**27.04 VALUATION OF IMPROVED PROPERTY**

In determining the fair market value of the property, you should value the land and the improvements as a whole. You should not separately value the land and the improvements and add them together.

**Use Note**

This instruction should be used when there are improvements on the condemned land for which the owner seeks compensation.

A separate instruction is required if there is a dispute over what improvements were taken.

**Comment**

The "unit rule" specifies that improvements are not to be valued as separate items in addition to the market value of the land. *Alaska State Housing Authority v. DuPont*, 439 P.2d 427, 431-32 (Alaska 1968); *Ketchikan Cold Storage Co. v. State*, 491 P.2d 143, 151 n.13 (Alaska 1971).

A departure from the unit rule may be appropriate, however, when an improvement is particularly well-suited to the land. *Alaska State Housing Authority v. DuPont*, 439 P.2d at 432; *Ketchikan Cold Storage Co. v. State*, 491 P.2d at 151 n.13. In such cases, a special instruction may be appropriate.