

The Rising Demand for ‘Green Living’ and its Impact on Colombo’s Green Spaces

KEY TAKEAWAYS

- Rising demand for ‘green living’ is reshaping Colombo’s suburban landscapes, with proximity to wetlands and lakes increasingly influencing housing choices even as these spaces continue to diminish.
- Both demand-side preferences and supply-side factors are accelerating land conversion and real estate expansion in environmentally sensitive areas. Demand-side factors include buyer preferences for proximity to green spaces, rise in nature-centric marketing by real estate developers, and the influence of infrastructure development on real estate demand. On the other hand, supply-side factors include developer strategies, city planning, and land conversion patterns.
- Underlying these market dynamics is a fragmented and inconsistent planning environment, fragmented governance mandates and weak oversight, and poor environmental approval processes.
- Urban expansion and real estate development are replacing green spaces with built areas in many suburbs, altering ecosystems and rapidly changing the social demography of the communities, heightening environmental pressures as well as social tensions.
- The policy, planning, and governance recommendations proposed address the gaps and shortcomings identified in the research, with a call to move away from fragmented, reactive planning to a model of integrated, participatory, and ecologically informed city development.

Colombo’s real estate market has seen rising demand for housing and lifestyle aspirations that valorise ‘green living’, positioning wetlands, paddy fields, and peri-urban landscapes as exclusive residential enclaves. Yet this demand is expanding into dwindling natural spaces, particularly in the suburbs of Colombo, reducing their environmental and social value. This report examines this paradox through Thalangama Lake and its surrounding neighbourhoods. Drawing on desk research, policy analysis, and qualitative research with developers, officials, and residents, the study explores whether commodifying proximity to nature can continue without eroding the ecosystems that sustain it, assessing development drivers, pressures, governance adequacy, and community aspirations for more balanced urban development.

The findings reveal that Colombo’s urban expansion is a layered process driven by overlapping forces. The report unpacks these dynamics through a structured analysis of:

- a. Demand-side influences such as buyer preferences for proximity to green spaces, rise in nature-centric marketing by real estate developers, and the influence of infrastructure development on real estate demand.
- b. Supply-side influences including developer strategies, city planning, and land conversion patterns.
- c. Policy and regulatory landscape shaping how zoning, environmental approvals, and institutional mandates mediate development around nature.

1. Buyer preferences and the price premium for proximity to nature

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.

2. Nature-centric development and greenwashing risks

Developers have responded to this sentiment of ‘green living’ 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.

3. Infrastructure-led growth and ecological pressure

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. Community opposition to projects like the proposed elevated highway through the Thalangama Environmental Protection Area (EPA) - eventually cancelled after public resistance - highlights the limits of infrastructure-led urbanisation that disregards ecological and social costs. The case exemplifies these tensions: while improved connectivity makes the area desirable for buyers, it also exposes sensitive ecosystems to intense pressure.

4. Private-sector dominance and suburban development patterns

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.

5. Fragmented urban planning and the absence of a coherent vision

Underlying the above 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.

6. Overlapping mandates and systemic gaps in environmental assessments

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 v 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.

7. Lived impacts of uncoordinated urban growth

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.

8. Competing urban futures and shared calls for reform

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 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.



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