

AN APPRAISAL OF RESOURCE MOBILISATION FOR URBAN DEVELOPMENT WITH SPECIAL REFERENCE TO THE HOUSING SECTOR IN COLOMBO



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk



UNIVERSITY OF MORATUWA
THESES & DISSERTATIONS

1982

711(043)

ARATNA

1982

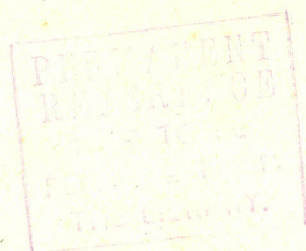
37801


X AN APPRAISAL OF RESOURCE MOBILISATION FOR URBAN
DEVELOPMENT WITH SPECIAL REFERENCE TO
THE HOUSING SECTOR IN COLOMBO

A dissertation presented to the Department of Town and Country
Planning, University of Moratuwa, in partial fulfilment of the
Degree of Master of Science in Town and Country Planning.



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk



University of Moratuwa

37801

37801

37801

W. WEERARATNA

M.Sc. (Town and Country Planning) Degree Course.
1980/82 12 March, 1982

711 "82"
711 (049)



SYNOPSIS

Town and Country Planners have a special interest in Urban Development and Housing. In this connection, traditionally the issue of Mobilising Resources have been given second place in favour of physical layout and design. However, in the context of present complexities the aspects of Resource Mobilization also needs to be understood by Planners. This dissertation is therefore a contribution to such knowledge with particular reference to the Sri Lanka situation.

The Dissertation is in Three Parts.

Part One comprises three chapters which provide the background to Housing and Urban Development and the Investments made in them. Thus, Chapter I has discussed strategies for Urban Development. It has been followed in Chapter II by a discussion relating to the demand and supply of housing in the City of Colombo and its Urban environ. Chapter III has dealt with Resource Allocation for Housing Investments and its contribution to the National Economy.

Part Two comprises the analytical portion of the dissertation and is in three Chapters. Thus, Chapter IV has discussed the concepts of Resource Mobilization and has analysed the Revolving Fund Technique in particular. Chapter V has evaluated the problems and constraints in providing more resources for the Urban Housing Programme. Chapter VI has discussed some new dimensions for

Resource Mobilization and Investments for Urban Development and
Housing in Sri Lanka.

Part Three comprises the Conclusion and the Recommendations arising from this dissertation.



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk

ACKNOWLEDGEMENTS

I am ever grateful to Professor M.W.J.G. Mendis, Head of the Department of Town and Country Planning, University of Moratuwa, Sri Lanka, for the encouragement he has given me from the very beginning of this Degree Course and finally supervising this dissertation. It is through his teaching that I am exposed to the many things in this Degree Course. Without his guidance and advice this dissertation would not have been possible.

My sincere thanks are also to Mr. A.L.S. Perera, Senior Lecturer in Town and Country Planning who helped me with valuable guidance at the initial stage of my preparation for this dissertation. I also thank Miss S. Somasundram, Lecturer in Town and Country Planning for providing me the reading material and her kind advice throughout my studies. I cannot forget the guidance extended to me by Mr. Neil Karunaratne who was on the Staff during our Housing Project. I appreciate the service of Mr. K.D. Fernando, Lecturer in Town and Country Planning and the opinions expressed by him during my discussions on the subject.

It is with great pleasure I say that I am much indebted to Dr. K.S.E. Jayatilleke (Director) and Dr. Nimal Sanderatne (Deputy Director) of the Department of Statistics, Central Bank of Ceylon who generously approved my study leave to enable me to follow this study course. In this connection, I owe special thanks to Mr. Tissa Jehorathnam, Controller of Exchange, Central Bank of Ceylon too.

My thanks are also due to Mr. P. Amerasinghe (Director, Public Debt), Mr. T. Saundranayagam (Deputy Director), Mr. A. J. M. Zuhair (Senior Economist) and many other officers of the Central Bank of Ceylon who helped me on every occasion I sought their help.

For the purpose of this study I needed information from various organizations. In this connection I also appreciate the assistance given by Mr. N. D. Dikson, Dr. M. E. Joachim, Mr. Vedagiri and many friends in the U. D. A.

My thanks also go to Mr. Conrad Tissera and Mr. Susil Siriwardena. Without their help it would have been much difficult to obtain data pertaining to Housing programs under the N. H. D. A. I am grateful to Mr. D. Weerapana, Ministry of Local Government, Housing and construction and Mr. K. A. Jayasinghe, Ministry of Finance and Planning. My special thanks also go to Mr. Justin Meegoda in the National Development Bank.

I thank my friends who helped me in various ways in this study. I record my indebtedness to my mother for her kind encouragement throughout.

Finally, I thank Mrs. E. B. de Silva who took great pains in typing the draft and Mr. M. S. Miskin who has done the final typing of this dissertation.

12.03.82


W. WEERARATNA.

C O N T E N T S

	<u>Page</u>
Synopsis	i
Acknowledgements	iii
List of contents	v
List of Figures and Tables	vi
List of Maps	viii
Introduction	ix
 <u>Part One</u>	
Chapter I - Strategies for Urban Development and Housing	1
Chapter II - The Homelessness in the City of Colombo and Its Characteristics in Relation to Demand and Supply and Housing Needs	13
Chapter III - The Analysis of Resources Allocation for Housing Investment And Its Contribution to the National Economy	34
 <u>Part Two</u>	
Chapter IV - The Concept of REvolving Funds Techniques in Housing Investment Towards the Mobilizing of Resources for Urban Development	57
Chapter V - The Evaluation of Problems and Constraints on Providing More Resources for Urban Housing Investment Programme	75
Chapter VI - Some New Dimension for Resource Mobilization in Urban Development and Housing Investment	91
 <u>Part Three</u>	
Chapter VII - Conclusion and Recommendations	101
Appendix	104
Bibliography	112

vi

LIST OF FIGURES AND TABLES

<u>Figure No.</u>		<u>Page</u>
I	The Planning Process ...	xiii
II	The Study Process ...	xiv
 <u>Table No.</u>		
1.1	Public Housing Programme 1979-1984 ...	11
2.1	Urban Rural Population Ratio in Sri Lanka from 1901-1981 ...	15
2.2	Colombo Urban Area Population by Local Authorities 1963-1981 ...	16
2.3	The Average Size of Housing Units 1953-1971 ...	22
2.4	The Average Size of Households ...	22
2.5	Backlog of Housing Units in City of Colombo and its Environs in 1953, 1963 and 1971 ...	25
2.6	Housing Development from 1963-1980 ...	27
2.7	Needed Housing Stock 1971-2001 ...	28
2.8	Summary of Housing Situation 1971-1991 ...	29
3.1	Public Sector Investment in Housing 1958-1965 ...	37
3.2	Loans for Housing 1965-1970 ...	38
3.3	Projected Investments in New Dwellings and Funds required for number of Loan Applications according to Sri Lanka Urban Centres and Urban Sector in Colombo District 1971-1977...  University of Moratuwa, Sri Lanka. Electronic Theses & Dissertations www.lib.mrt.ac.lk	41
3.4	Housing Loans 1970-1974 ...	42
3.5	Commercial Bank Advances to Private Sector for Housing Purpose according to maturity 1974-1980 ...	43
3.6	Housing Loans Approved by Long Term Credit Institutions 1979 and 1980 ...	45
3.7	Investment in Urban Housing under NHDA 1979, 1980 and 1981 ...	47
3.8	Housing Loans approved by Commissioner of National Housing during 1975-1979 according to the City of Colombo and Colombo Metropolitan Region ...	49
3.9	Estimated Absorption Capacity of Housing Investment in the Private Sector - 1975-1980 ...	51

<u>Table No.</u>		<u>Page</u>
3.10	Gross National Product at (1970) Factor Cost Prices 1970 - 1980 . . .	54
3.11	Gross Domestic Fixed Capital Formation and Construction 1970-1980 . . .	56
5.1	Prices of Building Materials from 1977 to 1981 . . .	79
5.2	Rates of Inflation in Building Materials	80
5.3	Balance of Payments 1977 - 1980 . . .	83
5.4	Capital Expenditure on Housing Programme	85
5.5	Money Supply, Public Borrowing and Price Index . . .	86



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk



LIST OF MAPS

<u>Map No.</u>		<u>Page</u>
1	Colombo Regional Plan - Abercrombie Proposal	5
2	The National Strategies - As per Colombo Master Plan Project	7
3	Development Strategies of Colombo Region - As per Colombo Master Plan Project	9
4	Colombo Metropolitan Region	14



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk