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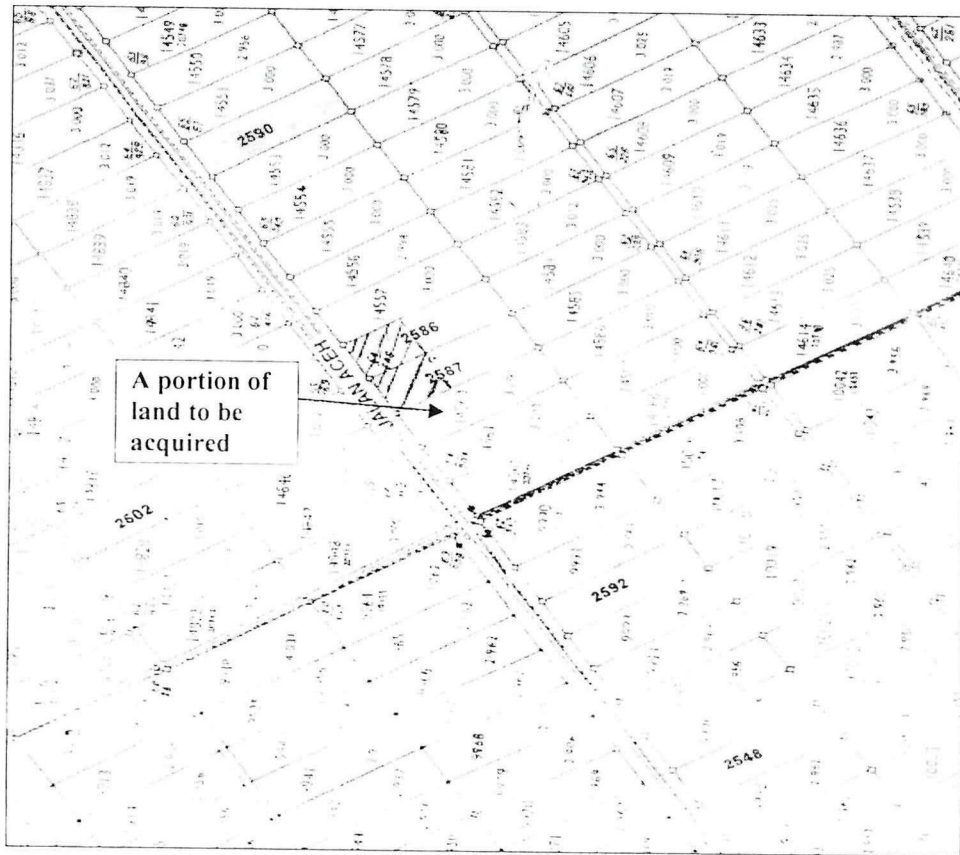
**FINAL EXAMINATION  
SEMESTER I  
SESSION 2019/2020**

COURSE NAME : LAND ACQUISITION VALUATION  
COURSE CODE : BPE 35103  
PROGRAMME : BPD  
EXAMINATION DATE : DECEMBER 2019 / JANUARY 2020  
DURATION : 3 HOURS  
INSTRUCTION : ANSWER **ALL** QUESTIONS

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THIS QUESTION PAPER CONSISTS OF **SEVEN (7)** PAGES

**Q1** Mr Suhaimi owns lot 2586 and 2587 of agricultural land located in Kampong Aceh, Mukim & District of Parit Sulong, State of Johor. Both of these lots are located within the Kampong Aceh and the titles are endorsed with 'Malay Reservation'. They are freehold land with a provisional land area of 2.00 acres each and are fronting onto Jalan Aceh (see **Figure Q1**).



**Figure Q1: Map Shows a Portion of Land to be Acquired and the Comparable Properties**

Lot 2586 is built upon with a kampong house of temporary construction with a main floor area of 2,500 sq. feet and is in a fair state of repair. There is a small workshop at the back for the car workshop business. This workshop is of timber frame structure covered with corrugated iron roof sheets and a concrete floor with its sides open. The floor area of this workshop is approximately 600 sq. feet and it is in a fair condition. Besides these structures, the site is fenced with chain link fencing reinforced with barbed wire on top.

Lot 2587 is built upon with a workshop measuring 40 feet by 50 feet. It is of timber frame with corrugated asbestos sheets roof, open sided and concrete floor. There is a small office building located at the rear of the workshop measuring 10 feet by 12 feet. It is of timber frame with corrugated asbestos sheet roof, timber weatherboard wall cladding and concrete floor. Both the buildings were built 5 years ago and are let out to Mr. Salleh at a rental of RM1,200 per month on a 5-year lease with 4 years unexpired term.

Both lots were gazetted under Section 4 of the Land Acquisition Act 1960 on 21<sup>st</sup> November 2010 for the purpose of resettling the Malays who were required to move from

their Malay Reserved land which has to make way for a mosque. The said acquisition was gazetted again on 1<sup>st</sup> March 2011 under Section 8 of the Land Acquisition Act 1960. The area acquired is a frontage portion of 1 acre for each of the two lots. All the buildings on the land were found on the acquired portions (**Figure Q1**).

Investigations on the recent transactions of the similar type of properties in the vicinity have revealed the following data as shown in **Table Q1**:

**Table Q1: Recent Transactions of the Similar Type of Properties**

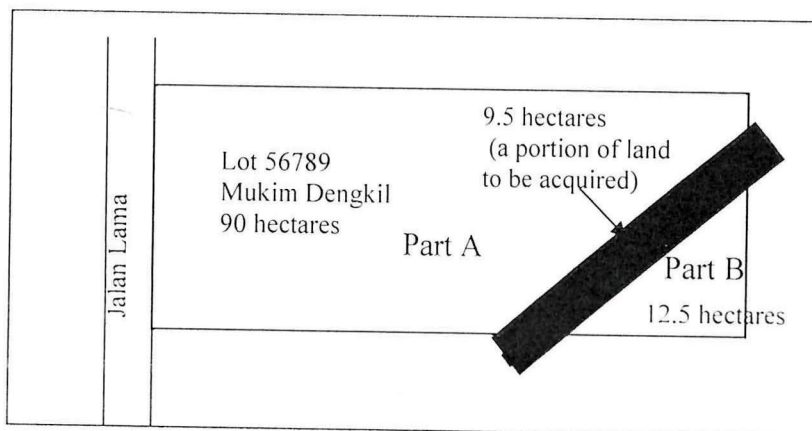
Lot no.	2590	2602	2548	2592
Land area (acres)	1.5	2.4	1.5	4.5
Land use	Agriculture	Agriculture	Agriculture	Agriculture
Description	Flat & vacant	Flat & planted with old rubber trees	Flat & vacant	Flat & vacant
Location	Fronting onto Jalan Aceh and is 300 meters north of the subject property	2 <sup>nd</sup> layer from Jalan Aceh and is 500 meters away from the subject property	Fronting onto Jalan Aceh and is 600 meters south of the subject property	Fronting onto Jalan Aceh and is 300 meters south of the subject property
Malay Reservation	No	No	Yes	Yes
Consideration (RM)	75.000	75.000	60.000	210.000
Date of Sale	1 08 2008	21 05 2009	25 04 2009	1 08 2010

Based on the available information above you are required to:

- (a) Calculate the amount of compensation that Mr. Suhaimi may entitle to claim. (15 marks)
- (b) Calculate the amount of compensation that Mr. Salleh may entitle to claim. (10 marks)
- (c) Outline **FIVE (5)** factors affecting the adequate compensation for lot 2586 and 2587. (10 marks)

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**Q2** Lot 56789 is an oil palm estate of 90 hectares in size. It is cultivated with matured oil palm of about 25 years of age and its physical terrain is flat and at road level. Lot 56789 is located at the fringe of the Multimedia Super Corridor (MSC).



**Figure Q2: A Portion of Land to be Acquired**

The registered owner of the estate has come to seek your advice regarding his estate upon receiving news that his estate has been gazetted by the State Government for compulsory land acquisition (see **Figure Q2**). During the meeting the land owner provided you with the following information:

- A portion of lot 56789 approximately 9.5 hectares as seen shaded in the Figure Q2 was gazetted under Section 4 of the Land Acquisition Act 1960 (amended) on the 15<sup>th</sup> October 2012 and followed by Section 8 on the 31<sup>st</sup> March 2013.
- The purpose of the land acquisition is for a new highway linking the MSC with Klang.

Investigations on the recent transactions of the similar type of properties in the vicinity have revealed the following data as shown in **Table Q2**:

**Table Q2: Recent Transactions of the Similar Type of Properties**

Lot no	Title	Category of land use	Land Area (ha)	Location	Date of transaction	Sale Price (RM)	Notes
30221	Freehold	Agriculture	25	Road frontage	1.6.2012	8,027,500	Matured oil palm
25612	Freehold	Agriculture	48	Road frontage	10.8.2012	14,014,440	Matured oil palm
32651	Freehold	Agriculture	67	Road frontage	8.9.2012	19,858,800	Matured oil palm
54345	Freehold	Agriculture	22	Road frontage	6.5.2012	6,738,000	Matured oil palm
25833	Freehold	Agriculture	88	Highway frontage	30.12.2011	25,213,760	Old rubber
25767	Freehold	Agriculture	98	Highway frontage	10.12.2012	29,047,200	Matured oil palm

45913	Freehold	Agriculture	55	Road frontage	5.1.2013	19,019,000	Matured oil palm
25411	Freehold	Agriculture	38	Highway frontage	6.12.2012	12,201,800	Matured oil palm

Other information gathered from your client are as follows:

- New fencing need to be placed along the new boundaries approximately 2.3 km in length. Cost of fencing is approximately RM25 per meter run.
- The estate drainage system need to be realigned including the installation of a new flood gate. Cost of realignment of drainage system is estimated at RM55,000 including the flood gate.
- The existing estate roads need to be realigned as well including the construction of a box culvert at certain point of the estate to link the severed part of the estate. The cost of realigned of road is estimated at about RM75,000 and the box culvert about RM200,000.
- 5 contract workers have to be terminated as a result of the acquisition and 5 units of workers quarters will be left vacant. The cost of construction of the quarters is RM15,000 per unit.
- Due to the realignment of roads and drains, 100 palm trees have to be cut resulting in a loss of income approximately RM9,000 per annum.
- As a result of the acquisition the estate has been severed into 2 parts with the remaining part at the south-eastern portion of the estate becoming a triangular piece with an area of 12.5 hectares.
- On the acquired portion there is a Hindu temple which sits on a site approximately 0.5 hectares. According to your client, the Hindu temple is newly reconstructed at the cost of RM150,000. The temple site was leased to the temple management committee for a period of 99 years about a year ago.

Based on the Land Acquisition Act 1960 (amended), the transaction data available and other information gathered, you are required to:

- (a) Calculate the amount of compensation for the land taken that the registered owner may entitle to claim.  
(10 marks)
- (b) Calculate the amount of compensation that the registered owner may entitle to claim by means that the remaining land of the south-eastern portion (Part B) has severed from the other land (Part A) due to the Land Administrators' taking possession of the acquired land.  
(10 marks)
- (c) Advise the registered owner on other losses or disturbance that he may entitle to claim due to the acquisition part of his land by the Land Administrators.  
(10 marks)

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- (d) Appraise the amount of compensation of other stakeholder that may entitle to claim due to the Land Administrator's taking possession of the acquired land.

(10 marks)

**Q3** Lot PT 9099, Mukim & District of Petaling, State of Selangor is a piece of land currently being used as a petrol station located at KM 1, Jalan Sungai Tembaga with a land area of 0.4 hectare and held under a 99 years lease with an expiring date on 12<sup>th</sup> June 2089. The express condition stated in the title is that the land is to be used for petrol pump and service station only.

The land has been gazetted by the State Government for compulsory land acquisition under Section 4 of the Land Acquisition Act 1960 (amended) on 9<sup>th</sup> June 2008 and it was again gazetted under Section 8 on 22<sup>nd</sup> February 2009. The land acquisition is for the purpose of upgrading and widening of Jalan Sungai Tembaga.

The registered owner of the land is Timmy Sdn. Bhd and the land was leased to Petronas Dagangan for a period of 60 years starting on 10<sup>th</sup> September 2003 and expiring on 9<sup>th</sup> September 2063. The leaseholder of the land (Petronas Dagangan) decided to appoint you as their valuer regarding their claims of compensation for the compulsory land acquisition.

During site inspections the following information were collected:

- The whole lot will be affected by the acquisition exercise.
- The lot is fronting Jalan Sungai Tembaga, flat at road level.
- The building found on the subject lot is petrol station building constructed in 1995 with accommodation for sales area, manager's office, lubrication bay, canopy with 5 pump islands, NGV pump station, ramp, 5 underground tanks with capacity of 6,000 gallons each and a TNB substation. The building is of permanent construction with ceramic tiles and cement screed floor, aluminium and fibre acoustic ceiling and spandex roofing.
- The costs of constructing the petrol station from the building contract are as follows:

Building	-	RM713,289
Civil & External works	-	RM414,808
Mechanical & electrical works	-	RM76,100
- Recent transaction of petrol lands in the Petaling district recorded prices ranging between RM132.60 per sq. foot to RM163.40 per sq.foot.
- The profits of the station for the past three years are as follows:

Year	Profit (RM)
2007	404,822
2006	344308
2005	343981

The leaseholder (Petronas Dagangan) reckons that he has to move and relocate his business elsewhere. Due to the relocation he anticipated that he will lose one year's profit due to the

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waiting period for the construction of a new petrol station. He also expects a drop-in profits by 25% for about 2 years after the relocation.

Based on the available data provided, you are required to:

- (a) Appraise the adequate compensation that the leaseholder (Petronas Dagangan) may entitle to claim under the Land Acquisition Act 1960 (amended).  
(20 marks)
- (b) List any **FIVE (5)** factors affecting amount of adequate compensation claim for lot PT9099.  
(5 marks)

- END OF QUESTIONS -

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