

# Valuation Analysis of Partial Property in Compulsory Acquisition

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## SUMMARY

This paper examines the valuation methodology for estimating compensation regarding compulsory purchase of partial property for public use. The method of calculating compensation is commonly found in compulsory acquisition law in most countries in different versions and is referred to as the “Rules of Assessment”. It is of utmost importance that these rules should be precise, clear, and easy to be applied by professionals and judges. Also, it should include all possible compensations, damages, betterment, disturbances, losses including professional fees, provided that it is the natural and reasonable consequence of the compulsory acquisition. As a general principle, the affected owner should be paid just and equitable compensation and should be placed in the same position in monetary terms as if the compulsory purchase would not take place.

Summarizing, the aim of this paper is to analyse the valuation methodology for estimating compensation regarding compulsory purchase of partial property for public use by reference to different countries law and practices of as well as some significant court case decisions. Therefore, an appraisal or valuation report prepared by a competent valuer/appraiser should comply with international, regional, or country appraisal standards and should be in line with the respective legislation. Little or no understanding of the valuation process in determining a fair and equitable compensation may lead to lower compensation and affected owners would have no other option but to apply to the court aiming at receiving the real losses as derived by the compulsory acquisition project.