

**UNIVERSITI TUN HUSSEIN ONN  
MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2008/2009**

SUBJECT : VALUATION FOR LAND  
ACQUISITION

CODE OF SUBJECT : BPE 2303

COURSE : 2 BPD

DATE : APRIL 2009

DURATION : 3 HOURS

INSTRUCTION : PART A  
ANSWER **ALL** QUESTIONS

PART B  
ANSWER **THREE (3)** QUESTIONS  
ONLY FROM FIVE (5) QUESTIONS

**PART A (40 marks)**

Q1 The provision of the Article 13 in the Federal Constitution gurantees the individual rights onto their lands/properties. However, there is always ways that denying ones rights onto their properties through legal procedures provided the amount for acquiring the properties shall be adequately compensated.

(a) By referring to the First Schedule of the Land Acquisition Act 1960, discuss 'Adequate Compensation' with regards to the land acquisition purpose. (10 marks)

(b) Describe some of the possible reasons for value discrepancies in determining an amount of Adequate Compensation between public valuer and private valuer. (10 marks)

Q2 The provision under Section 12 of the Land Acquisition Act 1960 states that land administrator shall make full enquiry into the value of all scheduled lands and assess the amount of compensation according to the compensation determination principles that reflect an adequate compensation amount.

Briefly discuss the following list of compensation determination principles with regards to the valuation for compensation claims.

(a) Market value of the acquired land (5 marks)

(b) Damage for Severance (5 marks)

(c) Injurious Affection (5 marks)

(d) Disturbance (5 marks)

**PART B (60 marks)**

- Q3 A state authority intends to acquire a strip of land through a private farmland of approximately 100,000 sq. m. for a road widening project. A road 50 m wide is to be constructed running roughly east-west. Where the road first enters the farm at the east, it will run for approximately 120 m on an embankment of a maximum height of 3.5 m for the remaining part it will be more or less level. The total area of land acquired, including the slopes of the embankment will be approximately 6,000 sq.m.

The new road will severe 30,000 sq.m of the best agricultural land from the rest of the farm and interfere with the water supply and land drainage. Market value of similar land in the area is RM 500 per sq.m.

A state authority will erect a fence along the whole of the road. At two points they will also provide underpasses giving access from the fields on one side of the road and to the slopes of the embankment and will adequately make good any interference with the water supply.

Calculate the compensation payable to the owner of the farm by the state authority. Assume any reasonable data not provided.

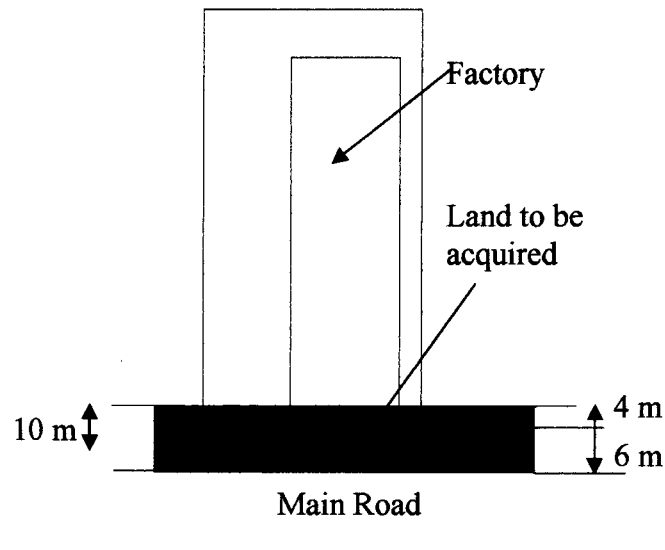
(20 marks)

- Q4 A factory building shown in **Figure Q4** consists of two identical floors. It is held on a ground lease having 21 unexpired years. The ground rent is RM 20,000 per annum. The lessee runs a small manufacturing unit. It is estimated that the market rental value is RM 50,000 per annum for the entire factory.

The state highway department intends to acquire the front strip of land about 10 m wide on the north side of the main road for road widening purposes. The ground rent for the portion to be acquired has been agreed at RM 5,000 per annum.

The front portion is used for loading and unloading purposes. It may assumed the lorries will not be allowed to stand on the new road.

Calculate the compensation payable to each of the lessor and lessee by the state government. Assume any reasonable data not provided.



**Figure Q4 : A portion of land to be acquired**

(20 marks)

- Q5 Mr. Sayid, the freehold occupier of a shophouse having 1000 sq.m of net usable space, has recently been served with a Notice to treat by the state authority for land acquisition exercise.

His gross annual profits over past 5 years have been:

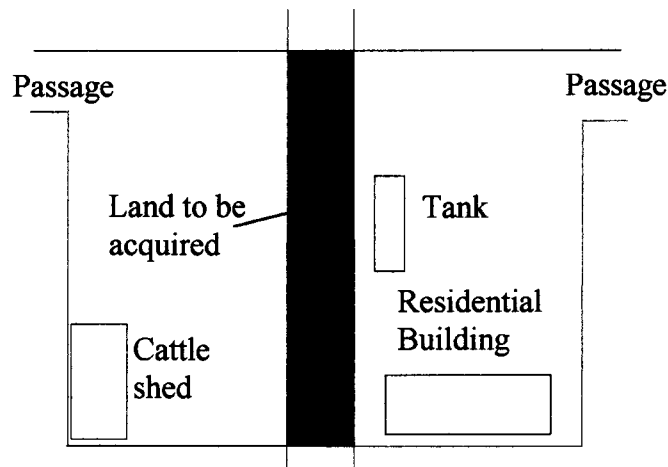
- Year 1 – RM20,000
- Year 2 – RM20,500
- Year 3 – RM20,500
- Year 4 – RM25,000
- Year 5 – RM25,000

Prepare a compensation claim on the assumption that:

- (a) Mr. Sayid is unable to relocate elsewhere. (10 marks)
- (b) Mr Sayid has found alternative premises nearby, but the move means that his business will be closed down completely for a period of 6 weeks and, in consequence, he will lose permanently 10% of his customers. However, it is anticipated that the business will be operating at its former level of profit within two years of the move. (10 marks)

- Q6 **Figure Q6** shows property having an area of about 30 acres. The state authority have acquired for 3 acres for a railway projects. At present, the land is primarily used for agricultural purposes. The landowner, resides on the south-eastern side of the property and keep his cattle on the western boundary for his dairy business. There is a tank within the holding close to his house for rearing fish on a commercial basis. The entire holding is enclosed by a brick built boundary wall. The owner uses a tractor for agricultural purposes. The property can be entered only through passages on the northern sides.

You have been appointed by the landowner to determine the compensation under various heads. Assume any reasonable data not provided.



**Figure Q6 : A portion of land to be acquired**

(20 marks)

- Q7 (a) A freehold office building of sound construction and finishes was let 5 years ago for 15 years at RM250,000 per annum net. The tenant is being liable for all outgoings. The full rental value net today is assumed to be RM300,000 per annum.

Prepare a compensation claim on behalf of the freehold owner of the office building. Assume any reasonable data not provided.

(10 marks)

- (b) The community hall is being acquired together with the land on which it erected. The land area is 5,000 square metres and the hall comprises an area of 700 square metres. Although the building is adequate for its purpose, it does not provide the amenities that would be expected in a new building performing the same function.

Prepare a compensation claim of the property. Assume any reasonable data not provided.

(10 marks)

**END OF QUESTION PAPER**