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Drivers of Neighbourhood Happiness: Evidence from the Coastal Communities of Kalutara, Sri Lanka

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ABSTRACT

Neighbourhood happiness has emerged as a critical component of urban livability, particularly in rapidly urbanizing coastal regions. This study investigates the determinants of neighbourhood happiness in the Kalutara Coastal Zone of Sri Lanka, with a focus on both physical and perceived neighbourhood characteristics, alongside socio-demographic factors. A quantitative approach was adopted, and primary data were collected through a structured questionnaire administered to 85 residents along the Kalutara coastal belt. The analysis considered variables such as accessibility to services and amenities, infrastructure quality, noise levels, safety, neighbourhood attachment, social relationships, and demographic attributes. The findings reveal that both physical and social dimensions significantly influence residents' happiness, highlighting that while improvements in infrastructure and service accessibility are essential, factors such as safety, sense of belonging, and social cohesion play an equally important role in shaping overall well-being. The study underscores the need for an integrated urban planning approach that simultaneously addresses physical development and community-building aspects. By providing empirical insights from a Sri Lankan coastal context, this research contributes to the existing body of knowledge and offers practical implications for policymakers and urban planners to promote more inclusive, sustainable, and livable urban environments.

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1. INTRODUCTION

Urban livability and residents' well–being are widely recognized as closely interrelated concepts in urban planning. Specifically, as cities continue to expand in response to rapid urbanization, managing quality of living environments has become increasingly critical (Marans et al., 2011; Kent et al., 2014). While neighbourhood satisfaction is measuring the overall contentment, neighbourhood happiness is a measure of the feelings experienced in

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one's neighborhood (Mouratidis and Yiannakou. 2022) Achieving a high level of subjective wellbeing is considered both a fundamental individual aspiration and a key objective of public policy. In this context, neighbourhood satisfaction and neighbourhood happiness are integral components of overall subjective well-being, making them essential metrics for assessing urban livability (Cao, 2016). Consequently, enhancing these dimensions of urban life has become a primary concern of planners and policymakers seeking to create environments that promote residents' ease and quality of life. However, global assessments of urban livability such as the Global Livability Index (2025) indicate that the highest ranked cities are predominantly located in Western Europe, with limited representation from developing countries. Rapid urbanization is often accompanied by informal settlements and unequal access to resources and services significantly undermines urban livability. Therefore, examining neighbourhood happiness in developing country contexts is essential to identify priority areas for policy intervention and sustainable urban development.

Sri Lanka being one of the developing countries experiences the same issues discussed above. Many urban areas in Sri Lanka consists of mixed uses however majority is residential. A high urbanization pattern is observed in the Western Province of the country. Among the three districts in the Western Province, Kalutara Coastal Zone provides a unique context to explore how urban and coastal elements influence residents' experiences and choices. Despite issues such as congestion, noise, and limited green spaces, many residents continue to live in these areas, suggesting that certain neighbourhood characteristics contribute to a sense of happiness and satisfaction. Approximately 33% of the population supposed to be living in the coastal area of Sri Lanka engaging on various livelihoods such as tourism, fishing and manufacturing (World Bank 2017).

There is meagre evidence on comprehensive studies undertaken to assess the neighbourhood happiness in Sri Lanka. Wijesundara et. al (2021) assess the residents' satisfaction focusing on sustainability features of the neighbourhood, using secondary data and perceptions of 35 inhabitants in a selected location in Colombo. Other few studies depend on satisfaction regarding the resettlement projects due to disasters in Sri Lanka. In addition, in the global context, though extensive research has focused on urban livability and neighbourhood satisfaction, considering the built environments in the cities, the specific factors influencing neighbourhood happiness remain unclear, in coastal urban environments in the global context. Thus, the gap of neighbourhood happiness in a coastal area along with perceived neighbourhood characteristics, physical features and the variation according to socio demographic characteristics remain unexplored. Hence, this study aims to address this issue by analyzing the key determinants of neighbourhood happiness in the Kalutara Coastal Zone, Sri Lanka, incorporating the socio demographic factors along with the physical factors providing valuable insights for urban planners and policymakers.

2. LITERATURE REVIEW

2.1. Urban Livability and Neighbourhood Happiness

Urban Livability had emerged and broadly applied as a holistic application in urban planning and design practices in 20th century. Several scholars focused on conceptualizing urban livability as the interaction between environmental, social and economic dimensions (Kashef, 2016). Even though there are different spatial scales of assessing urban livability in

terms of objective and subjective perspectives, the neighbourhood scale is widely used and accepted scale for urban planning (Marans and Stimson, 2011). In recent decades, scholarly attention to urban livability and related concepts such as urban happiness, urban wellbeing and urban quality of life has grown significantly (Wang & Wang, 2016).

Urban Livability refers to the quality of life and wellbeing of the residents in urban areas. According to the State of Sri Lankan Cities 2018 report, which aligns with the UN-Habitat Urban Livability Framework, Sri Lankan cities exhibit a relatively low level of livability, with key dimensions such as infrastructure quality and environmental sustainability indicating significant challenges in achieving globally competitive living standards (Government of the Democratic Socialist Republic of Sri Lanka, 2018). Mouratidis & Yiannakou, (2021) explained it as a multidimensional concept which could measure through neighbourhood satisfaction and neighbourhood happiness. Neighbourhood satisfaction reflects residents' cognitive evaluation of their surrounding neighbourhood, while neighbourhood happiness captures their emotional contentment. This study identifies neighbourhood happiness as a measure of urban livability and predictor of subjective wellbeing (Kostas Mouratidis & Delclòs-Alió, 2025). Neighbourhood Happiness is a measure which directly assesses emotions experienced in the neighbourhood, differing from analysing the overall happiness. This concept is beyond mere residential satisfaction, which reflects the positive experiences and emotional benefits individuals derive from their immediate surroundings (Børrud, 2018).

2.2.Determinants of Neighbourhood Happiness

The determinants of neighbourhood happiness encompassing both subjective perception of residents and objective characteristics of built environment, as well as socio-economic and demographic factors. Existing literature highlights the importance of integrating these characteristics to achieve a comprehensive understanding of urban livability.

2.2.1.Physical Characteristics

Physical Characteristics of neighbourhood play a significant role in shaping residents' wellbeing. Studies have shown that Built environment characteristics such as Proximity to the main city centre, Higher population density and accessibility to amenities such as shops, cafes, and restaurants contributed to the neighbourhood satisfaction and happiness mediating through the urban vitality (Kostas Mouratidis & Delclos-Alio, 2025). Additionally, (Cloutier et al., 2014) identified nine themes which potentially contributing to the neighbour happiness as; water management, energy management, urban design, food management, business and economic development, buildings and infrastructure, transportation and community governance according to "Sustainable Neighbourhoods for Happiness Index (SNHI)".

Studies identified that relationship between physical environment characteristics and neighbourhood happiness is not always linear. Some evidence suggested that car-oriented areas may generate higher reported happiness owing to factors such as privacy and reduced congestion with space, while compact walkable environments identified associated with higher quality of life in some empirical studies (Ala-Mantila el., 2018). Also, Hur (2010) stated that physical attributes as naturalness and openness impacting neighbourhood satisfaction directly and indirectly. This study identified that building density and vegetation coverage are significant factors impact on residents' perception about their surroundings.

2.2.2. Perceived Neighbourhood Characteristics

Apart from the Physical characteristics, a perceived neighbourhood encompasses the subjective perceptions of residents regarding their surroundings. Key perceived neighbourhood characteristics include perceptions of safety, quietness, social cohesion, neighbourhood attachment, accessibility, quality of public spaces, and aesthetic quality (Parkes et al., 2002; Permentier et al., 2011; Buys and Miller, 2012; Cao and Wang, 2016; Hur and Nasar, 2014; Lee et al., 2017; Mouratidis, 2018). The perceived environment aligns with higher-level needs such as belonging, esteem, and self-actualization by fostering a sense of community, safety, and aesthetic satisfaction. neighbourhood density was found to be negatively related to neighbourhood happiness, whereas perceived safety, perceived quietness, and perceived cleanliness were linked to higher neighbourhood happiness (Mouratidis, 2019). In a study of North European context identified that common determinants of neighbourhood happiness as perceived safety, perceived quietness, social cohesion, place attachment and lower density (Mouratidis & Yiannakou, 2021).

Importantly, the interaction between physical and perceived characteristics plays a crucial role in shaping urban experiences. For instance, safety and aesthetics not only depend on objective conditions but are also socially constructed through individual perceptions and collective experiences (Howley et al., 2009; Buys, 2012). For instance, Lee (2004) identified accessibility, environmental pleasantness, safety and neighbourhood relationships are key factors which contribute to urban livability in Seoul, which highlight the physical and social dimensions of residents' experiences.

A study conducted in Gurugram, India identified that there's a significant impact of social infrastructure on residents' happiness, and most notably, residents' satisfaction has a significant influence on their happiness. This reinforces that subjective wellbeing of neighbourhood is strongly based on the availability of quality social amenities and infrastructure (Kumar et al., 2021). Similarly, another study on how people assess their lives and life experiences and, in particular, their satisfactions with housing and neighborhoods indicates that the importance of the holistic socio-physical neighborhood as a major contributor to residential satisfaction in medium-rise and high-rise housing in Dhaka (Mridha and Moore, 2011).A study on relationship between neighborhood environment and QoL among Nepali older adults in eastern Nepal by Sapkota et al. (2024) found that overall, the demographic environment, socio-cultural factors, and the built environment of the neighborhood influence QoL. Therefore, diversifying the neighborhood's ethnic composition, promoting social connections such as frequent contact with family, relatives, and neighbors, and ensuring residential stability can enhance the QoL of older adults.

2.2.3. Socio-Economic and Demographic Factors

Socio–demographic factors were obtained via the surveys such as age, gender, household income, employment status, education level and citizenship etc. (Ahlfeldt, G., Pietrostefani, E., Schumann, A., & Matsumoto, T. (2018). In an empirical study which evaluated the effect of socioeconomic and social partnerships on individual happiness identified several significant factors (Azizi, 2017). Informal and formal social participation and Employment status are identified as highly significant. Further studies revealed that socioeconomic mix characteristics of the neighbourhood are highly relevant in understanding neighbourhood satisfaction (Baum et al.,

2009). Adequate health literacy perceived sufficient income, and Sociodemographic factors are significantly affected to the neighbourhood happiness (Weech-Maldonado et al., 2017).

2.3. Context-Specific nature of Neighbourhood Happiness

A growing number of literatures emphasizes that determinants of Neighbourhood Happiness are context-specific, which vary across spatial settings, demographic and cultural contexts. Hogan et al., (2016) identified that determinants of happiness may vary for different age groups, perceived access to amenities contributed to happiness of younger residents while perceived quality of governmental services contributed to happiness of older residents.

Spatial context also plays a crucial role. Kyttä et al. (2015) find that the impact of accessibility differs between urban and suburban environments; while easy access to services enhances wellbeing in urban neighbourhoods, it may have a negative effect in suburban settings due to differing lifestyle preferences and expectations. Ala-Mantila et al. (2018) identified the relationship between built environment and wellbeing, further the self-reported quality of life was higher in central walkable areas, while happiness was greater in car-oriented areas. Collectively, these findings indicate that neighbourhood happiness is inherently context specific..

3. METHODOLOGY

3.1. The Study Area

The study primarily focusses on responses from Kalutara District in Western Province of Sri Lanka. Secondly, the concentration was given to areas facing seafront along the Kalutara coastal area, thus selected three urban areas listed as Panadura, Wadduwa, and Kalutara along the southwestern coast (Figure 1). The three regions, though commercialized, hold significance due to their unique blend of urban and coastal characteristics such as picturesque coastal landscape, blue water etc., making the places ideal settings for residential choices. In addition to the natural beauty the three areas are connected by a wide network of roads, linking all other areas of the country.

Figure 1 – Study Area (Source: Google Earth,2024)

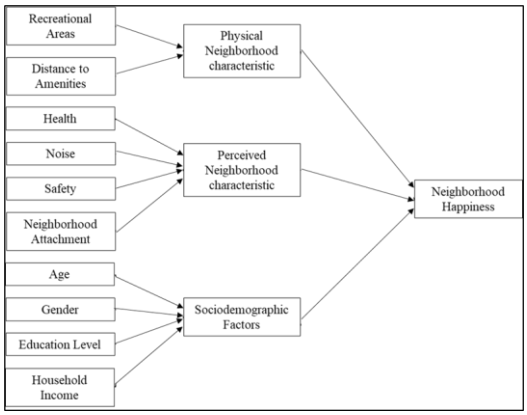
3.2. Conceptual Framework

The study aims to assess how the combination of physical and perceived neighbourhood characteristics, together with socio-economic and demographic factors, contribute to residents' overall happiness. The conceptual foundation of this study is laid on the theory of Maslow's Hierarchy of Needs (Maslow, 1943), which suggests that human well-being is shaped by the fulfillment of different categories of needs, including physiological, safety, social, esteem, and self-actualization needs. In the context of urban livability, this framework provides a useful lens to understand how both tangible and intangible neighbourhood attributes contribute to overall happiness.

However, this study does not attempt to test the hierarchical order of all types of needs proposed by Maslow but rather adopts the underlying idea that multiple dimensions of human needs collectively influence well-being. In operationalizing this concept, the study also draws on the framework developed by Mouratidis and Yiannakou (2022), which categorizes neighbourhood characteristics into

physical and perceived dimensions. Given the context-specific nature of neighbourhood attributes, the variables were adapted to suit the Sri Lankan coastal urban setting.

Figure 2 – Conceptual Framework



Accordingly, Perceived neighbourhood characteristics include cleanliness, noise levels, safety, neighbourhood attachment, and social relationships. Also, Physical neighbourhood characteristics include accessibility to amenities such as education, hospitals, banks, public services, and availability of recreational areas. In addition, socio-economic and demographic factors were incorporated to capture their potential influence on neighbourhood happiness. These variables were treated as independent variables, while neighbourhood happiness was considered the dependent variable (Figure 2).

3.3 Hypothesis

Based on conceptualization, the following hypotheses have been developed.

-Hypothesis 1

(H1): There is a significant relationship between Physical Neighbourhood Characteristics and neighbourhood happiness.

Hypothesis 2 - Perceived Neighbourhood Characteristics

(H1): Perceived Neighbourhood Characteristics have significant effect on neighbourhood happiness

Hypothesis 3 - Socio-Demographic Factors

(H1): Socio-Demographic Factors have significant effect on neighbourhood happiness

These hypotheses provide a structured framework for investigating the determinants of neighbourhood happiness in the commercial zones of the Kalutara District coastal area.

3.4 Method of Data Collection

This study adopts a quantitative research approach to systematically investigate the determinants of neighbourhood happiness thus a structured questionnaire was used to collect data. The questionnaire comprised three sections. Demographic data, physical neighbourhood characteristics and perceived neighbourhood characteristics. Data on the physical neighbourhood characteristics and perceived neighbourhood characteristics were collected using five-point Likert Scaled questions.

3.5 Population and sample

The study selected three urban centres within the Kalutara coastal zone: Panadura, Wadduwa, and Kalutara focusing on a sample along the street parallel to coastal belt. Thus, the population is considered the residential units along these streets, and it was 245 units in Panadura, 381 units in Wadduwa and 250 units in Kaluthara. The convenient sampling method applied to select sample, and a sample of 85 residential units were selected, with 25 from Kalutara, 24 from Panadura, and 36 from Wadduwa. A member from each unit considered to be the household of the unit were interviewed to collect data. The owner of each unit was taken as the data collection unit.

3.6 Data Analysis Methods

Data analysis was conducted using both descriptive and inferential statistical methods. Descriptive statistics were used to summarize the demographic characteristics of the respondents, providing an overview of their profiles. Inferential statistical methods, specifically Spearman's Correlation, were used to examine the relationships between the key variables. This method is particularly suitable for analyzing ordinal data and identifying significant associations between perceived and physical neighbourhood characteristics, and neighbourhood happiness. The reliability of the research instrument was assessed using Cronbach's Alpha, yielding coefficients of 0.6793 for perceived neighbourhood characteristics and 0.929 for physical neighbourhood characteristics, indicating good internal consistency.

3.7 Ethical consideration

Participants were informed about the purpose of the study and assured of the confidentiality of their responses. The willingness to participate in the survey was questioned by the participant at the beginning of the survey. All personal identifiers were removed to maintain participant anonymity, and the data were securely stored and used solely for research purposes.

4. RESULTS

The analysis of the data collected from 85 respondents across the Kalutara Coastal Zone, including Panadura, Wadduwa, and Kalutara, centres provide valuable insights into the determinants of neighbourhood happiness. Table 01 includes demographic analysis revealing a diverse sample, with respondents primarily aged between 30 and 61above, and varied educational backgrounds, ranging from secondary school completion to higher education degrees. Income levels also varied significantly across the sample, reflecting a broad representation of the urban population in the Kalutara Coastal Zone.

Table 1 – Socio-Demographic Characteristics of Respondents

Description	No. of Respondents	Percentage
Age Distribution (years)		
30 – 40	21	25
41 – 50	17	20
51 – 60	28	33
61 and above	19	22
Gender		
Female	35	41
Male	50	59
Education		
Primary education	5	6
Secondary education or high school	41	47
Tertiary education (Diploma, Degree)	20	23
Postgraduate education	21	24
Income Level Distribution		
Less than Rs.50,000	20	24
Rs. 50000 - Rs100,000	36	42
Rs. 100,000 – Rs.150,000	17	20
More than Rs.150,000	12	14
Employment Status		
Student	7	8
Employed (public or private)	54	64
Self-employed	22	26
Unemployed	2	2
Years at residence (years)		
5- 10	23	27
11-16	27	31
16 and above	35	41

Source: Survey data 2025

Table 2 – Relationship between socio-economic and demographic characteristics and neighbourhood happiness

Correlation Analysis Between Neighbourhood Happiness and Socio-Demographic Factors			
			Level of happiness
Spearman's rho	Age	Correlation Coefficient	-.062
		Sig. (2-tailed)	.57
	Gender	Correlation Coefficient	.173
		Sig. (2-tailed)	.113
	Income	Correlation Coefficient	.043
		Sig. (2-tailed)	.695
	Family	Correlation Coefficient	-.052
		Sig. (2-tailed)	.637
	Employment	Correlation Coefficient	-.181
		Sig. (2-tailed)	.098
	Ownership	Correlation Coefficient	-.081
		Sig. (2-tailed)	.462
	Years at residence	Correlation Coefficient	.294**
		Sig. (2-tailed)	.006

Source: Author, 2025

Table 2 presents the correlation results among the socio-economic and demographic characteristics and neighbouurhood happiness. Interestingly, the results reveal that only the number of years of residence in the neighborhood shows a significant positive correlation with neighbourhood happiness (r = 0.294, p = 0.006). This highlights that individuals who have lived longer in the area tend to report higher levels of happiness, potentially due to stronger community ties, familiarity, and a sense of belonging. Thus, the sub hypothesis on the positive relationship between number of years at residence and the neighbourhood happiness is proved

Other socio-economic and demographic characteristics, such as age, gender, income, and employment status, demonstrate weak and statistically insignificant correlations with happiness. These results suggest that these factors have limited influence on neighbourhood happiness in this context. The analysis highlights the significance of long-term residency as a key contributor to happiness, while other socio-demographic characteristics appear to play a less substantial role. This underscores the importance of fostering community stability and long-term connections to enhance neighbourhood happiness.

Table 3- Relationship between Perceived Neighbourhood Characteristics and neighbourhood happiness

Neighbourhood Characteristic		Correl-ation Coeffic-ient
Cleanliness	Correlation Coefficient	.816
	Sig. (2-tailed)	.000***
Noise levels	Correlation Coefficient	-.871
	Sig. (2-tailed)	.000***
Safety (day)	Correlation Coefficient	.822
	Sig. (2-tailed)	.000***
Neighbourhood attachment	Correlation Coefficient	.837
	Sig. (2-tailed)	.000***
Social relationships	Correlation Coefficient	.877
	Sig. (2-tailed)	.000***

Source: Author, 2025

The results of the spearman correlation in Table 3 reveal four variables such as social relationship (r=.877, p=.000) , neighbourhood attachment (r=.837 ,p=.000) safety (r=.822, p=.000) and cleanliness (r=.816, p=.000) are positive and significant with a strong positive correlation with neighbourhood happiness. These variables contribute as strong predictors of happiness in the neighbourhood. The highest correlation coefficient is observed between social relationships and neighbourhood presenting that higher satisfaction with

social relationships is strongly linked to increased happiness. This result indicates the importance of preserving social cohesion between people. Similarly, neighbourhood attachment, safety and cleanliness also showed significant positive associations indicating that respondents are satisfied with these factors and increase their neighbourhood happiness. Conversely, noise levels showed a strong negative correlation (r= -0.871, p=000), suggesting that higher noise levels are associated with decreased happiness. Based on these findings, the null hypothesis (H0) of hypothesis number 02 is rejected, and alternative (H1) is accepted confirming that perceived neighbourhood characteristics significantly influence neighbourhood happiness.

Physical neighbourhood characteristics included amenities and recreational facilities within one kilometer distance from the residents' own house. The spearman correlation results in Table 4 highlights significant positive relationships between neighbourhood happiness and key physical neighbourhood characteristics. Close to the education facility shows the strongest correlation with happiness ($r = 0.878$, $p < 0.01$). As education plays a pivotal role in enhancing quality of life and opportunities the results show a greater influence. Closeness to facility of healthcare ($r = 0.828$) shows similar contribution as education. These results indicate that people are highly concerned on education and healthcare availability within closer distance from their residence. Next shows the closeness to food and day to day needs (r=.766, p=.000) demonstrating a strong positive correlation with neighbourhood happiness. This highlights the importance of fulfilling day-to-day needs. Additionally, availability of financial institutes (r=0.746, p<0.01) and recreational areas ($r = 0.737$, p=<001), post office (r=0.646, p=<0.01). and religious places ($r = 0.743$, $p < 0.01$), also shows a positive relationship with significant contribution to happiness.

These findings emphasize the importance of access to essential services and amenities in fostering residents' well-being. Given that each factor exhibits a significant positive correlation at the 0.01 level, the findings confirm that this individual physical neighbourhood characteristics significantly impact residents' happiness. Each factor that is availability of education, healthcare, grocery stalls, religious places, post office and recreational facilities demonstrates a distinct and significant relationship with neighborhood happiness in the Kalutara Coastal Zone.

Table 4 – Relationship between Physical Neighbourhood Characteristics and neighbourhood happiness

Physical Neighbourhood Characteristics		**Correl-ation Coeffic-ient**
Healthcare facility	Correlation Coefficient	.828
	Sig. (2-tailed)	.000***
Education facility	Correlation Coefficient	.878
	Sig. (2-tailed)	.000***
Food and day to day needs	Correlation Coefficient	.706
	Sig. (2-tailed)	.000***
Religious places	Correlation Coefficient	.743
	Sig. (2-tailed)	.000***
Post office	Correlation Coefficient	.646
	Sig. (2-tailed)	.000***
Financial institutes (Banks)	Correlation Coefficient	.766
	Sig. (2-tailed)	.000***
Recreational facility	Correlation Coefficient	.737
	Sig. (2-tailed)	.828

Source: Author,2025

Table 4 summarizes the relationship between Physical neighbourhood Characteristics and neighbourhood

happiness. The findings emphasize that each individual factor analyzed contributes significantly to neighbourhood happiness. This underscores the importance of ensuring access to education, healthcare, security, financial services, recreational spaces, dining options, and other facilities to enhance the well-being of residents. The results highlight the critical role of fostering a well-rounded and accessible physical environment in shaping neighbourhood happiness, rather than relying on any single attribute alone. Given that each factor exhibits a significant positive correlation at the 0.01 level, the findings confirm that this individual physical neighbourhood characteristics significantly impact residents' happiness. Thus, the null hypothesis (H0) can reject and the alternative (H1) can be accepted

Analysis of the Significance Level of Physical and Perceived Neighbourhood Characteristics in Determining Neighbourhood Happiness

The findings from the regression analysis reveal important insights into the role of perceived and physical characteristics in determining neighbourhood happiness. Among the perceived characteristics, neighbourhood attachment (r=.140, p=.001) and social relationships (r=.108, p=.001) are positive and significant at 1% level. Thus, an increase in these characteristics increases happiness. Further, cleanliness (r=.098, p=.039) emerges as a significant positive predictor of happiness. This indicates that cleaner neighbourhoods contribute directly to enhancing residents' well-being. Similarly, feelings of safety during the day positively influence happiness, with a coefficient of (r= 0.087, p = 0.019), underscoring the importance of a secure environment. On the other hand, noise levels exhibit a significant negative effect, with a coefficient of -0.195 (p = 0.003), emphasizing how environmental stressors such as noise pollution can detract from overall well-being.

Regarding physical characteristics, healthcare (r=0.083, p = 0.002). and recreational facility (r= = 0.019, p = 0.000) has a significant positive impact on happiness, Other physical characteristics, such as education (r = 0.024, p = 0.052), food and day to day needs (B = 0.027, p = 0.085),, post office (r=0.63,p=0.034, positively effect on happiness.

The hypotheses related to the study were evaluated based on these results. For perceived characteristics, the hypothesis that cleanliness satisfaction, safety, and good relationships with neighbours significantly impact neighbourhood happiness is accepted. The hypothesis that noise levels negatively affect neighbourhood happiness is also accepted, confirming its detrimental influence. For physical characteristics, the hypothesis that healthcare, post office, and library availability significantly enhance neighbourhood happiness is accepted based on the significant results. Conversely, the hypothesis for the significant impact of education availability, restaurant availability, religious places, recreational areas, and bank availability is rejected, as these factors do not have a meaningful influence in this model.

These results highlight the importance of both perceived and physical attributes in fostering neighbourhood happiness. For urban planners and policymakers, the findings suggest prioritizing initiatives that enhance cleanliness, safety, social cohesion, and access to healthcare and community services while mitigating environmental stressors like noise pollution. Such efforts can substantially improve the quality of life in the Kalutara coastal region.

Table 5 – Regression Analysis

Components		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
Perceived Characteristic	(Constant)	1.163	.470	2.475	.016
	Cleanliness	.098	.047	2.102	.039
	Noise levels	-.195	.064	-3.046	.003
	Safety	.087	.037	2.395	.019
	Neighbourhood attachment	.140	.041	3.368	.001
	Social relationships	.108	.032	3.394	.001
Physical Characteristic	Healthcare	.083	.032	2.591	.002
	Education	.024	.053	2.453	.052
	Food and day to day needs	.027	.032	1.853	.085
	Religious places	.010	.041	.243	.808
	Post office availability	.063	.029	2.165	.034
	Financial institutes	.109	.080	1.362	.177
	Recreational facility	.019	.025	3.771	.000

Source: Author,2025

2. DISCUSSION

The findings of this research contribute significantly to the growing body of knowledge on neighbourhood happiness and satisfaction particularly within the Kalutara Coastal Zone in Sri Lanka. The result of this study indicates the importance of physical and perceived. neighbourhood characteristics in shaping happiness.Education availability emerged as the strongest positive contributor to neighbourhood happiness, consistent with Mouratidis and Yiannakou's (2023) findings that access to essential services like education strongly influences urban satisfaction and happiness. Similarly, the significant correlations between healthcare reaffirm the need for accessible healthcare and security services, aligning to the findings of Kyung-Young Lee's (2021) emphasis on urban environmental satisfaction as a critical determinant of liveability. Neighbourhood cleanliness, safety, and social relationships were also critical predictors of happiness.

The role of cleanliness satisfaction parallels the findings of Hur and Morrow-Jones (2008), who identified neighbourhood cleanliness as a vital element of satisfaction in their Ohio-based study. Furthermore, the positive impact of perceived safety on happiness aligns with studies in Oslo (Mouratidis, 2020), which demonstrated that safety directly enhances subjective well-being. The mediating role of neighbourhood relationships, as highlighted in this research, is consistent with Lee's (2021) findings that neighbourhood relations enhance urban livability and mediate

other factors such as safety and pleasantness. Social relationships have been significantly identified as fundamental in individual happiness and overall well-being. (Arechavala et al., 2021) highlights the importance of neighbourhood environment and social capital as crucial elements in shaping residents' happiness in a low-income community in Spain. Particularly, (Diener & Seligman, 2002) revealed that positive social relationships are essential to human well-being same as basic physiological needs such as food and thermal comfort. Gidlöf-Gunnarsson & Öhrström (2007) discovered that peoples' health and psychological wellbeing is directly impacted with the exposure to noise. It further identified reducing long-term noise annoyances and lower sound levels from road traffic are important for peoples' wellbeing and their daily behaviour. Specifically, Noise produced by traffic is one of the crucial factors of impacting negative health effects on neighbourhoods (Botteldooren et al., 2011).

In terms of accessibility and convenience, the results close with Tallon and Bromley's (2004) work, which highlights proximity to amenities as a crucial factor for urban residents. However, the findings also indicate that recreational areas, libraries, and other amenities, while positively correlated, do not hold as strong an influence as perceived neighbourhood safety and social cohesion. This presents the contextual differences noted in comparative studies between Oslo and Thessaloniki, where local preferences and cultural attitudes shaped perceptions of liveability differently (Mouratidis & Yiannakou, 2023). These findings emphasize the need for integrated strategies that address both physical infrastructure and social dynamics to create truly liveable and happy urban environments. Future research could further explore these dynamics in varying contexts to build a more comprehensive framework for urban liveability.

3. CONCLUSION

This study provides a comprehensive analysis of the determinants of neighbourhood happiness and satisfaction in the Kalutara Coastal Zone, Sri Lanka, focusing on the interplay between socio-demographic factors, physical characteristics, and perceived neighbourhood attributes. The findings emphasize that perceived neighbourhood characteristics, such as safety, social cohesion, and a sense of belonging, have a more pronounced effect on residents' happiness compared to physical characteristics. Notably, strong relationships with neighbours, cleanliness, and low noise levels significantly contribute to higher levels of well-being, underlining the importance of social and environmental quality in urban settings.

Physical neighbourhood attributes, while having a lesser impact on happiness, play a crucial role in influencing residents' overall satisfaction. Factors like accessibility to healthcare, education, and recreational facilities, along with the quality of infrastructure, were found to be significant drivers of neighbourhood satisfaction. The analysis also highlighted that socio-demographic factors, such as years at residence, exert a meaningful influence, with longer-term residents reporting greater happiness. However, most other demographic variables, including age, income, and employment status, did not show significant associations with neighbourhood happiness in commercial areas.

The study's results suggest a need for urban planning strategies that integrate both physical and psychological elements to improve urban liveability. Efforts should focus on enhancing social connections, safety, and cleanliness while ensuring the availability and quality of essential services. Regarding that, Urban planners and authorities should focus on promoting neighbourhood cleanliness programmes along with regular waste collection, proper maintenance of public sand open spaces. In addition to that, Community-based Safety initiatives such as improving street lighting also important for enhance residents' perceptions of safety. Public recreational and open spaces should be preserved to support social interaction. Additionally, urban planning should incorporate strategies to reduce traffic-related noise through land use zoning, pedestrian friendly street designs and traffic management mechanisms. The moderating effects of age and income indicate that urban development plans should be inclusive, addressing the diverse needs of different demographic groups. By adopting a balanced approach that considers both physical and perceived aspects of neighbourhood environments, policymakers and urban planners can create vibrant, satisfying, and happy communities in the Kalutara Coastal Zone and similar urban areas.

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