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Influence Of Land on Pricing of Residential Houses In Nakuru Town Kenya

INFLUENCE OF COST OF LAND ON PRICING OF RESIDENTIAL HOUSES IN NAKURU TOWN KENYA

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Abstract: According to World Bank report Kenya is one of the most rapidly urbanizing nations among the developing countries. It estimates that about 200,000 Kenyans move to cities every year and that formerly rural areas are increasingly becoming urban. Despite this, the national and local governments have failed to provide basic urban services like infrastructure and affordable housing, thus allowing the private sector to take over. Prices for real estate and commercial space keep fluctuating over the years due to increased demand. The study therefore sought to investigate how the cost of land influences pricing of residential houses in ,Nakuru Kenya. The target population was 60 managers of real estate companies and agents in Nakuru. Data collection was done through use of questionnaires constructed on five point likert scale. Data was analyzed using descriptive statistics and inferential statistics and presented in tables and figures. The study examined the hypothesis that cost of land had a positive significant relationship with pricing of residential houses. The study established that cost of land had no statistically significant relationship with the pricing of residential houses in Nakuru town . Further, the study found out that the cost of land has no statistically significant influence on the pricing of residential houses in Nakuru town East Sub-county in Kenya. Therefore the study concluded that the pricing of residential houses in Nakuru town does not significantly depend on the cost of land. This study recommended that policies in regard to pricing of residential houses should move beyond cost of land and consider other factors that may significantly have an influence on the pricing of residential houses in Nakuru Town..

Keywords - Cost of Land, Government Policy, Residential Houses and Pricing.

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