quality without CEA oversight. There is also power asymmetry, with the UDA having authority to rezone wetlands and EPA, effectively overruling DAD's paddy protections, CEA's conservation zones, or its own classification of wetland zones.⁸⁹ The UDA's preliminary permits for construction do not require real-time CEA confirmation, leaving no guarantee that CEA conditions are observed in building permits. Additionally, RDA acquisitions of land can bypass DAD's paddy protections if UDA rezones areas

⁸⁸ The primary national law for paddy fields is the Agrarian Development Act (No. 46 of 2000). Section 33 of this Act makes it illegal to fill, remove soil, or build on any paddy land except with written permission from the Commissioner-General (CG) of the Department of Agrarian Development (DAD). In principle, this means paddy lands can only be converted to other land uses if the DAD explicitly authorises it.

⁸⁹ A parcel in a "Wetland Protection" zone is technically off-limits for any type of development. But if the UDA rezones it as a "Low-lying Potential Development" site, the land falls within the purview of the SLLDC as per Section 2 of the Act No. 15 of 1968 and becomes developable, regardless of its prior agricultural or ecological classification.

for 'infrastructure'. The case filed in 2021 against the respondents of the RDA, CEA and UDA for the construction of the elevated highway through the EPA underscores the danger of this gap. In spite of Thalangama EPA's legally protected status, the CEA amended the 2007 Gazette to allow for this infrastructure development. This fragmented governance landscape enables the UDA to effectively override other authorities' protections simply by redrawing zoning lines - an outcome rooted in the statutory independence of each agency rather than any collaborative conservation strategy.

While organisational overlaps could be positive as it adds checks and balances to ensure green spaces have a certain degree of protection, in practice, this leads to a who-approves-what rhetoric. Residents raised concerns that due to this multi-governance structure, the day-to-day custodianship of the EPA and green spaces is lacking.

"In open EPA's like Thalangama Lake, who exactly is in charge of the lake within the EPA? There are multiple authorities that claim the area, but nobody is here on a day-to-day basis. This multi-governance structure is a big issue as there is no coordination between these organisations. Nobody takes ownership. And when issues arise, complainants are scrambling from one department to another."

Resident and local CSO member

The legal landscape is equally complex. The UDA Act, National Environmental Act (NEA), Land Development Ordinance, and the Agrarian Development Act all provide partial coverage over different land types.⁹⁰ There are issues concerning loopholes in the legal text of these Acts. For instance, although the law governing paddy land conversion is strict, by virtue of Sec 29 and 30 the DAD may officially declassify paddy lands by gazetting it as non-paddy once a nominated productivity committee determines the land cannot produce sufficient yields. Weak enforcement and legal ambiguity on what counts as low-yielding, abandoned or non-cultivable creates opportunities for conversion despite protection laws. Interviewees highlighted that in some cases landowners have deliberately left fields uncultivated or have created conditions for abandonment, making them eligible for conversion under existing loopholes as this is more economically lucrative. This reflects the reality that Kaduwela has seen notable paddy land reclamation over the past decades, with lands along the Kaduwela-Malabe corridor being filled and developed for housing, commercial parks, and warehousing.⁹¹

There are about thirteen Environmental Sensitive Areas (ESAs) within Colombo District.⁹² However, only four of the ESAs are legally protected under the Fauna and Flora Protection Ordinance (FFPO) and the National Environmental Act (NEA). Only these four specially legal provisions to protect green spaces outside of these strict and narrow brackets. However,

⁹⁰ An Overview of all National Laws, Policies and Organisations directly involved with management of green spaces and land use in Colombo is provided in Annex 8

⁹¹ D. K. D. A. Ranaweera and R. M. K. Ratnayake, 'Urban Landuse Changes in Sri Lanka with Special Reference to Kaduwela Town from 1975 to 2016', International Journal of Innovative Research and Development 6, no. 6 (2017), <https://doi.org/10.24940/ijird/2017/v6/i6/JUN17014>.

⁹² An overview of ESAs, Legally Protected ESAs and declared sanctuaries within the Colombo District are provided in Annex 9. ESAs are not publicly or legally declared as such through an exhaustive national list. The list of ESA's in the annex has been obtained from the WRMMMP.

a revealing contrast lies in the application of species-level protection. Under the Forest Conservation Ordinance (FCO) (Schedule 1) and the FFPO (Schedule 5), several tree species are afforded legal protection regardless of land tenure. Cutting or removing these species, even from private property, requires prior approval from the Forest Department or other relevant authorities. The ability of law and policy to protect individual species indicates that regulatory reach does exist, but they remain narrowly applied - especially for green patches outside traditional protected area systems. Without stronger spatial protections, biodiversity is left vulnerable to piecemeal degradation, even as the law protects individual trees within these patches.

3.2 POLICIES AT PROJECT LEVEL

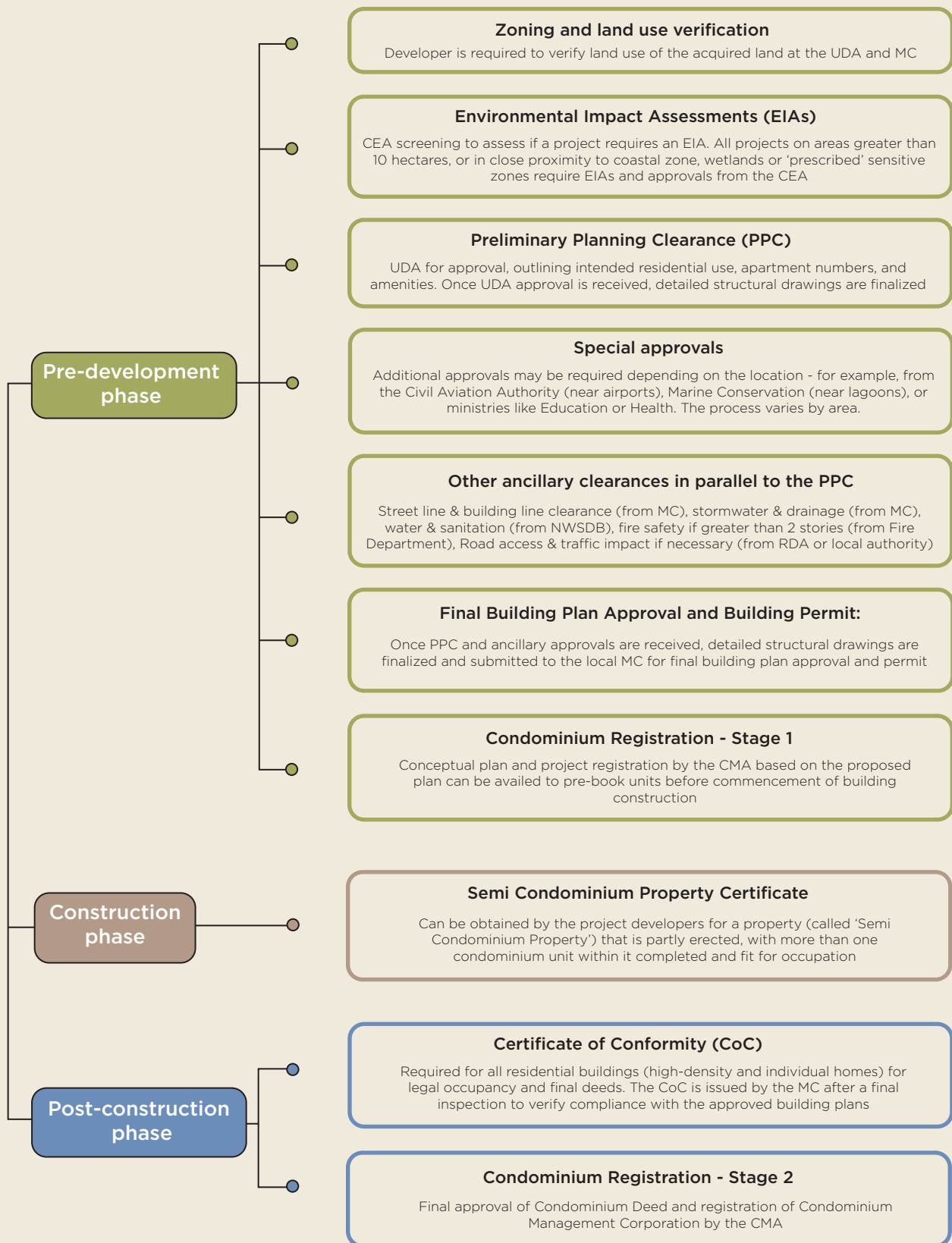
The approval processes for new buildings, particularly dense housing units have also come under scrutiny. A newly-proposed 12-storey apartment block on Lake Drive, which was a recognised marshland, raised various concerns over approvals and clearances.⁹³ Box 4 below highlights the required approvals at different stages of a residential project - from inception to its completion.

The analysis identified key weak spots and gaps, particularly in the pre-development phase, that need to be addressed to ensure environmental considerations are strengthened before projects are approved for construction.

1. While broad zoning is available in the city plans, the latest land use data is not made publicly available by the UDA. So although it is required for project developers to verify land-use before commencement of the project planning, the lack of transparency also results in a lack of mechanism with which other stakeholders or general public can hold developers or approving authorities accountable for non-compliance or misuse of zoning regulations.
2. The PPC is currently approved based on the preliminary plan, housing density and amenities, and does not require land-use clearance or feasibility tests.
3. Under CEA's list of "prescribed projects", EIAs are required only for developments on land exceeding 10 hectares, or in or near certain environmentally sensitive zones. However, interviews with developers revealed that condominiums (particularly middle-income private developments) are exceedingly being constructed on lands as small as 90 perches. So in effect, many high-density developments are being approved and constructed without adequate environmental feasibility tests.
4. While individual EIAs are required for prescribed projects, the combined effects of multiple projects in Colombo, and their impacts across time and space are not analysed. These assessments are crucial for understanding the broader environmental consequences of development activities, especially in areas with multiple projects or sensitive ecosystems, where the full extent of environmental degradation may not be evident through individual project assessments.

⁹³ Hiranyada Dewasiri, 'Apartment Project on Lake Drive: Uncertainties Abound over "Clearance" and "Approvals"', Latest in the News Sphere | The Morning, 1 June 2025, <https://themorning.lk/articles/66UDRBjn8xFVEkal4Ecu>.

Box 4: Approvals and clearances required for new high-density residential projects



Source: Author's own construction

4 IMPACTS OF REAL ESTATE DEVELOPMENT ON COMMUNITIES



While much of the other sections focus on general real estate development trends and influences, this section highlights the lived experiences of residents and surrounding communities, particularly within the study site. Narrowing the focus to a specific area helps capture the nuances and varied impacts of real estate development on different communities within a defined boundary.

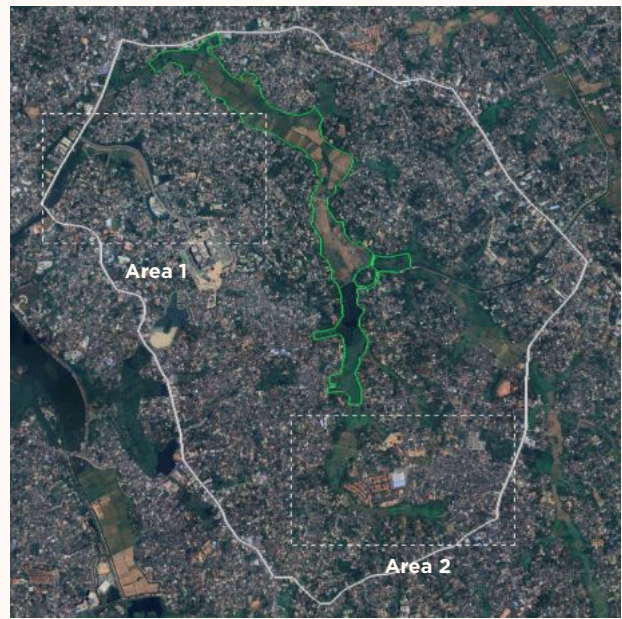
4.1 CHANGING LANDSCAPES

The most significant and visible transformation in the study area is the change in land use over time. Satellite imagery of the site and its surrounding neighbourhoods reveals a drastic shift in the landscape. As illustrated in Figure 4, what was once a sparsely populated and predominantly green area in 2005 has, by 2025, evolved into a zone of denser settlements, with increasingly fragmented and diminished green spaces.

Figure 4: Montage of satellite imagery of study site from 2005 to 2025



2005



2025



2005

2015

2025

AREA 1



2005

2015

2025

AREA 2

Source: Google Earth

Older residents who lived in the area prior to rapid development fondly recalled that, 20 to 30 years ago, the landscape was dominated by forests, rubber estates, paddy fields, and large homesteads. Some also highlighted the area's rich biodiversity, including a variety of bird species and the now-endangered fishing cat. However, over the years, vast expanses of green space have been converted for other uses. Paddy lands were repurposed for major infrastructure projects, including the Defence Headquarters, as well as roads, hospitals, and supermarkets. Privately owned green pockets were sold and developed into residential complexes, while wetlands were reclaimed for built structures.

Many long-time residents who once maintained large homesteads and gardens, contributing significantly to the area's green cover, sold their properties to developers, accelerating the transformation of the landscape into dense urban settlements. Almost all residents emphasised that the increasing housing and population density has several negative impacts such as competition for environmental resources and spaces and strain on existing infrastructure. One of the most commonly raised concerns was the issue of waste disposal and management. Since 2015, Kaduwela MC has been collecting around 50 tons of solid waste per day, which has gradually increased to about 70 tons per day after 2022.⁹⁴ However, studies indicate that actual waste generation is much higher. Based on per capita estimates of 0.76 kg/day and the 2012 population data, the municipality was already generating around 200 tons of waste daily - highlighting a considerable gap between generation and collection.⁹⁵ Adjusting for population growth at an annual rate of 1.57 - 2.01%,⁹⁶ current waste generation can be estimated at 228-250 tons per day. With waste management infrastructure expanding only slowly, the growing population is likely to place even greater pressure on existing systems.

An analysis of land-use changes from 1989 to 2017⁹⁷ (indicated in Figure 5 and Figure 6) reveals interesting insights.

1. Although paddy land is protected by law, the extent has reduced by approximately 50% between the two years. Significant expanses of paddy fields have been reclaimed and converted to other uses such as housing, creating man-made water bodies, and other built areas. Even the existing paddy has diminished in size indicating encroachments along the borders.
2. Lands with other cultivation including rubber and coconut have almost all been converted to other land uses, predominantly into homesteads and gardens.
3. As part of the drive to beautify the city, particularly around the parliament and surrounding areas, much of the paddy land was reclaimed to create and/or expand wetlands and water bodies.
4. Interestingly, the areas falling under the EPA have remained intact, while other green spaces have been converted to other land uses.

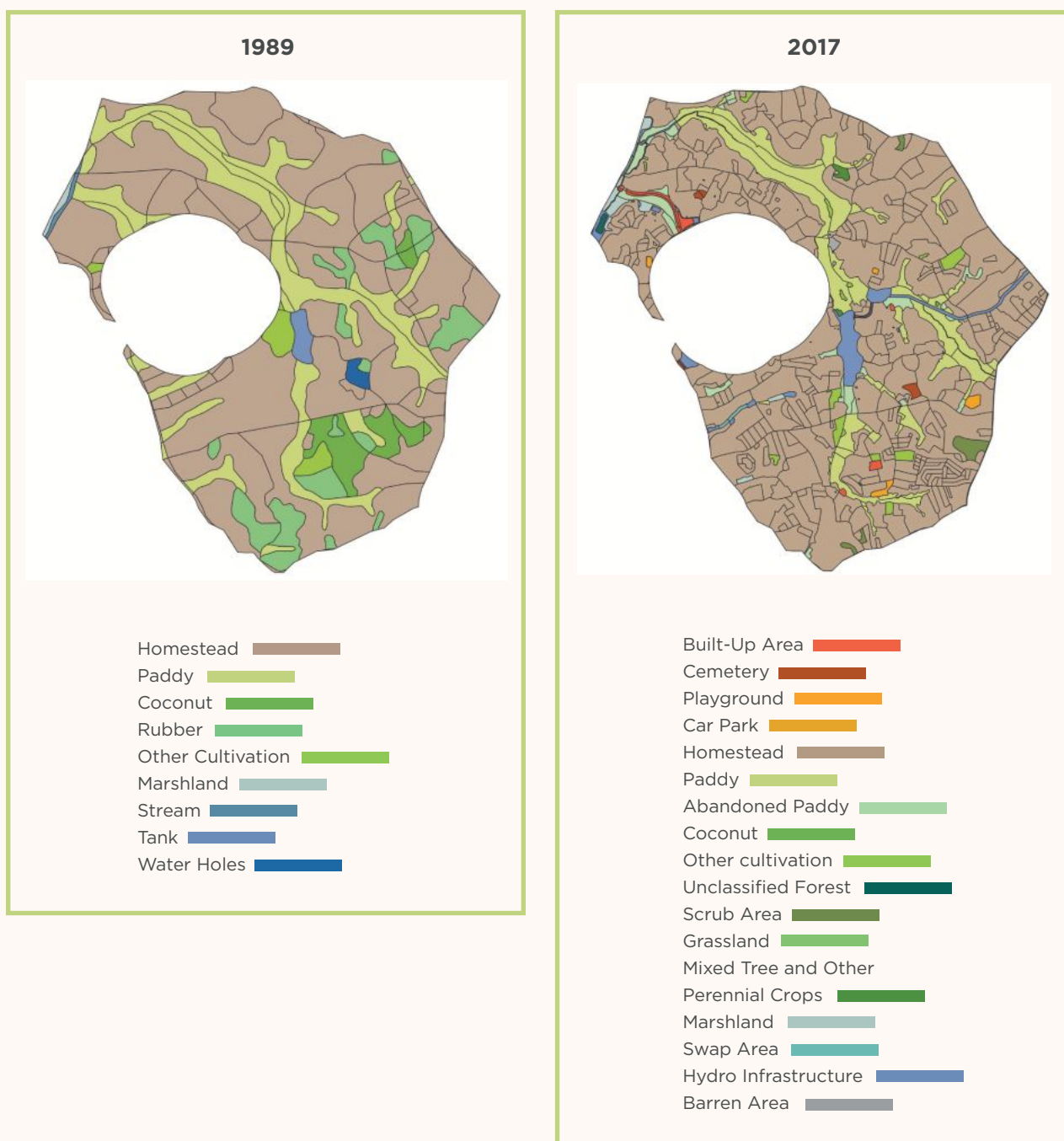
⁹⁴ Data obtained from the Kaduwela MC

⁹⁵ Nilanthi Jayathilake et al., Organic Waste System Assessment: Kaduwela Municipal Council (International Water Management Institute, 2021), https://www.uts.edu.au/globalassets/sites/default/files/2021-04/waste-supply-assessment_from-urban-waste-to-sustainable-value-chains_0.pdf.

⁹⁶ Derived from average annual population growth rates calculated by Weerakoon (2017)

⁹⁷ The Survey Department of Sri Lanka currently has only two sets of land-use maps and GIS data from the years 1989 and 2017.

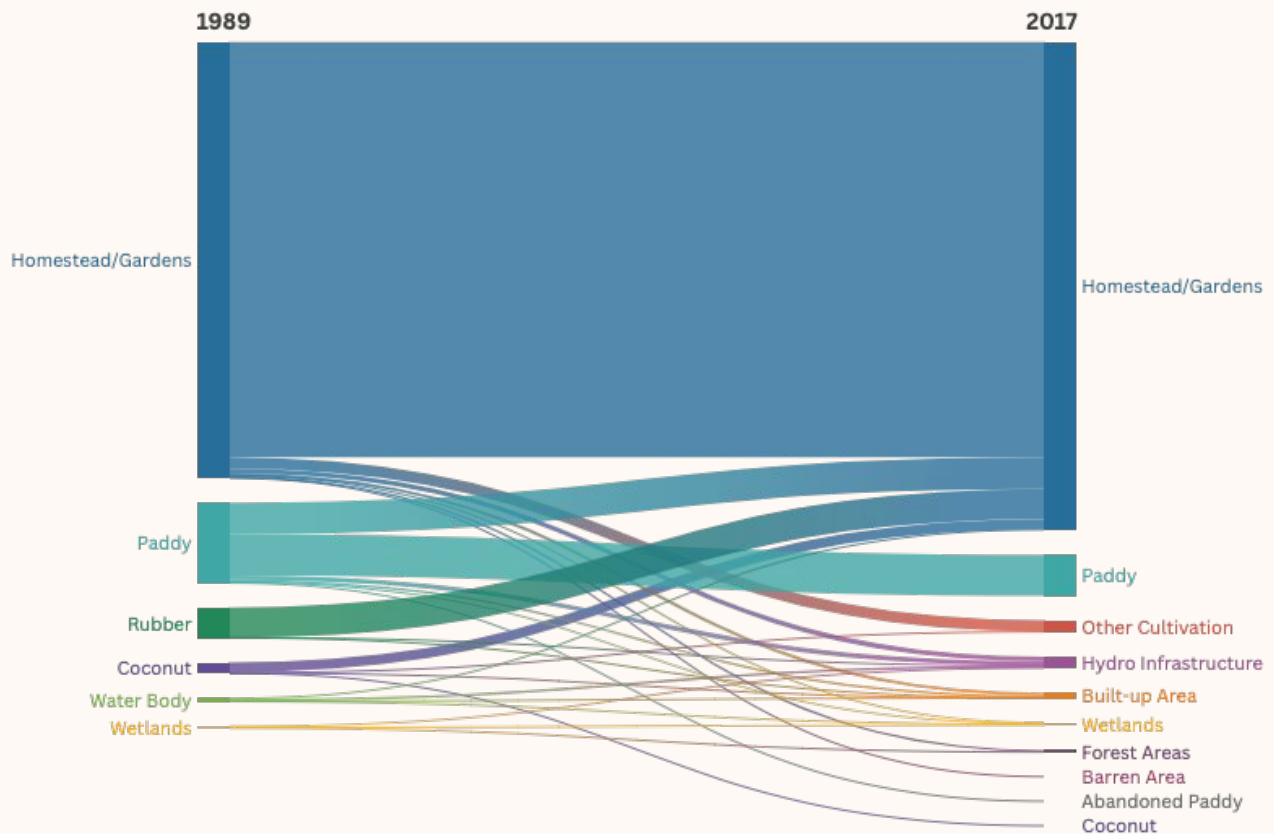
Figure 5: Land-use maps from 1989 and 2017 for the study site



Note: The blank area within the study site surrounds the Defence Headquarters, and is hence a protected zone with maps not made publicly available.

Source: Author's own making based on shapefiles obtained from the Survey Department of Sri Lanka.

Figure 6: Sankey diagram based on land-use data illustrating changes in land use from 1989 to 2017



Note: This visualisation does not take into account the land use changes of the protected zone of the Defence Headquarters, which has been built on land converted from paddy and other land uses.

Source: Author's construction based on data obtained from the Survey Department of Sri Lanka

The appropriation and transformation of urban green spaces, particularly wetlands, in Colombo reflect a broader pattern of ecological restructuring driven by neo-liberal urbanism.⁹⁸ Historically rooted in colonial practices of land alteration, this legacy has intensified in recent decades with the growing influx of international finance capital since the early 2000s. Now, wetland appropriation in Colombo is no longer driven by agrarian or industrial objectives but by speculative real estate and infrastructure development. Unlike rural land grabs that often involve vast expanses and long-term investment, urban land conversion in Colombo is marked by small-scale parcels, rapid turnover, and dramatic ecological consequences.

4.2 EVOLVING SOCIAL STRUCTURES

To understand the evolving social structures in the study site, one must first examine the different groups of people who use and are affected by the green spaces in the area. The first clear distinction is based on time. In the study area, three distinct groups of residents co-exist. First are the 'ancestral families', who have lived here for multiple generations and continue to practice traditional livelihoods and work the land, tending to paddy fields and cattle passed

⁹⁸ Hettiarachchi et al., 'Power, Politics and Policy in the Appropriation of Urban Wetlands'.

down through the decades. Then there are the 'early movers', who moved into the area in the late 1990s and early 2000s, when it was still predominantly "rural". Many were drawn by the calm environment, affordable land, and proximity to nature. These residents have witnessed the rapid transformation brought by recent waves of development. And finally, there are the 'recent arrivals', drawn in by newly developed housing, improved infrastructure, proximity to the city, as well as a calmer environment compared to the city. Their arrival corresponds with a period of rapid urban expansion, as well as rising property values in the area.

The second distinction is based on socio-economic backgrounds. Residences vary between affluent homes in blocks or streets where the property values are high because of factors such as larger plot sizes and lake or paddy facing properties, to middle-income residences such as apartments or houses in smaller plots, and lower income housing or *wattes*.⁹⁹

"This area is on the fringe of the rural and urban space. You can go over be in a busy residential neighbourhood and then go out onto a paddy field. An interesting thing about this area is that you have some high-end housing that is mixed in with middle-income housing and low-income housing. And combined with the same are rural families that keep their cows and still plant crops in the rice fields. It's this kind of interesting mosaic."

Expatriate residing in the study site for about 20 years

The ancestral families' deep-rooted presence in the area reflects long-standing ties and a sense of ownership to the land as well as local ecosystems. Many believe that they "take care of the land". They have good relationships with the early movers, who believe these families are important for "security" as they are protective of the neighbourhood and activities in it. However, residents noted that there is a noticeable shift in the social structures in the past few years. There are lesser families who still farm the land, and more residents who have white-collar jobs. Rising property values have led to many families selling their lands for monetary benefits. Residents noted that particularly around the lake and paddy fields, the first row of properties (with direct views and access to these green spaces, and hence with higher property values) are bought up by more affluent residents over the years. These residents appreciate having nature at their doorsteps.

"We have a big area left from the paddy field to our house. So it is all green, all open, and we see across paddy fields with all the bird life. It's as if we own acres of land which is not ours."

Resident living in the area for about 30 years

Interestingly, although many ancestral families have sold their land, they noted that most of them had not left the neighbourhood, but just moved behind the lake-facing homes into smaller plots of land.

⁹⁹ In Colombo, "*wattes*" (meaning garden in Sinhala) or tenements often refer to informal, low-income settlements characterised by high population density and (mostly) limited access to services. These areas, also known as 'underserved settlements', have historically formed on public or private land and are often associated with poverty and inadequate infrastructure.

“Most of the paddy farmers who sold their agricultural lands still live here in smaller lands. Only around 5% of them have left the village. A large portion is still settled here. The smaller houses have been covered by the larger houses, and that’s why this is not noticeable.”

Farmer and resident who has lived in the area for generations

Rapid development and increasing housing has meant that many older residents are being replaced by ‘outsiders’ or recent arrivals, particularly in apartments and housing projects. Many residents have noted that this has started to fragment the communities and has started to cause some tensions between recent arrivals and ancestral families. In addition to this, many believe that the younger generations of the ancestral families are drawn to Colombo, and do not concern themselves with “village matters”, leaving older generations and the early movers to look into community matters. Although many believe that the study site has not deteriorated too drastically, these changes are a common phenomenon that have been noted in many peri-urban areas of Colombo due to economic policies and conflicting social forces.¹⁰⁰

These evolving socio-ecological changes create immediate winners and losers. The conversion of wetlands into real estate, parks, and canal systems has primarily served the interests of real estate developers, banks, financial institutions, urban development agencies, and the urban upper-middle class.¹⁰¹ Meanwhile, the poorer urban populations continue to face dispossession and heightened vulnerability to environmental and climate-related risks.¹⁰² Bureaucratic state agencies, empowered by institutional reforms, have adopted authoritarian approaches to land management, marginalising democratic processes in the name of urban modernisation.¹⁰³

This pattern is not unique to Colombo. Similar trends have been documented in cities across the Global North, where urban greening initiatives (though often presented as public goods) are co-opted by real estate developers to extract surplus value, accumulate prestige, and increase rental yields.¹⁰⁴ Research shows that proximity of real estate projects to green spaces significantly inflates property values and investment returns (primarily due to growing scarcity and limited availability of such land, and the perceived well-being benefits nature offers), disproportionately benefiting a “triple privileged class” comprising developers, financial institutions, and affluent residents or homeowners.¹⁰⁵ As a result, the intended benefits of urban greening are often inaccessible to lower-income communities, who are either priced out of their neighbourhoods

¹⁰⁰ Ranjith Dayaratne and Raja Samarawickrama, ‘Empowering Communities in the Peri-Urban Areas of Colombo’, *Environment & Urbanization* 15, no. 1 (2003): 101–10, <https://doi.org/10.1177/095624780301500101>.

¹⁰¹ Hettiarachchi et al., ‘Power, Politics and Policy in the Appropriation of Urban Wetlands’.

¹⁰² Bove, ‘Once Used as Trash Dumps, Sri Lanka’s Wetlands Are Remade as Flood-Buffering Parks’.

¹⁰³ Bhavani Fonseka, ‘The Spectre of Evictions and Land Grabs in Colombo - Groundviews’, *Groundviews*, 26 August 2014, <https://groundviews.org/2014/08/26/the-spectre-of-evictions-and-land-grabs-in-colombo/>.

¹⁰⁴ Melissa García-Lamarca et al., ‘Urban Green Grabbing: Residential Real Estate Developers Discourse and Practice in Gentrifying Global North Neighborhoods’, *Geoforum* 128 (January 2022): 1–10, <https://doi.org/10.1016/j.geoforum.2021.11.016>.

¹⁰⁵ García-Lamarca et al., ‘Urban Green Grabbing’

or excluded from enjoying these amenities. This dynamic, often referred to as “urban green grabbing”,¹⁰⁶ exposes the underlying contradictions of contemporary urban sustainability discourses, which simultaneously promote environmental enhancement and socio-spatial exclusion, raising questions about equity and how different communities access and benefit from these green spaces.¹⁰⁷

4.3 RESIDENTS’ RELATIONSHIP WITH NATURE

Ancestral families used these green spaces for livelihoods, survival, and communal activities. Traditional methods of fishing,¹⁰⁸ such as basket fishing, were widely practiced by these families - many of whom still fondly recall those times before the lake became degraded and was later declared an EPA. The lake was also used for regular bathing, drinking water, washing, and various communal activities. Farmers grazed their cows in the surrounding green spaces and communities sourced medicinal plants for traditional medicine. The lake and green areas were treated as communal resources and were sustainably used, with a shared sense of ownership and responsibility.

As landscapes and social structures have evolved, so has the relationship between residents and green spaces - particularly in the ways they engage with the nature around them. Most residents now use the various walking pathways that have been developed around the area for daily walks. They appreciate being surrounded by nature, and believe that the better air quality and lower noise levels are essential for their well-being. Thalangama lake also attracts many birders, not just among local residents, but also non-residents who visit the area on weekends. In addition, visitors use the area for other activities such as walking, cycling, and even bathing in the lake.

The increasing population has led to competition for space and natural resources, resulting in growing tension among different user groups. Ancestral families who once used the *karratta para* (cart roads in Sinhala) for their bullock carts are now frowned upon by newer residents and people commuting through the area when they herd their cattle out to graze through these same roads. Sourcing medicinal plants has particularly become a challenge, given that traditionally these plants are not sourced from all open areas (especially cemeteries). They have now become reliant on many private property owners for access to land to source these plants as well as graze their cattle, and are aware that if these owners decide to sell their land, they may lose access to these vital natural resources. Traditional fishing has ceased - not only due to the limited availability of fish, but also because, as one resident noted, local environmental

¹⁰⁶ The term urban green grabbing is built on the definition of ‘green grabbing’ proposed by Fairhead et al. (2012), which is the appropriation of land and resources for environmental ends, often involving the displacement or exclusion of local communities under the guise of conservation, climate mitigation (like carbon offsetting), or sustainable development. The authors highlight that green grabbing is part of a broader trend of land grabbing, but it is specifically justified by environmental narratives.

¹⁰⁷ García-Lamarca et al., ‘Urban Green Grabbing’.

¹⁰⁸ Traditional basket fishing in lakes involves using various types of woven baskets as fishing traps, often made from dried sticks or reeds. These baskets, known as “karaka” or “kemana”, are designed to allow smaller fish to escape, ensuring the sustainability of the fish population.

police “routinely round up local people who fish for their own consumption”, despite the EPA regulation only prohibiting commercial fishing in the lake.

Some residents lament the lack of green or open spaces for the kids to play in compared to a few years ago. Some also expressed concern about the increasing number of non-residents using the lake and green spaces, believing that such visitors at times disrupt the tranquility of the area. Meanwhile, local municipalities are increasingly worried about rising pollution levels and the dumping of waste around the green spaces. As the area continues to grow, these tensions are likely to intensify.

5 STAKEHOLDERS' HOPES FOR THE FUTURE

During our interviews, one line of inquiry focussed on how various stakeholders envisioned the future of the city and neighbourhood. These visions can be framed as part of the study site's 'imaginaries' - the collective ways in which people envision, imagine and make sense of their city and its future. These are not just individual ideas, but collective frameworks that shape how communities think about what a city is, what it could become, and how it should function. They often draw from cultural narratives, histories, politics, media, and in the case of our research, from lived experiences. Analysing these imaginaries provides a valuable lens to understand the tensions between present challenges as well as desired futures and opportunities.

The three prominent stakeholder groups (developers, regulatory officials, and residents) offered distinct visions in response. Developers offered recommendations largely geared toward expanding real estate development. Meanwhile, regulatory officials primarily focused on immediate and topical concerns, such as waste management. In contrast, residents tended to take a more holistic view, shaped by their daily interaction with the landscape. These visions offer valuable insight into how different stakeholder groups imagine the future, and how their respective motivations shape these hopes - developers, focused on capitalising on land and growth opportunities; regulators, grappling with everyday governance and policy enforcement challenges on the ground; and residents, grounded in long-term lived experience.

PERSPECTIVES ON THE FUTURE: DEVELOPERS AND REGULATORY OFFICIALS



Developers highlighted the need for more sustainable construction, with an emphasis on integrating technological advancements such as solar panels, energy-efficient equipment, and advanced waste management systems. However, they pointed out key barriers, including the high cost and taxation of green technologies, particularly solar panels, and the inconsistent policy landscape surrounding them. This, they argued, leads to a “developer’s dilemma” between environmentally responsible construction and market affordability. Developers also called for streamlining bureaucratic processes, claiming that inefficiencies hinder rather than support environmental outcomes. While some acknowledged existing loopholes that allow developers to bypass environmental regulations, others argued that Sri Lanka’s extensive bureaucratic hurdles do little to protect the environment and merely complicate the development process. Additionally, several developers proposed that the UDA should lease more bare land to developers at affordable rates, positioning this as a solution to the affordable housing crisis - an argument that reflects a rather capital-driven approach to urban development. When asked about these developer-led recommendations, regulatory officials offered a different perspective. While several argued that Sri Lanka has adequate regulatory mechanisms in place, they admitted that enforcement remains a major challenge. Reforms are reportedly underway to strengthen some regulatory clearances and close loopholes to ensure higher compliance prior to construction.

PERSPECTIVES ON THE FUTURE: RESIDENTS



Residents, by contrast, emphasised the need for greater community engagement in shaping local planning decisions and improving the area's livability. Several residents stressed that safeguarding the presence of ancestral families - described by some as the "original inhabitants" and stewards of the area's environment - is essential for preserving the neighbourhood's character and sustainability. Others highlighted that meaningful community involvement requires a sense of ownership over local green spaces. By developing more public areas and walking paths around these spaces, residents argued that people would form deeper connections with nature and be more motivated to protect it. Many referred to the community's successful mobilisation to halt highway construction through the Thalangama EPA as an inspiring example of collective community action. However, they also acknowledged that this success was largely due to Thalangama's EPA status, which had helped shield its green spaces from encroaching development. Many residents expressed a strong desire to see more such green buffers - lakes, wetlands, marshes, paddy fields, or other biodiversity-rich areas - granted EPA protection to ensure their long-term preservation.

PERSPECTIVES ON THE FUTURE: ZONING AND URBAN PLANNING



A common thread that emerged among residents - and was echoed by other stakeholders - was the urgent need for improved zoning in urban planning. Many believed that clear zoning regulations that outline the type, amount and nature of development was vital to protect the green spaces in the suburbs. Three specific themes stood out in this regard. First, implementing height and minimum plot size restrictions for real estate development based on zoning categories, to prevent haphazard high-rise construction and preserve the suburban character of certain neighbourhoods. Second, improving public transportation links between suburbs and the city centre, enabling more decentralised urban growth and reducing development pressure on suburban and peri-urban areas to provide affordable housing. Third, embedding sufficient green buffers within the city's master plan, particularly in suburban zones now caught between Colombo city and the highway infrastructure, which are increasingly vulnerable to development pressures.

6 POLICY, PLANNING, AND GOVERNANCE RECOMMENDATIONS

This research unpacks the tensions between real estate development and nature in Colombo's suburban areas, drawing attention to growing concerns over the rapid pace of urban expansion. By examining the influences, pressures, impacts, and the diverse futures envisioned by residents and other stakeholders, the study highlights critical gaps and necessary interventions to prevent further fragmentation and loss of green spaces. As the city continues to grow, it is essential to recognise these challenges early and pursue planning and policy reforms that balance the demand for housing and development with the need to preserve the city's livability.

This section presents some of the recommendations that emerged through the research, and is categorised into three main action areas - policy, planning, and governance.

6.1 POLICY RECOMMENDATIONS

6.1.1 ESTABLISHING CLEAR TERMINOLOGY

Clear and precise definitions are fundamental to effective environmental and urban policies, as ambiguity can create loopholes that undermine their intent. The research identified two key ambiguities that could be targeted for a more holistic policy.

Urban green space: Sri Lanka should adopt an umbrella term, such as “urban green space” across all planning and environmental legislation. This term (similar to the proposition by Kumudini and Weerakoon, 2024) must be clearly defined to include any naturally-occurring and man-made vegetated areas including parks, gardens, wetlands, paddy fields, street trees, canal reservations, and temporarily abandoned lands. Once established, this definition should be integrated into urban plans, policies, and codes (such as UDA zoning guidelines and approval checklists), CEA and local authority EIAs, and municipal-level planning instruments (such as development plans and landscape codes).

Abandoned paddy: Although the Agrarian Development Act strictly regulates paddy land conversion, Sections 29 and 30 allow the Commissioner General of the Department of Agrarian Development to reclassify paddy land as non-paddy through a Gazette notification if a nominated productivity committee determines that it no longer produces sufficient yields. In practice, this process presents two challenges: some paddy landowners genuinely struggle to obtain conversion approvals for lands that are truly uncultivable, others intentionally create conditions that render their lands unproductive in order to meet the criteria for conversion,

sometimes acting in bad faith.¹⁰⁹ The following recommendations aim to address both issues. The productivity committee should establish clear, objective criteria for determining insufficient yield, supported by documented evidence of consecutive low-yield seasons. Before issuing any Gazette notification, the committee should be required to publish a written report outlining the data sources, test results, and justification for its decision. Finally, local accountability should be strengthened by requiring formal endorsement from the Municipal Council in whose jurisdiction the land is located.

6.1.2 REGULATING REAL ESTATE MARKETING

Regulations need to be strengthened to prevent greenwashing in real estate marketing. While many developers market nature around projects, marketing campaigns also often use vague or exaggerated sustainability terms. Terms such as ‘eco-friendly’, ‘green building’, ‘sustainable design’, or ‘climate-smart housing’ are often used without measurable evidence or third-party verification. Such greenwashing not only misleads buyers and investors but also weakens genuine efforts to embed sustainability into urban development.

Sustainability claims should be supported by measurable and verifiable indicators, such as percentage of renewable energy use, water savings, and energy performance ratings. Developers should seek recognised certifications such as LEED and GreenSL Rating System, and disclose the certification level achieved. Most importantly, clear regulations to guard against greenwashing, coupled with guidance on ethical marketing practices are needed. This could fall under the purview of the CMA, in collaboration with the Consumer Affairs Authority.

6.1.3 ADDRESSING GAPS IN REGULATIONS AND BUREAUCRACY

Strengthening regulatory and approval mechanisms for new developments can help close existing loopholes to ensure transparency, accountability, and environmental sustainability in Colombo’s urban growth. There are many weak spots identified in the bureaucracy and approval process for new property developments outlined in Section 3 of the report. There are specific recommendations that can address these gaps.

1. Increase transparency by making UDA land-use and zoning data publicly accessible. This would strengthen the zoning verification process prior to project planning and enable the public to hold both developers and approving regulators accountable.
2. Strengthen project approvals by requiring PPCs to include zoning verification certificates (capable of identifying recent land-use changes) alongside feasibility assessments.

¹⁰⁹ Court of Appeal Case No: CA/WRIT/121/2018 (Court of Appeal 3 July 2022), https://courtofappeal.lk/?melsta_doc_download=1&doc_id=5a802efe-5ff1-4183-a83a-98ba95ee8e22&filename=121-2018%203.pdf; H. M. J. K. Herath, Causes and Effects of Paddy Land Filling in Western Province, with Hector Kobbekaduwa Agrarian Research and Training Institute, Research Report, no. 200 (Hector Kobbekaduwa Agrarian Research and Training Institute, 2016).

3. Mandate environmental feasibility assessments like Initial Environmental Examination (IEE) for all condominium developments, irrespective of location of buildings, to determine if a proposed project will have significant environmental impacts. IEEs assess potential impacts, describe environmental conditions, and identify potential mitigation measures. An IEE serves as a screening tool to decide if a project requires a more detailed EIA. Additionally, the list of “prescribed projects” requiring an EIA as outlined by the CEA should be expanded to ensure that more high-density condominium projects come under the purview of the CEA.
4. The CEA currently conducts Strategic Environmental Assessments (SEAs) in association with planning agencies on a voluntary basis. While the WRMMP incorporated an SEA process, it is also crucial for the UDA to implement SEA processes while designing Colombo city plans to evaluate cumulative impacts and establish clear thresholds for the scale and type of development permitted in different areas of the city.

6.1.4 INCENTIVISING SUSTAINABLE BUILDINGS

Encouraging sustainable building practices is critical to ensure that new developments minimise environmental impacts while supporting resource efficiency. There are three key instruments that can be implemented as a first step to promote more sustainable buildings.

1. A common concern raised by developers during the research was the high cost of sustainable developments, which deter most developers from pursuing sustainable construction practices to manage affordability expectations of the consumers. By providing financial incentives for developers such as subsidies, direct grants, tax incentives, and rebates, developers can be incentivised to incorporate more sustainable design and construction practices.¹¹⁰
2. In conjunction with the above financial incentives for developers, it is also crucial to promote (and mandate in case of high-density developments) sustainability certifications of buildings, such as the Green Building Certificates provided by the Green Building Council of Sri Lanka.
3. Various banks and financial institutions in Sri Lanka provide loans for the purchase of sustainability products, heavily focussing on solar energy solutions. However, currently only one licensed bank in Sri Lanka¹¹¹ provides “green” home loans with competitive interest rates and other processing incentives for purchase of homes that have been granted Green Building Certificates, or for the construction of houses that will be certified. Commercial banks should be encouraged to introduce similar financial products aligned with the CBSL Green Finance Taxonomy, particularly under the category “Construction, acquisition, and ownership of buildings”. This category

¹¹⁰ Olanipekun Ayokunle Olubunmi et al., ‘Green Building Incentives: A Review’, *Renewable and Sustainable Energy Reviews* 59 (June 2016): 1611–21, <https://doi.org/10.1016/j.rser.2016.01.028>; Rakesh Kumar et al., ‘Incentivizing Green Building Technology: A Financial Perspective on Sustainable Development in India’, *F1000Research* 13 (September 2024): 924, <https://doi.org/10.12688/f1000research.154056.2>.

¹¹¹ ‘ComBank Launches Sri Lanka’s First Green Home Loans Scheme’, *Daily FT*, 4 September 2023, <https://www.ft.lk/financial-services/ComBank-launches-Sri-Lanka-s-first-Green-Home-Loans-scheme/42-752554>.

recognises investments in real estate that meet established sustainability benchmarks, such as GreenSL Gold or Platinum-rated buildings.

6.2 PLANNING RECOMMENDATIONS

6.2.1 DESIGNING CITY PLANS THAT SHAPE A BETTER GROWTH PATH FOR THE CITY

To ensure sustainable and well-coordinated urban growth, Colombo's city planning must move from reactive, fragmented approaches to strategic, region-wide planning. The research clearly highlights that city plans cannot remain reactive, addressing challenges and growth only as they arise. Instead, they must strategically anticipate and shape future aspirations while responding to current patterns of growth. This requires a long-term vision that aligns infrastructure, housing, mobility, and environmental management with the needs of a growing population.

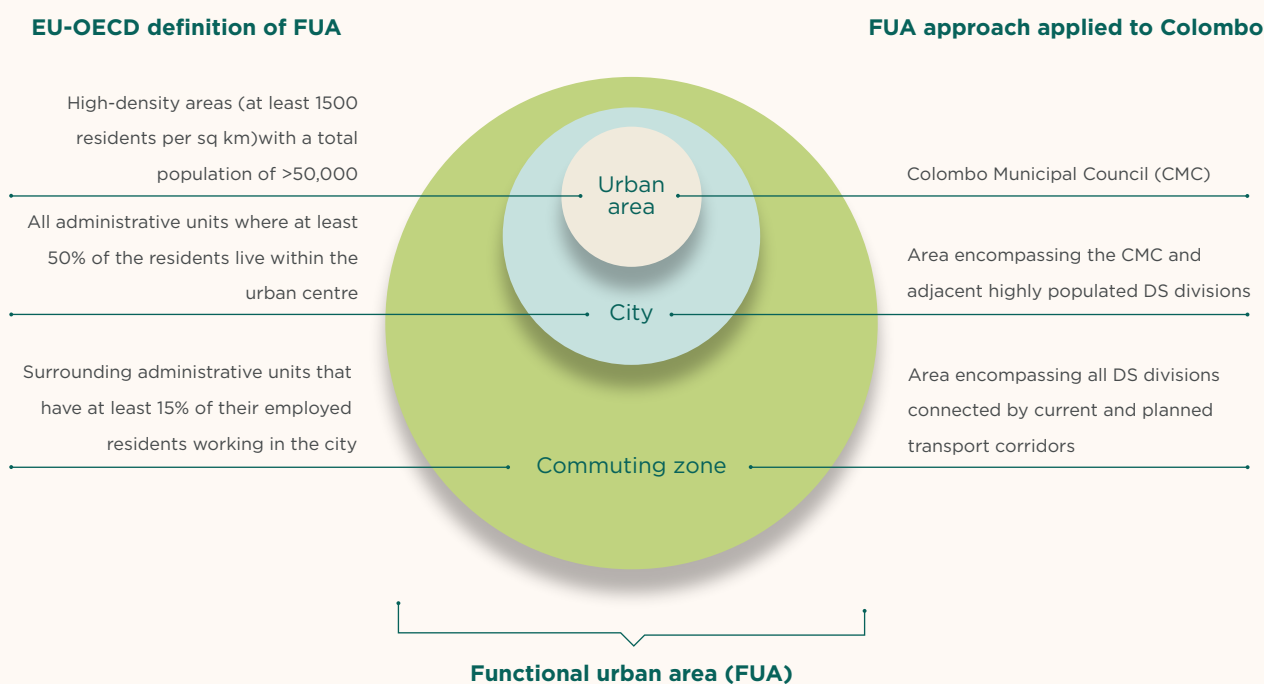
While the Western Province planning framework provides broad strategic direction at the provincial scale, city-level planning in Colombo has remained limited in scope, largely confined to the administrative boundaries of the CMC. However, the city's growth dynamics extend far beyond these boundaries into the surrounding suburbs. The research found that factors including affordable housing options, proximity to the city centre, and the more tranquil and scenic environment of the suburbs have attracted many residents to live outside the CMC area while continuing to work and conduct their daily activities within the city.

To manage urban growth more effectively, planning efforts must look beyond administrative boundaries and consider the wider geography of how people live, work, and move across the metropolitan region - which together form a single economic and social system. The Functional Urban Area (FUA) approach supports this perspective, as it goes beyond the core city's administrative boundaries to capture the full functional and economic reach of cities.¹¹² It includes not only the urban centre but also nearby lower-density suburbs that are closely connected to the city through commuting links, forming what is known as the city's "commuting zone" (as indicated in Figure 7).¹¹³ By planning at this scale, policymakers can better address issues such as housing demand and transport connectivity, while also ensuring that growth is spatially balanced and environmentally sustainable.

¹¹² Lewis Dijkstra et al., The EU-OECD Definition of a Functional Urban Area, OECD Regional Development Working Papers 2019/11, vol. 2019/11, OECD Regional Development Working Papers (2019), <https://doi.org/10.1787/d58cb34d-en>.

¹¹³ While detailed data on population density and commuting datasets appear either unpublished, not publicly accessible, or aggregated at a higher spatial level (e.g., district or province) rather than specific local units, mapping transport corridors and commuter volumes could give indicative insights into Colombo's commuting zone.

Figure 7: Functional Urban Area approach applied to Colombo



Source: Author’s construction based on the EU-OECD functional urban area definition

Additionally, the research also revealed the absence of a clear schedule or timeline for the periodic review, update, and release of urban plans for the city and neighbouring municipalities. The ad hoc and uncoordinated release of these plans limits the potential for integrated and coherent urban development across the metropolitan region. For instance, the CMC released its urban development plan in 2019, while neighbouring municipal councils such as Dehiwala-Mount Lavinia or Kaduwela released theirs several years later (post 2022), with no common review cycle or coordination mechanism. This creates inconsistencies in timelines, priorities, and implementation across the metropolitan area - where one municipality may still be operating under an outdated plan while another begins implementing a newly revised one. **To address this, it is crucial that a coordinated metropolitan-level planning framework be established, with a standardized review cycle and shared timeline for all local authorities to ensure consistency, collaboration, and alignment.**

6.2.2 PROTECTING GREEN SPACES

Designating and enforcing protected status for urban green spaces is a key strategy for ensuring their long-term conservation and resilience against development pressures. One of the bright spots from the research carried out on the study site is the benefits of having protected status for a green space as seen with the Thalangama EPA. The EPA status ensures that these green spaces are not encroached upon, fragmented, or converted to other land uses. It also provides legal protection against impacts of development. However, protected urban green spaces are far and few in the Colombo District. More ESAs need to be classified as EPAs, sanctuaries, or reserves with strict no-development policies to ensure their protection in the long run.

While EPAs and sanctuaries provide some of the highest levels of protection, there could also be different categories with varying levels of protection. Colombo could take inspiration from the ‘Singapore Green Plan 2030’ and their Ministry of National Development that ensures protection of all primary reserves, along with the network of connecting green spaces and buffers around these reserves.¹¹⁴

The mechanisms with which public green spaces can be protected is fairly straightforward, but conservation of private green spaces is trickier. Extending the species level protection that is currently provided by the FCO and the FFPO to not only cover individual trees but also vegetations on larger parcels of land (which could be assessed based on tree density within the given area) could provide an added layer of protection and monitoring mechanism in case of rapid development.

6.2.3 CREATING GREEN BUFFERS

Strategically expanding green buffers can link scattered ESAs, provide local communities with recreational spaces, and deliver critical environmental benefits such as cleaner air and flood mitigation. The Colombo Commercial City Development Plan 2019-2030 outlines a network of green spaces, boulevards and linear parks. However, there are two key drawbacks with this. Firstly, although this network connects larger green spaces, they primarily focus on trees planted along arterial roads. Second, this plan only focuses on the Colombo MC, and does not holistically look at how these networks can and should play out in the suburbs.

City planning strategies of Copenhagen and Singapore are useful examples of how green buffers are integrated within the city. In the context of Copenhagen, the ‘Finger Plan’ ensures that urbanisation is directed radially away from the inner city, and urban green spaces or “green wedges” are located between “fingers” of urban development which are primarily growth corridors, maintaining ecological continuity and public access.¹¹⁵ The idea is to keep the fingers thin, so that all residents have easy access to green spaces, and align train lines and supporting infrastructure along the edge of the fingers. Conservation and zoning plans have ensured that the city could grow while preserving ecological buffers. The ‘Finger Plan’ aimed to avoid unplanned urbanisation that often results in an amalgamation of urban areas with few and fragmented green areas.¹¹⁶ Colombo, beyond just the core city, is a typical example of this.

While Copenhagen is a city that has developed the ‘Finger Plan’ over decades, Singapore has started integrating an increasing number of protected green spaces within the city a lot more recently. The Urban Redevelopment Authority which has been responsible for safeguarding the green spaces in the city for years, is now increasingly focussing on better integrating green (and blue) spaces within the urban fabric for greater ecological connectivity through a series of Nature Reserves, Nature Parks, Nature Areas and Park Connectors, providing natural habitats

¹¹⁴ ‘Singapore Green Plan 2030’; ‘Greenery: Gardens, Parks & Nature Reserves’, Ministry of National Development Singapore, accessed 2 September 2025, <https://www.mnd.gov.sg/our-work/greening-our-home/greenery>.

¹¹⁵ Sørensen and Torfing, ‘The Copenhagen Metropolitan “Finger Plan”’.

¹¹⁶ Sørensen and Torfing, ‘The Copenhagen Metropolitan “Finger Plan”’.

and areas of recreation for residents.¹¹⁷ The identification and zoning of these green spaces are guided by a science based approach, and help connect remaining terrestrial habitats that have been fragmented due to decades of urbanisation, even as the city continues to develop.

6.2.4 ACCESS TO GREEN SPACES

For green spaces to truly enhance urban life, city planning must focus not just on their creation but also on how residents can access and interact with them. Access could mean visual access to different kinds of green spaces, physical access to publicly accessible green spaces, or access to environmental benefits such as improved air quality, water management and reduced urban heat island effect. As this research has highlighted, enhancing community relationships with green spaces increases their sense of ownership of these areas - a key factor that helps hold authorities responsible in case of mismanagement or encroachment.

This Colombo suburb is now home to jogging paths and birdwatching spots built around the wetlands and waterways. "No one knew about wetlands then, but people are talking about wetlands now," says Ahmed. Gunasiri says these green infrastructure projects have helped people to engage with the city's wetlands again and that people now flock to the urban wetland parks for an evening jog. "When these natural systems become public areas, people start to have a sense of ownership," she says.

An excerpt from a newspaper article about Thalangama Wetland¹¹⁸

However, current reporting on public facilities does not fully capture the value of green spaces. The 2020 GND report for Colombo District outlines the availability of basic facilities within each GND.¹¹⁹ The 'basic facilities' considered in this report are access to transport, healthcare, education, communication facilities, and other infrastructural facilities like banks, filling stations, police stations, libraries and markets. Among open spaces, the only considerations are public playgrounds and children's parks. While these two public spaces are essential, they do not encompass the value that green spaces add to a city and its residents. As emphasised in the findings of this research, these green spaces are a key component that makes a city 'livable' for its residents. Gathering and reporting on such data is crucial to not only increase availability of green spaces through city planning, but also ensure equitable and inclusive access to green spaces for all the residents.

¹¹⁷ 'Stewardship of Natural Capital', Urban Redevelopment Authority (URA) Singapore, accessed 2 September 2025, <https://www.ura.gov.sg/Corporate/Planning/Long-Term-Plan-Review/Space-for-Our-Dreams-Exhibition/Steward/Stewardship-Natural-Capital>.

¹¹⁸ Zinara Rathnayake, 'From Wastelands to Wetlands: The Fight to Save Sri Lanka's Natural Flood Buffers', BBC, 21 September 2024, <https://www.bbc.com/future/article/20240917-how-sri-lanka-is-cleaning-up-wastelands-and-reviving-colombos-wetlands>.

¹¹⁹ Grama Niladhari Divisions Statistics - 2020: Colombo District (Department of Census and Statistics, 2021), https://www.statistics.gov.lk/Resource/en/Population/GND_Reports/2020/Colombo.pdf.

6.2.5 PLANNING FOR CLIMATE RESILIENCE

To safeguard Colombo's infrastructure and residents from escalating climate risks, integrating climate adaptation and resilience measures into city planning is essential. Climate change, rising temperatures and climate variability are increasing threats to the cities and infrastructure. Sri Lanka's housing, roads, and relief sectors are estimated to lose USD 0.38 billion every year over the long run as a result of rising catastrophes.¹²⁰ Unlike other cities in South Asia that are actively planning for climate adaptation and resilience, city planning in Colombo still falls short. The average temperature of Sri Lanka is rising faster than the global average, and is compounding the urban heat island effect in Colombo. Yet, heat is not considered a critical issue. While floods and water management are concerns that are actively addressed in the city planning, this is largely due to Colombo's inherent vulnerability being a coastal wetland city, and not a response to increasing climate vulnerability due to climate change.

Initiatives such as the C40 Cities are creating networks of cities across the globe to drive climate action.¹²¹ Cities like London, Hong Kong and Bangkok are creating and preserving wetlands as a way to tackle pollution and manage flooding.¹²² Closer to home, Chennai is developing a closed loop water system across the city that collects rainwater and uses nature-based solutions to recharge underground aquifers as a solution to the city's flooding and drought problems.¹²³ Currently the WRMMP and the Colombo city plans have little to no mention of climate risks and the required adaptation planning to build Colombo's climate resilience. The National Adaptation Plan for 2025–2034 is being developed to include Provincial Adaptation Plans and investment strategies, alongside provincial-level institutional frameworks to guide climate action across all nine provinces. It is therefore essential that future city plans align with these adaptation priorities to ensure coherent and effective climate resilience planning.

6.3 GOVERNANCE RECOMMENDATIONS

6.3.1 HARMONISING GOVERNANCE MECHANISMS

Effective management of urban green spaces requires clear governance structures that reduce overlaps and ensure accountability across institutions. The research highlights that one of the key challenges in managing Colombo's urban green spaces is overlapping institutional

¹²⁰ W. G. R. L. Samaraweera et al., 'Evidence of Climate Change Impacts in Sri Lanka - A Review of Literature', Sri Lanka Journal of Economic Research 11, no. 2 (2024): 69–94, <https://doi.org/10.4038/sljer.v11i2.205>.

¹²¹ 'C40 Cities - A Global Network of Mayors Taking Urgent Climate Action', C40 Cities, accessed 2 September 2025, <https://www.c40.org/>.

¹²² Keil, 'Urban Wetlands and the Built Environment'

¹²³ 'Making Chennai Climate-Resilient: The Water as Leverage Initiative', Wetlands International, 31 October 2019, <https://www.wetlands.org/blog/making-chennai-climate-resilient-the-water-as-leverage-initiative/>.

mandates, which often result in fragmented decision-making and unclear accountability. Although multiple agencies are involved in governing these spaces, weak coordination and siloed operations undermine enforcement and create gaps in urban environmental governance.

To address this, responsibilities should be streamlined, and a central authority established (or designated) to take the lead in managing and monitoring green spaces. Such an authority would be tasked with coordinating planning, overseeing maintenance, enforcing regulations, and ensuring that ecological functions and community needs are balanced. Importantly, this body should also have mechanisms for stakeholder engagement, allowing residents, community groups, and private sector actors to participate in stewardship. Centralising oversight in this way would enhance accountability, reduce inefficiencies, and ensure that green spaces are managed consistently as part of a larger urban ecosystem. It would also create the institutional capacity to monitor ecological health, adapt to climate risks, and integrate green infrastructure more effectively into urban development plans.

6.3.2 ENHANCING PARTICIPATORY MECHANISMS IN DECISION MAKING

Urban planning must move beyond top-down approaches and embrace inclusive governance, particularly at the GN and DS levels. One useful model is the Public-Private-People Partnership (4P), which expands on traditional public-private collaborations by integrating citizens into the earliest stages of planning.¹²⁴ Rather than engaging communities only after major decisions have been made, the 4P approach brings together government agencies, developers, civil society, and residents to co-design plans. This helps balance economic and social priorities, improves the legitimacy of decisions, and builds trust between communities and institutions.

For Sri Lanka, enhancing participatory mechanisms means embedding citizen engagement systematically into the planning cycle and empowering local institutions to manage it effectively. This can be achieved by establishing structured multi-stakeholder forums at GN and DS levels, ensuring consultations happen early in project design, and using participatory tools to engage diverse groups. Strengthening local government capacity for facilitation, while also creating clear accountability mechanisms, would help sustain these processes. By institutionalising participatory decision-making in this way, city plans can better reflect community priorities, improve transparency, and deliver development outcomes that are socially equitable and environmentally sustainable.

¹²⁴ Liisa Perjo, 'Public-Private-People Partnerships - a New Concept to Bring Public and Private Actors and Citizens Together', Nordregio, no. Nordregio News: People and Cities (2016), <https://www.nordregio.org/nordregio-magazine/issues/people-and-cities/public-private-people-partnerships-a-new-concept-to-bring-public-and-private-actors-and-citizens-together/>.

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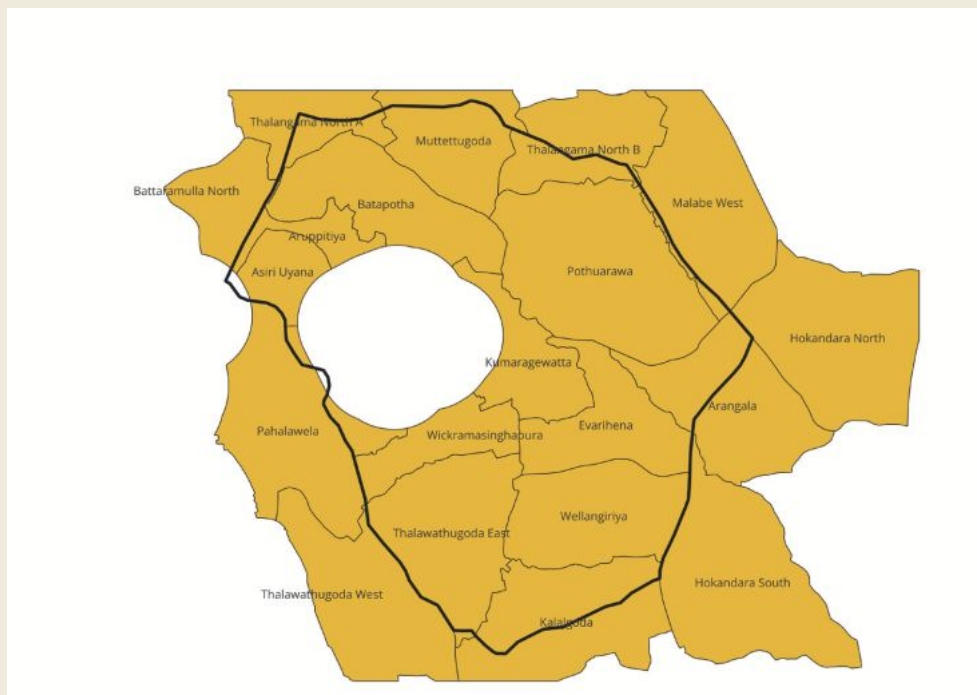
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ANNEX

ANNEX 1: DISTINCTION OF COMMON TERMINOLOGY USED IN LITERATURE, CITY PLANNING, AND POLICY DOCUMENTS

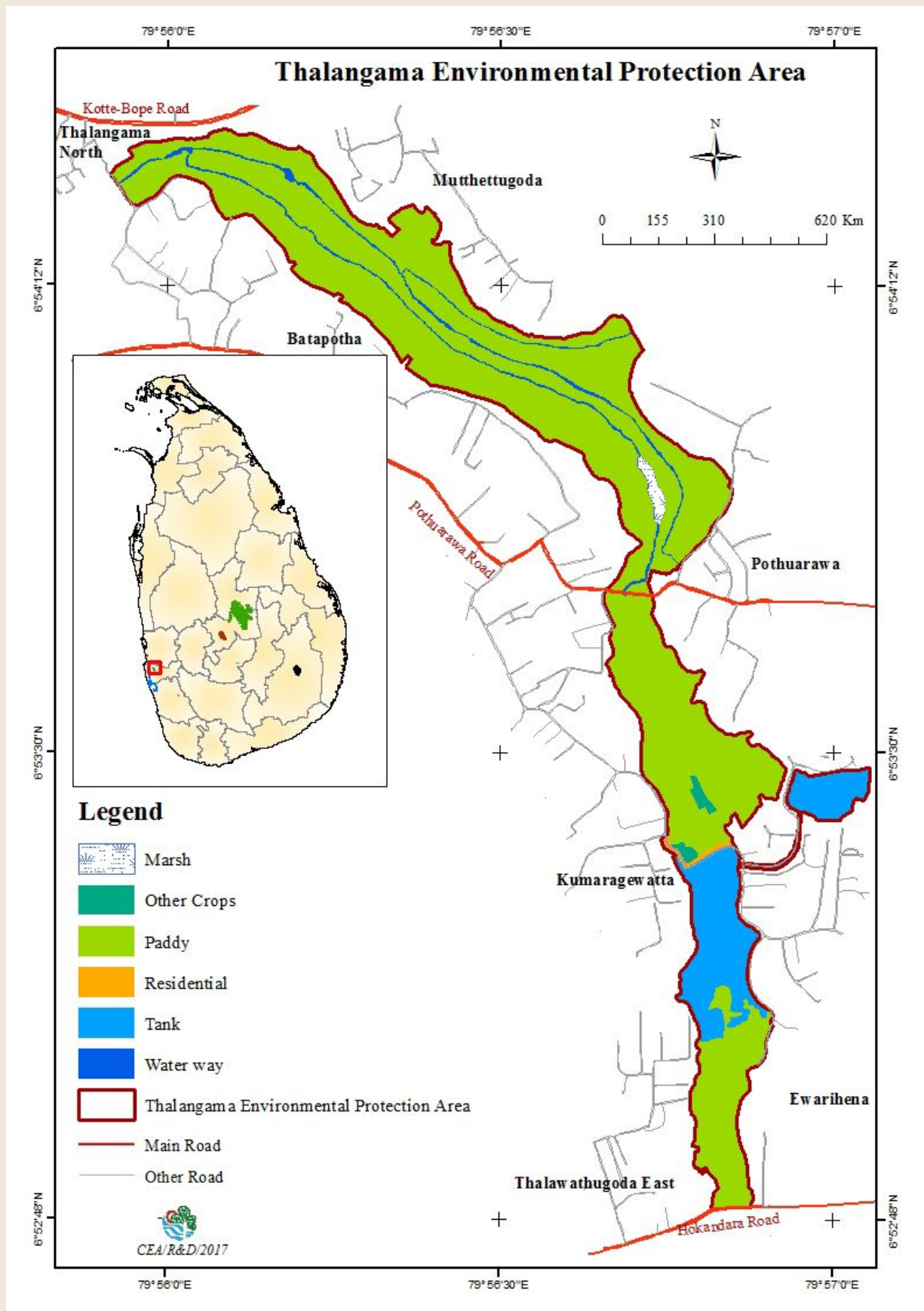
Term	Geography
Colombo City	Formal municipal core (Colombo 1-15)
Suburbs of Colombo	This study defines the 'suburbs of Colombo' as areas surrounding Colombo city beyond the more developed areas of Dehiwala, Mt. Lavinia, Nugegoda, Nawala, and Rajagiriya located within the Outer Circular Expressway in Colombo District
Colombo District	Colombo District is one of the 25 districts of Sri Lanka, the second level administrative division of the country. The district is administered by a District Secretariat headed by a District Secretary appointed by the central government of Sri Lanka. The capital of the district is Colombo City.
Colombo Metropolitan Area	The Western Province of Sri Lanka and an amalgamation of the districts of Colombo, Kalutara and Gampaha
Western Region Megapolis	The Western Region Megapolis is an urban planning, zoning, and development area stretching from Negombo in the north to Beruwala in the south. It is designed to create a megapolis in Sri Lanka's Western Province by 2030

ANNEX 2: GN DIVISIONS BORDERING AND WITHIN THE STUDY SITE



Note: The blank area within the study site surrounds the Defence Headquarters, and is hence a protected zone with maps not made publicly available.

ANNEX 3: THALANGAMA EPA



Source: CEA

ANNEX 4: INTERVIEW GUIDE - KEY INFORMANT INTERVIEWS

Guide for interviewing experts and stakeholders including property developers, urban planners, government officials, municipality authorities, UDA representatives and environmentalists

General trends in Colombo:

1. What are the current trends in property development in the Colombo District?
 - a. Which areas or neighbourhoods have seen a property boom over the last 10-15 years?

Factors driving real estate in and around green spaces:

2. What type of natural areas or green spaces influence urban planning frameworks and/or real estate development?
 - a. Are privately owned green spaces like paddy areas or farms considered as influencing factors?
3. Does proximity to such green spaces impact property value or buying preferences?
4. In your experience, what are the pros and cons of nature-centric real estate marketing?
5. Are there any challenges when developing properties in close proximity to nature?
(Regulatory concerns, social or community concerns, environmental risks)

Pressures associated with real estate development near green spaces:

6. Do you have any concerns about the future of green spaces in the study site?
7. In your opinion, how would the increasing real estate development impact the area and people?
(Health and well-being, lifestyle, property value, resellability, concerns about the environment)

Perceptions regarding reforms:

8. In your opinion, who are important stakeholders influencing how a neighbourhood develops? How and why?
9. In your opinion, what reforms can be undertaken to ensure property development does not impact or harm the environment?
(Laws and policies, implementation, enforcement)

Conclusion:

10. Is there anything else you'd like to add?
11. Would you recommend anyone else we should speak to?

ANNEX 5: LIST OF PARTICIPANTS RECRUITED FOR KEY INFORMANT INTERVIEWS

Stakeholder type	Code	Organisation	Role	Language	Format
Planning authority	KII01	Sri Lanka Land Development Corporation	DGM (Lands/Marketing)	English	In person
	KII02	Central Environmental Authority	AD NRM Unit	Sinhala	Online
	KII03	Condominium Management Authority	DGM Regulatory Division	English	In person
	KII04	Urban Development Authority	Deputy Director (Planning)	Sinhala	In person
Local regulating bodies	KII05	Wellangiriya GN	GN	Sinhala	In person
	KII06	Thalangama Police Station	Environmental Officer	Sinhala	In person
	KII07	Kaduwela Municipal Council	Community Officer	English	In person
	KII08	Evarihana GN	GN	Sinhala	In person
	KII09	Kumaragewatta Wickramasinghapura GN	GN	Sinhala	In person
Property developers	KII010	Prime Group	Group management team	English	Online
	KII011	Prime Group	Senior AGM	English	In person
	KII012	Fairway Holdings	COO	English	Online
	KII013	Fairway Holdings	Head of Marketing	English	Online
CSO	KII015	Thalangama Wetland Watch	Founding member	English	In Person

ANNEX 6: INTERVIEW GUIDE - NARRATIVE INTERVIEWS

Guide for interviewing stakeholders who reside in the study area

1. Can you tell us a bit about yourself and how long you've lived in this area?
2. What first brought you to live here? What do you like most about this neighbourhood?

Relationship with green spaces:

3. What are some of the green spaces around your neighbourhood that you know best?
 - a. What about the paddy areas, farms, etc.?
4. How do you use these green spaces around your neighbourhood in your daily or weekly routine?
 - a. Are there any challenges because of these green spaces?
5. How important is it for you to live around nature? Why, or in what way?

Changes over time:

6. Have you noticed any changes in the green space or the surrounding area over time?
 - a. What was it like 5-10 years ago?
7. What were your first thoughts or feelings when construction or development began?
8. How have these changes affected your family, neighbours, or the wider community?
 - a. Have any of your routines or experiences with the green space changed?

Reflections and imaginations:

9. Do you have any concerns about the future of green spaces?
 - a. Health and well-being, lifestyle
 - b. Property value, resellability
 - c. Concerns about the environment
10. What would you like this neighbourhood to be like in the future?
11. If you could change something about how this area is being developed, what would you change?

ANNEX 7: LIST OF PARTICIPANTS RECRUITED FOR NARRATIVE INTERVIEWS

Stakeholder type	Code	Location of residence and/or relevance	Language	Format
Residents (Low- and Middle-income)	NI01	Asiri Uyana	Sinhala	Online
	NI02	Informal vendor and resident around lake	Sinhala	In person
	NI03	Kumaragewatta	Sinhala	In person
	NI04	Village monk and resident at Everihana Temple	Sinhala	In person
	NI05	Farmer and resident around lake	Sinhala	In person
Residents (High-income)	NI06	Lake Road	English	Online
	NI07	Expat renting a house near Lake Road	English	Online
	NI08	Near Defence HQ	English	Online
	NI09	Property owner around lake, not currently residing in the area	English	Online
	NI10	Wickramasinghapura	Sinhala	In person
	NI11	Resident at Clover by Prime	English/ Sinhala	Online
	NI12	Around lake	English	Online

ANNEX 8: ROLES OF ALL ORGANISATIONS, ACTS, AND POLICIES THAT GOVERN LAND USE AND NATURAL SPACES MANAGEMENT IN THE REAL ESTATE DEVELOPMENT AND NATURE NEXUS

Authority	Role	Relevant Law / Authority
Urban Development Authority (UDA)	Land use planning, issuing permits in declared urban development areas.	UDA Law No. 41/1978; Planning & Building Regulations
Local Municipal Council	Final Building Plan Approval and Construction Permit, ensuring conformance with the local Development Plan. Enforces street-line, drainage, and other local requirements.	Municipal Regulations

Central Environmental Authority (CEA)	Environmental Clearance under NEA Part IV C. Oversees EIA or Initial Environmental Examination (IEE) process, especially for projects in or near environmentally sensitive areas.	National Environment Act No.47 of 1980
Department of Agrarian Development (DAD)	Permission to change the use of irrigated paddy (Agrarian Act). Prevents unauthorised conversion of paddy land	Agrarian Development Act No. 46/2000
Sri Lanka Land Development Corporation (SLLDC)	Approval for filling or altering the low-lying paddy/wetland Drainage reservation clearance.	Land Development Ordinance 1935
Irrigation Department	Clearance for work affecting irrigation channels, reservoirs.	Irrigation Ordinance No. 32 of 1946
Coast Conservation Department (CCD)	Clearance for developments within 300m of high-tide line (Coastal Conservation Act).	Coastal Conservation Act 1981
Civil Aviation Authority	Approval for tall buildings (safety of flight paths).	Civil Aviation Act 2010
Department of Land Use Policy Planning (DLUPP)	Provides land classification and land use maps for national and local planning.	National Land Use Policy 2007
Department of Wildlife Conservation (DWC)	Protects species under FFPO and FO. Declares Sanctuaries.	Fauna and Flora Protection Ordinance 1937; Forest Ordinance 1907

ANNEX 9: LIST OF ENVIRONMENTALLY SENSITIVE AREAS (ESA), ENVIRONMENTAL PROTECTION AREAS (EPA), AND DECLARED SANCTUARIES FALLING WITHIN THE COLOMBO DISTRICT

Environmentally Sensitive Areas in Colombo District	Designation	EPA	Sanctuary
Greater Colombo flood retention area	ESA	No	No
Beira Lake	ESA	No	No
Parliamentary water retention area and Kotte	ESA	No	No

Thalangama EPA	EPA declared under NEA (Gazette1487/10, 2007)	Yes	No
Boreslasgamuwa Lake	ESA	No	No
Bellanwilla Attidiya Sanctuary	Declared sanctuary under Fauna & Flora (1990)	No	Yes
Weras River	ESA	No	No
Lunawa Lagoon	ESA	No	No
Kesbewa Lake	ESA	No	No
Heen Ela	ESA	No	No
Sri Jayawardenapura Kotte Sanctuary	Declared sanctuary (1985) as part of the Kotte urban wetlands	No	Yes
Bolgoda Lake	EPA declared under NEA (Gazette1634/23, 2009)	Yes	No
Dedigama Kanda	ESA	No	No

Sources: Central Environmental Authority, WRMP

Note:

1. ESAs are not publicly or legally declared as such through an exhaustive national list. The list of ESA's in the above table has been obtained from the WRMP.
2. All Sanctuaries listed above are legally protected under the FFPO, which grants special status to selected wetlands or habitats even when they overlap urban areas, under the administration of the DWC.
3. EPAs under the NEA offer legal protection via the CEA. Projects or development plans inside these cannot override the NEA.



Centre for a Smart Future (CSF) is a Colombo-based think-tank with researchers, advisors, and partners around the world.

We conduct high-quality research, promote collaboration across disciplines, and generate actionable ideas. Our current work is anchored to influencing a just recovery from Sri Lanka's polycrisis, with the environment and human wellbeing at the core. Our research has partnered with organisations such as Institute of Development Studies, London School of Economics, International Labour Organization, Open Society Foundation, Blue Resources Trust, and Biodiversity Sri Lanka. What sets us apart is our interdisciplinary approach to research and policy advocacy. We like being imaginative in how we think about challenges and solutions.

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We conduct research, convene stakeholders, and communicate policy imperatives for putting nature and natural capital at the core of Sri Lanka's postcrisis economic recovery, and its medium-term development pathways.

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