



## TECHNICAL UNIVERSITY OF KENYA

### APPLIED VALUATION - CAT

**25<sup>th</sup> November, 2014**

You are under instructions to value a 5 bedroom house in Runda, Nairobi City County. The following are the details of the property.

Title	Freehold
Land	0.5 of an acre
Development	5 bedroomed house – 4,500 sq.ft. approx Staff quarters 350 sq.ft. approx. Siteworks include parking and perimeter wall
Tenancy	Lease for 3 years @ 200,000/- per month

#### *Market Data*

Comparables	<ul style="list-style-type: none"> <li>i) 4 bedroom house in Runda with staff quarters, 5,000 sq.ft approx. on 1.0 acre, sold in April, 2013 for Kshs.80,000,000/-. (Rent: Kshs.300,000/- per month)</li> <li>ii) 5 bedroom house in Thigiri Ridge with staff quarters, 6,000 sq.ft approx. on 0.5 of an acre, sold in October, 2014 for Kshs.75,000,000/- (Rent: Kshs.275,000/- per month). (Thigiri Ridge is 15% superior to Runda)</li> </ul>
Market Rent	Kshs.250,000/-
Land	Price of land in Runda is Kshs.35,000,000/- for 0.5 of an acre
Construction Cost	Kshs.4,500/- per sq.ft. for main house

1. Making all reasonable assumptions compute the market value of the property under the following:
  - i) Cost Approach
  - ii) Income Approach
  - iii) Market Approach
2. The government of Kenya intends to acquire the property to extend a road. Compute reasonable compensation claim for the owner.