

LAND ACQUISITION ACT

APPEALS BOARD

AB 2005.066

In the Matter of the Acquisition of Land at  
Lot U53296A of Mukim 5  
Block 445 Clementi Avenue 3 #01-149

Between

SK Properties Pte Ltd

... Appellant

And

Collector of Land Revenue

... Respondent

Mr Twang Kern Zern for Appellant  
Mr Kesavan Nair for Respondent

DECISION

The decision of this Board is:

(1) That the award of the Collector of Land Revenue ("Collector") of compensation in an amount of \$1 064 000 in respect of the land at Lot U53296A of Mukim 5 be increased to \$1 155 000;

And

(2) That the Collector pay to the appellant the balance of the award together with interest at 6% per year from the date of taking possession to the date of payment;

And

(3) That the deposit paid by the appellant be paid out to the appellant;

And

(4) That the costs of this appeal to the Board be paid by the Collector.

## BRIEF STATEMENT OF REASONS

The reasons for the Decision/Order are:

### *Appeal*

(1) On 2005 March 28 ("acquisition date") a notification No 733 was published in the *Gazette* under s 5 of the Land Acquisition Act ("s 5 declaration") declaring that the land at Lot U53296A of Mukim 5 was needed for a public purpose namely Selective En Bloc Redevelopment Scheme - Clementi Avenue 3 (Site 2). The appellant claims an interest in compensation on account of the acquisition and it is not disputed that it is a person interested.

(2) For the purpose of the inquiry held under s 10 the appellant submitted a claim to compensation of \$1 300 000. The Collector found that the market value of the acquired land as at the acquisition date was \$1 030 000 and he allowed \$34 000 for certain expenses. He took these into consideration and on 2005 October 21 he made an award of compensation in the amount of \$1 064 000. He awarded the whole of the compensation to the appellant.

(3) The appellant appeals against the award. In its petition of appeal the appellant says among other things that the Collector "failed to award compensation for [the acquired land] at its Open Market Value as at [the acquisition date]". It claims a range of amounts in the alternative from \$1 210 000 to \$1 400 000 together with "reasonable expenses" in each case but at the commencement of the hearing Mr Twang said that the appellant's claim to compensation was \$1 200 000 for market value under s 33(1)(a) and \$34 000 for reasonable expenses under s 33(1)(e).

### *Acquired Land*

(4) Clementi Town Centre is bounded on the North-East by Commonwealth Avenue West and on the North-West, West, South-West and South-East by Clementi Avenue 3. A bus interchange and an entrance to Clementi MRT Station are at the North and a cinema complex and a shopping mall are at the South-East. On the site in between are some 10 building blocks. Block 444 houses the Town Council Office and Block 448 is a market and food centre. Block 445 comprises an eating house at the North end, 2 adjacent shop units to its West at #01-139 and #01-141 both facing North and the Town Council Office, 2 adjacent shop units to the South at #01-143 and #01-145 both facing West, 6 adjacent shop units to the South-East at #01-147 to #01-157 all facing South-West, a shop unit at #01-159 next to a driveway into a car park further to the South-East, 5 adjacent shop units at #01-165 to #01-173 to the South-East after the driveway, an eating house at the South-East end and walk-up residential apartments on the 3rd and 4th storeys above the shop units and the driveway. Block 445 is next to Clementi Avenue 3.

(5) All the shop units are on the 1st storey with walk-up living quarters on the second storey and all the living quarters are accessible only from the respective shop units. Each shop unit together with the living quarters accessible from it is comprised in a single and exclusive strata lot and in this decision all references to the shop units

include the living quarters in each case. Lot U53296A which is referred to in the s 5 declaration comprises the shop unit at #01-149.

(6) Clementi Town Centre is an HDB development and the appellant is the proprietor of a leasehold estate for a term of 84 years from 1995 January 1 in the shop unit at #01-149 under registered lease number I/HB 67187B ("Lease I/HB 67187B"). HDB is the lessor. As at the acquisition date and continuing through the date of the hearing of this appeal #01-149 was occupied by a tenant whose term will expire sometime in 2006 April. The appellant became the landlord by succession. The Selective En Bloc Resettlement Scheme is an HDB scheme and it is HDB that has the conduct of these proceedings in the acquisition and this appeal. In these circumstances it is not in dispute that for the purpose of this appeal the acquired land is the whole of Lease I/HB 67187B for Lot U53296A and does not include the interest of the lessor HDB or that of the lessee's tenant and in this decision it will be referred to as "Lease I/HB 67187B" or "Lot U53296A" or "#01-149" or as the "acquired land".

### *Compensation*

(7) Section 33 of the Act provides:

(1) In determining the amount of compensation to be awarded for land acquired under this Act, the Board shall ... take into consideration the following matters and no others:

(a) the market value -

(i) ...

(C) as at 1st January 1995 in respect of land acquired on or after 27th September 1995;

(ii) as at the date of publication of the notification under section 3(1) if the notification is, within 6 months from the date of its publication, followed by a declaration under section 5 in respect of the same land or part thereof; or

(iii) as at the date of publication of the declaration made under section 5,

whichever is the lowest;

...

(e) if, in consequence of the acquisition, [the person interested] is compelled to change his residence or place of business, the reasonable expenses, if any, incidental to that change ....

No notification under s 3(1) was published and it is not in dispute that the market value was the lowest as at the acquisition date and it is the market value as at this date which is to be taken into consideration.

### *Petition of Appeal*

(8) The petition states:

Grounds of Appeal:

(ii) The Collector failed to award compensation for the acquired property at its Open Market Value as at 28 March 2005 (See "ANNEX A" attached).

and other grounds on which no submission has been made to this Board by counsel but notwithstanding that no submission has been made it has to be said that in the decision of this Board there is no merit in any of these other grounds. "Annex A" is a reference to a valuation report which Mr Twang said he was no longer relying on as the valuer who made that report was not called and he did not testify. As noted above the appellant also claims that reasonable expenses should be taken into consideration under s 33(1)(e). Mr Nair agrees the expenses at \$34 000 although the appellant had no place of business at #01-149 when the award was made or at the date of the hearing.

*Person Interested*

(9) As at the acquisition date the proprietor of the leasehold estate in the acquired land under Lease I/HB 67187B was not the appellant. The proprietor was Chong Siaw Ree. She was served with the notice of intended acquisition under s 8 but she did not make any claim to compensation. The appellant held an option dated 2005 May 30 granted by Chong Siaw Ree to buy the acquired land for \$1 630 000 and on or about June 28 it gave notice of its interest and as noted above it submitted a claim to compensation of \$1 300 000. The sale upon the exercise of the option was subject to:

(1) the written approval from the HDB and such terms and conditions as the HDB may impose from time to time at its absolute discretion;

...

(5) the compensation awarded by HDB to the Vendor under the Selective En Bloc Redevelopment Scheme is to be transferred to the Purchaser; and

(6) the Vendor completing the necessary forms from the HDB to elect to buy a replacement shop of 30 year lease offered by the HDB at the Clementi Town Centre, upon receipt of a notification from the HDB.

The acquisition date as noted above was 2005 March 28 and the option was granted after that date and after the appellant had communicated with HDB. In due course the option was exercised and the approval of HDB was obtained and the sale was completed by transfer dated 2005 September 14.

(10) As noted above it is not in dispute that the appellant is a person interested and Mr Nair made no submission as to the appellant's right to compensation or to bring this appeal. Mr Nair was instructed by HDB which has conduct of the proceedings for the acquisition and this appeal and he confirmed that this decision would not

affect any terms relating to the Selective En Bloc Resettlement Scheme acquisition. HDB was aware of the conditions of the sale and of its completion.

### *Appellant's Case*

(11) Mr Twang submitted that the appellant was entitled to compensation and to bring this appeal. He referred to the definition of "person interested" in s 2 which provides:-

(1) In this Act, unless the context otherwise requires -

"person interested" includes every person claiming an interest in compensation to be made on account of the acquisition of land under this Act, but does not include a tenant by the month or at will or a statutory tenant under the Control of Rent Act.

His case is that the appellant was not any one of the excluded persons in the definition and it has claimed and continues to claim an interest in compensation. The appellant is a person interested which is aggrieved by the award of the Collector and in accordance with s 23(1) it is entitled to bring this appeal.

(12) He referred to "*Compulsory Land Acquisition in Singapore*" by Lim Chin Joo in (1968) 10 Mal LR 1 at p 13 which has this statement:

Section 2 defines "persons interested" as including "every person claiming an interest in compensation to be made on account of the acquisition of land under this Act, but does not include a tenant by the month or at will". Literally, it would thus appear to include any person claiming an interest in the compensation to be made so long as he is not a tenant by the month or at will, whether the claim be valid or not.

Nothing in this statement or the rest of the 1968 article takes the argument beyond the words of the definition. Mr Twang then referred to p 10 where there is this further statement:

... there is no time limit within which a person interested must put forward his claim. Can a claim made after the enquiry has been completed be entertained? Judicial decision in India would seem to consider it a duty of the Collector to admit claims or supplementary claims made at any time before the making of the award and claims so made are proper.

The claim of the appellant was made in the course of the inquiry and before the award was made.

(13) Finally Mr Twang referred to *Sheriffa Taibah bte Abdul Rahman v Lim Kim Som* [1992] 2 SLR 516 at p 536 where Michael Hwang JC cited this passage from Aggarwala, *Compulsory Acquisition Of Land In India* (6th Ed) at pp 721, 722:

In *FC Galstaun v Secretary of State* (1905) 10 CWN 195, in which the owner at the date of the declaration had after that date executed to the claimant an indenture conveying all interests, the objection that the latter had no locus standi

was overruled and it was held that he was, as a person interested, entitled to dispute the valuation by reference.

The same passage appears at p 760 of the 7th Edition (Reprinted 1999). *Sheriffa Taibah bte Abdul Rahman* was appealed to the Court of Appeal (see *Lim Kim Som v Sheriffa Taibah bte Abdul Rahman* [1994] 1 SLR 393) but this point did not arise on the appeal.

#### *Board's Decision*

(14) When a notification has been published in the Gazette under s 5 that the President has declared any particular land to be required for a public purpose such as the Selective En Bloc Resettlement Scheme in this case the Collector will be directed to take proceedings for the acquisition of the land. He gives notice of the intended acquisition under s 8. The notice must be served on *all persons known or believed to be interested in the land*. See subsection (2). The notice requires *all persons interested in the land* to appear before the Collector on a day fixed by him and state the nature of their respective interests in the land and the amount and particulars of their *claims to compensation for those interests*. See para (b) of subsection (3)

(15) On the day fixed the Collector proceeds with an inquiry under s 10. He inquires into the value of the land. He inquires into the respective interests of the persons claiming the compensation. At the conclusion of the inquiry he makes an award of the compensation which in his opinion should be allowed for the land. See para (b) of sub-section (1). In determining the amount of compensation the Collector must take into consideration the matters mentioned in s 33 and must not take into consideration the matters mentioned in s 34. See s 15.

(16) Where the Collector has information of persons known to be interested in the land or believed to be so interested or of their claims to compensation whether or not any of these persons has appeared before him he must make an award of the apportionment of the compensation among such persons. See para (c) of subsection (1). The *compensation* to be apportioned is the *compensation allowed for the acquisition of the land*. He may award the whole of the compensation to one or to another or partly to one and partly to another or others.

(17) *Person interested* as defined in s 2 may appear to be wide enough to include *any person* (other than the excluded persons) but the qualification is that such person makes a claim and the claim must be in respect of *compensation to be made on account of acquisition of land* under the Act. Having regard to the terms of the s 8 notice, the duties of the Collector under s 10, the matters to be taken into consideration and the general scheme of compensation for the acquisition of land under the Act it appears to this Board that the *compensation to be made on account of the acquisition* in the s 2 definition of *person interested* means and refers to the *compensation allowed for the land* at the conclusion of the inquiry as comprised in an award that is made or which ought to be made under s 10.

(18) In the present case the Collector served the s 8 notice on the acquisition date or shortly after and he served it on Chong Siaw Ree as she was the proprietor as

known to the Collector then. In the course of the inquiry under s 10 the Collector was informed of the appellant's interest and of its claim to compensation. The appellant claimed as the successor in title to the whole of Chong Siaw Ree's interest in the acquired land. Chong Siaw Ree herself made no claim to compensation. She had sold the whole of her interest in the acquired land to the appellant and the sale included "the compensation awarded by HDB to the Vendor under the Selective En Bloc Resettlement Scheme". There can be no doubt that in this context "the compensation awarded by HDB" was a reference to the compensation awarded by the Collector on whose behalf HDB had the conduct of the proceedings for the acquisition. HDB has given its approval to the sale.

(19) The appellant was at the conclusion of the s 10 inquiry a person interested in the acquired land and in the compensation to be made on account of the acquisition of the acquired land and in the decision of this Board the Collector was right and in the circumstances obliged to award the whole of the compensation to the appellant.

(20) Any *person interested* who is aggrieved by an award made under s 10 may appeal to the Board. See s 23(1). In the decision of this Board the appellant is in the circumstances of this case such a person and is entitled to bring this appeal. Reference may be made to the passage in Aggarwala, *Compulsory Acquisition Of Land In India* (7th Ed Reprinted 1999) at p 760 referred to above. It may be mentioned for completeness that in determining the amount of compensation the Board must take into consideration the matters mentioned in s 33 and must not take into consideration the matters mentioned in s 34. See ss 33, 34. These are the same matters which the Collector must and must not take into consideration.

### *Market Value*

#### *Appellant's Valuation*

(21) Ms Chia Yoh Ching Selina of Collier's International Consultancy & Valuation (Singapore) Pte Ltd testified for the appellant. She said in her report dated 2005 December 27 that she adopted the direct comparison method of valuation and determined the market value on the basis of the existing use. At the hearing she referred to the following 4 transactions.

<i>Address (All in Clementi Avenue 3)</i>	<i>Strata Floor Area (sm)</i>	<i>Price (\$)</i>	<i>Floor Area Rate (\$/sm)</i>	<i>Contract Date</i>
1 BI 443 #01-65/67/69	461	5 825 000	12 636	2005 Jan
2 BI 442 #01-111	149	2 650 000	17 785	2005 May
3 BI 449 #01-257	149	2 800 000	18 792	2005 Apr
4 BI 449 #01-255	150	2 800 000	18 667	2004 Jan

(22) She said under cross examination that transaction 1 comprised 3 transfers 1 in respect of each lot for each unit and all 3 transfers disclosed the same vendor, the same purchaser and the same dates of transfer. She did not say so but an

inspection of the registered leases and transfers produced would reveal that there were identical features in the mortgage, solicitors' certificates, dates of lodgment of transfer and mortgage and of caveats before transfer and before mortgage.

(23) Ms Chia made the following adjustments.

<i>Transaction</i>	<i>Location</i>	<i>Adjustment for Block Discount</i>	<i>Adjusted Floor Area Rate (\$/sm)</i>	<i>Adjusted Price (\$)</i>
1 #01-65/67/69	-45%	+5%	7 581	1 129 620
2 #01-111	-50%	0	8 893	1 325 000
3 #01-257	-50%	0	9 396	1 400 000
4 #01-255	-50%	0	9 333	1 390 667

She said she compared the average transacted price of each unit in transaction 1 with the price of the other transactions and as it was substantially lower she expected that "a block discount would reasonably have been given". Under cross examination she admitted that she had no information that such discount was in fact given. She said the market practice was to allow an adjustment of +5% to +10%. She allowed +5%.

(24) She said that based on her observation the human traffic flow in the vicinity of #01-149 was about 33% that in the vicinity of #01-65/67/69 but as #01-65/67/69 was just next to the bus interchange some part of the traffic flow would be "due to a transit crowd commuting to different destinations which tends [to] be very high at certain times of day". She took into consideration that #01-65/67/69 were let to a supermarket and a bakery at a rent of about \$10 000/month for each unit while #01-149 (the acquired land) was let at about \$6 000/month. She adopted an adjustment of -45% for location. #01-111 in Block 442 and #01-257 #01-255 in Block 449 are in what she called the focal point of the Town Centre and she adopted an adjustment of -50% for location. She agreed under cross examination that Block 449 was in prime location at the heart of the Town Centre.

(25) The average adjusted price for transactions 1 and 4 would be about \$1 260 000. Ms Chia rounded that down and concluded that the market value of the acquired land at #01-149 as at the acquisition date was \$1 200 000. Under cross examination she said she did not take transactions 2 and 3 into consideration for this purpose as they were done after the acquisition date.

#### *Collector's Valuation*

(26) Mr Yeo Wei Sin of First Appraisal Pte Ltd testified for the Collector. He said in his report dated 2005 August 31 that he adopted the comparable sales method. He referred to the following transactions.

<i>Block</i>	<i>Street (Clementi)</i>	<i>Unit No</i>	<i>Trading Area (sm)</i>	<i>Strata Area (sm)</i>	<i>Price (\$)</i>	<i>Transfer Date</i>
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1	443	Avenue 3	#01-65	72	155	1 950 000	2005 Mar 16
2	443	Avenue 3	#01-67	72	155	1 950 000	2005 Mar 16
3	443	Avenue 3	#01-69	68	151	1 925 000	2005 Mar 16

He said in his affidavit:

In arriving at my valuation we have first determined the value of shop with best location in Block 445 and adjusted this value to get the value of the other shops in the block. In this case #01-139 has the best location.

He relied on his observations of the human traffic flow in concluding that #01-139 had the best location. The whole of Block 445 including #01-149 was affected by the s 5 declaration for compulsory acquisition under the Selective En Bloc Redevelopment Scheme and with respect to the shop units Mr Yeo's approach was to determine the market value of the unit with the best location from an analysis of the 3 transactions referred to and adjust down for the market value of #01-149 (and of all other shop units). He identified #01-139 as the unit with the best location.

(27) The 3 transactions referred to by Mr Yeo are the same transactions referred to by Ms Chia except that they are shown separately. He said that he was aware the seller and the buyer and the transaction dates in each case were the same but he saw no reason to make any adjustment as the prices for each unit were different. That is not quite right and he corrected himself by saying that the sales were recorded separately. In answer to the Board he said he did not think they could be recorded as one in any event as there were 3 registered leases.

(28) Under cross examination Mr Yeo said that if it was a block sale then it should be treated as a single sale of 3 units for \$5 825 000 but he saw no reason to believe it should be treated as a block sale. He was taken through the lodgment of the caveat by the buyer and of the transfer to it, the stamping of the transfer and the certificates of the solicitors in each case and he agreed that the lodgment and stamping dates and the dates of the certificates were the same and the same solicitors signed the certificates in all the 3 cases but he did not agree that the 3 units were the subject matter of one single transaction. He said 3 transfers were registered with one price for each unit. He made no inquiries of the buyer or the seller or HDB or anyone else although he thought he should have. He also thought the question of making adjustments might arise. He agreed that in a block sale the transacted price could be lower and that the market practice was to allow an adjustment of +5% to +10% as Ms Chia said.

(29) Mr Yeo was referred to the #01-111, #01-257 and #01-255 transactions referred to by Ms Chia (transactions 2, 3 and 4 in her evidence). He said he was not aware of transactions 2 and 3 but he had the data for the #01-255 transaction. He would not consider this a comparable because of differences of time and location. He agreed with the Board that an adjustment could be made for location and he knew of no intervening event which might affect the price. He would still not consider it and he would not consider it even if the #01-65/67/69 transactions were in reality one single transaction in a block sale.

(30) For the purpose of making adjustments for location to determine the market value of #01-139 Mr Yeo attributed part of the price in each of the 3 transactions to the living quarters and the rest to the shop. He said the living quarters were equivalent to a 3 Room New Generation (Modified) HDB apartment and he attributed \$200 000 of the price to it. From the remaining part of the price he derived an average trading area rate of \$24 659/sm. He applied this to the trading area of #01-139 of 68sm and made an adjustment of -40% for an adjusted value of \$1 006 082. He then added back the living quarters part of the price of \$200 000 for a value of \$1 206 082 which he rounded up to \$1 210 000 for the market value of #01-139. He made an adjustment of -15% to derive a value of \$1 028 500 which he rounded up to \$1 030 000 for the market value of #01-149 as at the acquisition date.

#### *Board's Decision*

##### *(1) #01-255 Transaction*

(31) Both Ms Chia and Mr Yeo adopted the same method of valuation. She called it the direct comparison method and he called it the comparable sales method. They were both drawing an inference as to the probable price or market value from past transactions. In this method it is at least desirable that there should be a useful number of suitably qualified transactions from which an inference can be drawn. Both agree that the #01-65/67/69 transaction or transactions are suitably qualified and subject to adjustments for location and in Ms Chia's opinion for block sale as well they are comparable.

(32) Ms Chia regarded the #01-255 transaction as comparable subject to an adjustment for location. Mr Yeo disregarded it on account of time and location. The transaction was done in 2004 January. There was no significant movement in prices between then and the acquisition date. Ms Chia made no adjustment for time and this was not disputed. Mr Yeo knew of no event that had occurred in that period that might have affected prices. In the decision of this Board the objection for time is not well founded.

(33) Although Mr Yeo disregarded this transaction for location he did agree that an adjustment could be made for it. He would allow -60%. Ms Chia allowed -50%. Where the level of adjustment is so high a question must arise as to whether the transaction is suitably qualified for any inference to be drawn. No evidence of past transactions has been adduced to support this or any level of adjustment for location except what will be referred to later as regards the rent but it is difficult to ignore the #01-255 transaction altogether. Both Ms Chia and Mr Yeo relied on the #01-65/67/69 transactions. They accepted them as comparable with appropriate adjustments. #01-65/67/69, #01-255 and #01-149 (the acquired land) are all shop units in Clementi Town Centre and all are close to each other. In the circumstances of this case and on the evidence this Board finds that the #01-255 transaction is comparable with an appropriate adjustment for location.

##### *(2) Adjustment for Location*

###### *(a) #01-65/67/69*

(34) Ms Chia allowed -45%. Mr Yeo found a market value of \$1 030 000 for #01-149 and he did this by attributing part of the price to the living quarters before making an adjustment to determine the market value of #01-139 and then adjusting down to determine the market value. In effect he was adjusting the average transacted price by about -45.3% for location for a direct comparison with #01-149. Both of them relied on observations of human traffic and neither of them referred to any market data. The difficulty with reliance on human traffic is that it is a function of the uses to which the properties in the locality including the acquired land are put and the uses may change. Ms Chia also referred to the "transit" element in the human traffic in the vicinity of #01-65/67/69 but this is not a sufficient reason to disregard the higher traffic count as a measure of the quality of its location.

(35) #01-65/67/69 were let at an average of about \$10 000/m for each unit. Both Ms Chia and Mr Yeo thought that this was low but they have not given evidence of rental transactions for shop units in Clementi Town Centre other than #01-65/67/69 and #01-149. Ms Chia thought the market rent should be \$11 000/m to \$12 000/m. Mr Yeo said \$12 000/m to \$15 000/m. He referred to the asking rent for part of a shop unit but that is not evidence of the market rent of a shop unit. #01-149 was let at \$6 300/m. Mr Yeo thought the market rent should be only \$5 000/m. He had made no inquiries even of the rent actually paid by the tenant. The rent payable under a lease would generally reflect the market rent at the time the lease is negotiated but there is no evidence as to the negotiation or commencement of the leases in this case except that the tenant of #01-149 had been there since 2002. Nevertheless it is clear that there is a substantial difference in rent and this difference provides a useful guide.

(36) It is inappropriate to make an adjustment of only the trading area part without the living quarters of #01-65/67/69 on an assumed transacted price and while it was not unreasonable in the circumstances of Mr Yeo's instructions for a comparison to be made first with #01-139 an adjustment for the purpose of this appeal should be made for a direct comparison of the #01-65/67/69 transactions with #01-149. On the evidence this Board finds that the adjustment for location should be -45%.

(b) #01-255

(37) Ms Chia allowed -50%. Mr Yeo disregarded this transaction altogether and did not say what adjustment would be appropriate in his earlier evidence. As noted above he agreed that an adjustment could be made and later he provided an analysis in which he adopted an adjustment of -60%. For the #01-65/67/69 transaction Ms Chia allowed -45% and Mr Yeo effectively allowed -45.3% and there is no doubt that both of them considered the location of #01-255 to be superior. In the decision of this Board the appropriate adjustment should be -60%.

(3) *Adjustment for Block Sale*

#01-65/67/69

(38) Ms Chia allowed +5% for block sale. Mr Yeo made no allowance for this. He noted the similarities but he saw no reason for any allowance. The evidence points

to the same buyer having bought 3 adjacent shop units at the same time from the same seller. Even the caveat before transfer in all 3 cases was by the same instrument of caveat IA/7293Q and the caveat before mortgage in all 3 cases was by the same instrument of caveat IA/47201W. Clearly the question of making an adjustment would have arisen and inquiries should have been made. Mr Yeo himself thought so too but he made no inquiries. His client HDB would have been able to provide useful information but this information is not before this Board. If it was a block sale he agreed that an adjustment of +5% to +10% was the market practice.

(39) On the evidence this Board finds that this was the case of the same buyer buying 3 adjacent units at the same time from the same seller in a single transaction or a block sale by a single seller to a single buyer. Both Ms Chia and Mr Yeo agreed that the market practice was to allow an adjustment of +5% to +10% for a block sale and in the circumstances this Board would allow an adjustment of +5% as Ms Chia did.

(40) The comparables and the adjustments allowed may be summarised in the table below.

<i>Unit</i>	<i>Price (\$)</i>	<i>Strata Floor Area (sm)</i>	<i>Floor Area Rate (\$/sm)</i>	<i>Adjustment</i>	<i>Adjusted Floor Area Rate (\$/sm)</i>
1 #01-65 /67 /69	5 825 000	461	12 636	Location -45% Block Sale +5% ----- -40%	7 581
2 #01-255	2 800 000	150	18 667	Location -60%	7 467

This gives an average Adjusted Floor Area Rate of about \$7 524/sm which when applied to the strata floor area of #01-149 of 149sm gives a value of about \$1 121 000.

(7) *Market Value*

(41) On the evidence this Board finds:

- (a) that the market value of the acquired land as at the acquisition date was \$1 121 000; and
- (b) that this does not exceed the existing use price or the Development Baseline use price within the meaning of s 33(5)(e).

*Expenses*

(42) The Collector has not taken possession of the acquired land yet and it continues to be occupied by the tenant as his place of business. When his term expires he may continue in possession or the appellant may take possession and occupy it as a place of business or let it to another tenant. At some future date when the Collector decides to take possession the occupier at that point in time will be compelled to change his place of business. He will be compelled to do so in consequence of the acquisition and there will be expenses incidental to such change.

(43) The Collector has taken the expenses (as well as the market value of the acquired land) into consideration and he has made an award of the compensation which in his opinion should be allowed for the acquired land. He has also made an award of the apportionment of the compensation among all the persons known or believed to be interested. Only the appellant has come forward as a person interested and the Collector has awarded the whole of the compensation to it. The compensation includes expenses which the Collector has taken into consideration under s 33(1)(e) and in this appeal he has agreed such expenses at \$34 000.

#### *Award*

(44) Taking into consideration the market value of the acquired land as at the acquisition date under s 33(1)(a) and reasonable expenses incidental to the change of place of business under s 33(1)(e) this Board determines that the amount of compensation to be awarded for the acquired land is \$1 155 000. This exceeds the amount of the Collector's award and this Board orders that the Collector pay the excess together with interest at the rate of 6% per year from the date of taking possession to the date of payment.

#### *Costs*

(45) For the purpose of the inquiry held under s 10 the appellant made a claim of \$1 300 000. This exceeds the amount awarded by this Board by less than 20% and s 32(4) does not apply. In the premises the costs of this appeal shall be paid by the Collector in accordance with s 32(2).

Dated 2006 March 30

Commissioner of Appeals T Q Lim SC  
Assessor Wong Chak Wai  
Assessor Teo Pin