

LAND ACQUISITION ACT

APPEALS BOARD

AB 2008.002

In the Matter of the Acquisition of Land at
Strata Lot U55233M of Mukim 5
Block 7 Teban Gardens Road #04-42

Between

Tan Lean Lee
Ng Ah Ewu

... Appellants

And

Collector of Land Revenue

... Respondent

Appellants in person
Mr Abdul Rashid Gani 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 \$320 800 in respect of the land at Strata Lot U55233M of Mukim 5 be increased to \$325 800;

And

(2) That the Collector pay to the appellants 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 there be no order as to costs;

And

(4) That the deposit paid by the appellants be paid out to the Collector for the account of the appellants.

BRIEF STATEMENT OF REASONS

The reasons for the Decision/Order are:

Appeal

(1) On 2007 July 12 ("acquisition date") a notification No 2159 was published in the *Gazette* under s 5 of the Land Acquisition Act ("s 5 declaration") declaring that "the pieces of land situated in Mukim 5 ... more particularly described in the Schedule" were needed for a public purpose namely "Selective En Bloc Redevelopment Scheme – Teban Gardens Road" ("SERS-TGR"). The Schedule included the land described as:

<i>LOT NO</i>	<i>MK/TS</i>	<i>AREA IN SQ M</i>		<i>OWNER</i>
3432L	MK 5	1 061.8		HDB
<i>Strata Lot</i>	<i>Name of Lessee</i>	<i>Chargee</i>	<i>Mortgagee</i>	<i>Caveator</i>
...				
U55233M	[Appellants]	CPF Board	HDB	-

(2) The Collector took proceedings for the acquisition of Strata Lot U55233M ("acquired land") and pursuant to the Collector's notice under s 8 and for the purpose of the inquiry held under s 10 the appellants made a claim to compensation of \$480 000. The Collector found that the market value of the acquired land as at the acquisition date was \$315 000 and he allowed \$5 800 for certain expenses. He took these into consideration and on 2008 April 1 he made an award of compensation in the amount of \$320 800. The second appellant is the wife of the first appellant and it was not disputed that they were the only persons interested (apart from the Chargee and the Mortgagee whose claims were not disclosed to this Board) and the Collector awarded the whole of the compensation to them subject to such claims.

(3) The appellants appeal against the award of the Collector. The petition of appeal does not disclose the amount of the compensation claimed but in his affidavit lodged for the hearing the first appellant Tan Lean Lee claims \$370 000 for market value of the acquired land and \$5 800 for reasonable expenses for a total of \$375 800.

Acquired Land

(4) The land affected by SERS-TGR comprises 10 blocks of residential apartments at Blocks 2 to 11 (consecutive) Teban Gardens Road ("SERS-TGR blocks") and ancillary services all of which were developed by JTC about 30 years ago. The land is bounded on the East by Jurong Town Hall Road, on the South and West by Teban Gardens Road ("TGR") and on the North by some vacant land abutting Ayer Rajah Expressway and Teban Gardens Crescent. The acquired land is a fourth storey apartment located at Block 7 TGR #04-42 ("7 TGR #04-42").

(5) From the documents before this Board it appears that a typical storey of Block 7 TGR originally comprised 4 in-line pairs of adjoining 3-room apartments with 2 middle pairs of 77sm apartments and 2 end pairs of 74sm apartments. The apartments are served by 2 lift columns one between the original first and second pairs of apartments and the other between the original third and fourth pairs of apartments but lift service is not available at every storey. The lift stops at the fourth storey (and also at the first, seventh, tenth and thirteenth storeys) only. It also appears that in Block 7 one of the end pairs of 3-room apartments of 74sm each on the fourth storey which would have been #04-42 and #04-45 had some time before 2000 June 6 been amalgamated as one apartment #04-42 of 148sm by demolition of the party walls. HDB now classifies #04-42 as a 5-room adjoining-improved flat. This is the acquired land 7 TGR #04-42.

(6) 7 TGR #04-42 is comprised in a lease for Strata Lot U55233M for a leasehold estate of 99 years expiring on 2076 December 31. HDB is the lessor and the appellants are the lessees as buyers who had registered with HDB their purchase transaction on 2000 June 6. Block 7 lies wholly within Lot 3432L. SERS-TGR is an HDB scheme and it is HDB that has the conduct of these proceedings in the acquisition and in this appeal. In these circumstances it is not in dispute that for the purpose of this appeal the acquired land is the whole of the Lease for Strata Lot U55233M and does not include the interest of the lessor HDB or of any other person. It is also not in dispute that SERS-TGR in its implementation includes certain benefits to the appellants and that these benefits are not affected by this appeal or this decision.

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) where the date of acquisition of the land is on or after 12th February 2007, the market value of the acquired land -

(i) 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

(ii) as at the date of publication of the declaration made under section 5, in any other case;

...

(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

...

(5) For the purposes of subsection (1)(a) -

...

(e) the market value of the acquired land shall be deemed not to exceed the price which a bona fide purchaser might reasonably be willing to pay, after taking into account the zoning and density requirements and any other restrictions imposed by or under the Planning Act (Cap. 232) as at the date of acquisition and any restrictive covenants in the title of the acquired land, and no account shall be taken of any potential value of the land for any other use more intensive than that permitted by or under the Planning Act as at the date of acquisition.

The date of acquisition is the acquisition date (see s 33(6)) and there is no evidence that any notification under s 3(1) was published and accordingly it is the market value of the acquired land as at the acquisition date which is to be taken into consideration.

Petition of Appeal

(8) In their petition of appeal the appellants say:

1 The Award is inadequate.

The appellants also say that they have incurred certain expenses and suffered certain losses and they claim compensation for such expenses and losses.

Market Value

Appellants' Case

(9) Mr Tan in his affidavit referred to the report of Ms Tay Bee Choo of Chambers Valuers & Property Consultants Pte Ltd in which she said that the "value" of the acquired land as at 2008 September 3 was \$365 000. She also said that her company had been "assigned by HDB to prepare the valuation report" and that it was prepared for Mr Tan. Mr Tan said in his affidavit:

6 I have obtained a HDB Mortgage Valuation Report which valued [the acquired land at] \$365,000 as at 3 September 2008. I understand that HDB Mortgage Valuations are usually substantially below market value. I therefore verily believe that the Collector's valuation of \$315,000 is inadequate. A copy of the said Report is annexed and marked "TLL-1".

TLL-1 is a copy of Ms Tay's report. Ms Tay did not testify but the Collector quite properly did not oppose the admission of her report. Ms Tay also said in her report that the valuation was made for the purpose of obtaining a mortgage loan and withdrawal of CPF monies for purchase of an HDB flat. However Mr Tan did not say what the market value as at the acquisition date would be on the basis of Ms Tay's valuation other than that it would be more than \$315 000 and he did not adduce any evidence to relate the "value" as at 2008 September 3 to the market value as at the acquisition date.

(10) Mr Wong Yick Ming a director of Bernard Valuers & Real Estate Consultants Pte Ltd testified for the Appellants. He referred to his report dated 2008 December 19 in which he said that the market value of the acquired land as at the acquisition date was \$370 000. As noted above the acquired land was formed by the amalgamation of a pair of 3-room apartments of 74sm each into a 5-room adjoining-improved flat. Mr Wong said in his report:

The subject flat is a unique property and there is a dearth of direct comparables at the material date for a reliable application of the market comparison method of valuation.

To the best of our knowledge, there were only five such 5-room (Adjoining-Improved) flats sold in the neighbourhood over the period 1997 to 2001.

It was not in dispute that there were only 5 transactions of 5-room adjoining-improved flats in TGR during that period and there was no evidence that there were any such transactions after 2001. Table 1 below gives particulars of these 5 transactions.

Table 1

	<i>Block</i>	<i>Unit</i>	<i>Price (\$)</i>	<i>Date</i>	<i>Area (sm)</i>
1	3	#09-17	244 000	2001 Apr 17	148
2	40	#04-340	300 000	2000 Apr 13	148
3	7	#04-42	295 000	2000 Jun 6	148
4	6	#11-36	348 000	1999 Sep 30	154
5	36	#07-291	375 000	1997 May 1	154

#3 in Table 1 is the appellants' purchase transaction of the acquired land and the date is the date when the transaction was registered with HDB as in all other cases.

(11) Mr Wong said he observed that the prices of the 5 transactions were more than twice the price of 3-room flats. He identified 5 sets of transactions of 3-room flats in TGR at approximately corresponding dates. Tables 2 to 6 below give particulars of these transactions. #1 in each of the 5 tables is the corresponding 5-room adjoining-improved flat transaction.

Table 2

	<i>Block</i>	<i>Unit</i>	<i>Price (\$)</i>	<i>Date</i>	<i>Area (sm)</i>
1	3	#09-17	244 000	2001 Apr 17	148
2	6	#04-40	107 000	2001 Mar 27	74
3	34	#07-273	110 000	2001 Mar 27	74
4	34	#05-278	112 000	2001 Apr 2	74
5	34	#01-279	98 000	2001 Apr 9	74
6	35	#11-284	120 000	2001 Apr 11	74
7	35	#14-282	108 000	2001 Apr 12	77
8	6	#13-39	110 000	2001 Apr 20	74
9	33	#14-269	119 000	2001 Apr 26	77

Table 3

	<i>Block</i>	<i>Unit</i>	<i>Price</i> (\$)	<i>Date</i>	<i>Area</i> (sm)
1	7	#04-42	295 000	2000 Jun 6	148
2	11	#09-71	115 000	2000 May 22	74
3	7	#11-45	133 000	2000 May 22	74
4	10	#10-68	123 000	2000 May 24	74
5	34	#08-278	128 000	2000 May 24	74
6	3	#02-15	114 000	2000 May 25	77
7	10	#02-70	120 000	2000 May 29	77
8	36	#10-294	130 000	2000 Jun 6	74
9	2	#05-09	119 000	2000 Jun 12	77

Table 4

	<i>Block</i>	<i>Unit</i>	<i>Price</i> (\$)	<i>Date</i>	<i>Area</i> (sm)
1	40	#04-340	300 000	2000 Apr 13	148
2	33	#01-269	123 000	2000 Mar 23	77
3	2	#10-10	126 000	2000 Mar 29	74
4	6	#12-36	127 000	2000 Mar 31	77
5	40	#11-338	131 000	2000 Apr 4	74
6	5	#03-28	125 000	2000 Apr 12	77
7	36	#08-294	134 000	2000 Apr 14	74
8	33	#03-270	121 000	2000 Apr 20	74

Table 5

	<i>Block</i>	<i>Unit</i>	<i>Price</i> (\$)	<i>Date</i>	<i>Area</i> (sm)
1	6	#11-36	348 000	1999 Sep 30	154
2	6	#02-35	110 000	1999 Sep 7	77
3	10	#12-67	121 000	1999 Sep 13	77
4	36	#08-296	130 000	1999 Sep 22	77
5	36	#12-291	123 000	1999 Sep 23	77
6	36	#06-291	106 000	1999 Sep 27	77
7	40	#09-342	123 000	1999 Oct 6	77
8	7	#13-43	140 000	1999 Oct 7	77

Table 6

	<i>Block</i>	<i>Unit</i>	<i>Price</i> (\$)	<i>Date</i>	<i>Area</i> (sm)
1	36	#07-291	375 000	1997 May 1	154
2	34	#13-278	178 000	1997 Apr 1	74
3	36	#06-296	175 000	1997 Apr 1	77
4	3	#14-21	175 000	1997 Apr 1	77
5	2	#01-07	158 000	1997 Apr 1	77
6	6	#13-34	180 000	1997 Apr 1	74
7	6	#11-38	158 000	1997 May 1	77

He said in his report:

Our analysis of the historical ratio of the sale price of a 5-room Adjoining flat to that of a 3-room flat range from 2.03 to 3.16. Ignoring the higher and lower ratios at the extreme, a narrower band of ratios from 2.28 to 2.39 were adopted.

He adopted a ratio of 2.3 notwithstanding what he said.

(12) It was not immediately apparent how he arrived at a ratio of 2.3 and under cross examination he explained that first he worked out the ratios of the price of the 5-room adjoining-improved flats (#1 in each of Tables 2 to 6) to the price of each of the 3-room flats in the respective tables. Next he identified the lowest and the highest ratios in each of the tables. They were, according to him, in Table 2, 2.03 (lowest) and 2.28 (highest); in Table 3, 2.22 and 2.59; in Table 4, 2.29 and 2.48; in Table 5, 2.49 and 3.16; and in Table 6, 2.08 and 2.37. There were obvious errors and he admitted to having made them. Nevertheless from these 10 ratios he eliminated the lowest 4 and the highest 4 and he was left with 2.29 and 2.37 and not a "band of ratios from 2.28 to 2.39" as he said in his report. As noted above he adopted the ratio of 2.3. The errors were, in this case, not really material.

(13) Mr Wong said in his report that there was only one transaction of a 3-room flat in the SERS-TGR blocks close to the acquisition date. His intention was to find the market value of such a flat and to multiply it by the ratio of 2.3 to derive the market value of the acquired land 7 TGR #04-42. He identified 8 other transactions close to the acquisition date of 3-room flats in Blocks 33, 34, 35 and 36 TGR. These Blocks were not affected by SERS-TGR but he said that they were of similar design and age to the SERS-TGR blocks. Table 7 below gives particulars of these transactions.

Table 7

	<i>Block</i>	<i>Unit</i>	<i>Price (\$)</i>	<i>Date</i>	<i>Area (sm)</i>
1	35	#05-284	168 000	2007 Aug 28	74
2	34	#08-275	200 000	2007 Aug 15	77
3	33	#13-265	159 500	2007 Aug 1	74
4	36	#11-294	162 000	2007 Jul 19	74
5	34	#08-273	162 000	2007 Jul 17	74
6	36	#09-294	146 000	2007 Jun 27	74
7	2	#03-12	132 000	2007 May 23	77
8	34	#12-276	164 000	2007 May 9	74
9	34	#12-280	161 000	2007 May 7	77

Under cross examination Mr Wong explained that from these 9 transactions he excluded #7 because the transacted price seemed to him to be "extremely low" but he did not find out why it was so. Of the remaining 8 he eliminated the 3 lowest and the 3 highest transacted prices and he was left with 2 transactions at \$162 000. He rounded that down to \$160 000 for the market value of a 3-room flat at TGR as at the acquisition date. He concluded that the market value of the acquired land as at the acquisition date was 2.3 x \$160 000 or \$368 000 which he rounded up to \$370 000.

Respondent's Case

(14) Mr Lee Zee Ming the Chairman and Managing Director of Prosperco International Property Consultants Pte Ltd testified for the Collector. He said in his report dated 2007 November 15 that he used the comparable sales method in which

a comparison is made with sales of similar properties in the vicinity and in other locations and their differences in location, floor area, storey level, age, condition, date of sale, etc., are taken into account before arriving at the value of the subject property.

He referred to 4 transactions as sales comparables. Particulars of these transactions are given in Table 8 below.

Table 8

	Blk/St	Unit No	Type/ Model	Area (sm)	Lease Com	Reg Date	Tr Price (\$)	Area Rate (\$/sm)
1	4	#17-23	5 Std	125	1978	2006	262 000	2 096.00
		TGR			Jan 1	Dec 14		
2	401	#17-02	5 Std	117	1979	2007	265 000	2 264.96
		PGR			Oct 1	Jun 12		
3	706	#04-367	5 Adj-NG	136	1980	2006	322 800	2 373.53
		CWS2			Jul 1	Sep 11		
4	523	#05-703	5 Adj-Imp	129	1987	2007	299 000	2 317.83
		BBS52			May 1	Apr 10		

Lease Com = Commencement date of Lease;

Reg Date = Date of registration with HDB;

Tr Price = Transacted Price;

TGR = Teban Gardens Road;

PGR = Pandan Gardens Road;

CWS2 = Clementi West Street 2;

BBS52 = Bukit Batok Street 52.

(15) The report did not disclose his analysis but he produced it at the hearing. He made the following adjustments for transaction #1:

Table 8.1

Block 4 TGR #17-23

Type/Model = 5 Std; Floor Area = 125sm; Reg Date = 2006 Dec 14

Transacted price		\$262 000
Floor height difference @ \$750/floor	(\$9 750)	\$252 250
Time & price movement difference		
	4th Qtr 2006	103.6
	3rd Qtr 2007	115.1
	x 1.1110	\$ 280 250.72
Price per Sqm		\$2 242.01/sm
Size difference @ 95%		\$2 129.91/sm

The adjustment for time was made by reference to the Resale Price Index published by HDB. He also made adjustments in respect of the other transactions which would have resulted in a floor area rate of \$2 189.47/sm, \$2 145.61/sm and \$2 052.63/sm for #2, #3 and #4. He said:

On balance, it's better that we adopt \$2129.91/sqm as our rate for valuation, since this sale was for a 5 Room flat in Teban Gardens Rd and in terms of lease commencement date & date of transaction, they are closer to that of [7 TGR #04-42].

He concluded that the market value of the acquired land as at the acquisition date was 148sm x \$2 129.91/sm or \$315 226.68 (say) \$315 000.

Board's Decision

Market Value

(16) To determine the market value of 7 TGR #04-42 as at the acquisition date Mr Wong found the ratio of transacted prices of comparable flats to transacted prices of 3-room flats at corresponding dates between 1997 and 2001 and applied the ratio to the market value of 3-room flats as at the acquisition date. The difficulty in his way is that this method is only reliable if the probable buyer of 7 TGR #04-42 as at the acquisition date would reasonably be willing to pay a price that reflected the same ratio to the market value of a 3-room flat as the buyer of a comparable flat did between 1997 and 2001. The further difficulty is that from the transactions observed by him there was no single ratio but a range of ratios from a low of 2.03 to a high of 3.16.

(17) Since 2001 3-room flats in TGR have continued to be bought and sold. Not so the 5-room adjoining-improved flats in TGR. For more than 6 years there has been no transaction in such flats. There is no evidence that owners were willing to sell or that they were not. There is no evidence that buyers could be found for such flats or that they could not. In the intervening years the market for 3-room flats might have changed as might the market for 5-room adjoining-improved flats if there was such a market. The transacted prices for 3-room flats have changed. The motivations of the probable buyer of 5-room adjoining-improved flats relevant to price as at the acquisition date and of the buyers in the past might be quite different. On the evidence before this Board there is no basis for Mr Wong to conclude or assume or for this Board to find that as at the acquisition date the probable buyer would be willing to pay a price for 7 TGR #04-42 that reflected a ratio of 2.3 or any other ratio to the market value of a 3-room flat in TGR. In this Board's view the market value of 7 TGR #04-42 cannot be determined in the way Mr Wong has done it in this case.

(18) There are other difficulties in Mr Wong's way even if the market value can be determined in the way it has been done. The flats in all the transactions in Table 7 (other than #7 which he had excluded) were in Blocks 33, 34, 35 and 36 TGR and under cross examination he said he was aware that they were upgraded flats in non SERS-TGR blocks. He said that the flats in those non SERS-TGR blocks were comparable to those in the SERS-TGR blocks. He explained that the main effect of the upgrading was to retrofit the lifts so that they stopped at every floor. 7 TGR #04-42 was also on a lift landing floor and in effect there would not be much

difference. He did not think he would make any adjustment for the difference as it would be arbitrary. He did not think he would be able to identify transactions to determine the adjustment to make.

(19) Mr Wong was referred to a printout from the website of West Coast-Ayer Rajah Town Council containing a report of the Interim Upgrading Programme ("IUP") completion ceremony held on 2004 November 21. Blocks 33, 34, 35 and 36 TGR were selected for IUP and according to the report "the residents had voted overwhelmingly – over 90% - for IUP in 2001". The report carried a list of improvements completed. The improvements were:

In the precinct:

- Precinct pavilion
- Covered walkways linking block to block and bus-stop to nearest block
- Multi-purpose activity court
- Children's playground
- Landmark structure
- Hardcourt with seating

In the blocks:

- Re-painting
- Full lift upgrading
- Upgrading of lift lobbies
- Anti-junk-mail letterboxes
- New illuminated block signs

He did not dispute these improvements but he was unable to say how much effect they would have on the market value. He said there would be a "minor upward effect".

(20) The upgrading works were completed in 2004 at a cost of \$3 000 000 according to the report. The report also stated that the upgrading benefited "over 420 households" (or "over 400 households" in another report). That could work out to a cost of more than \$7 000 per household. The upgrading was not only to do with retrofitting the lifts so that they served every floor. The covered walkways would provide a substantial benefit to residents and visitors alike and taking into consideration the upgrading works as a whole it is difficult to see how the flats in SERS-TGR blocks can be comparable to the upgraded flats or comparable without adjustments for the upgrading. Even Mr Wong admitted to a "minor upward effect" due to the upgrading. In the view of this Board it is not safe to rely on the transactions in Table 7 to determine the market value of a 3-room flat in a SERS-TGR block as at the acquisition date.

(21) Mr Wong was referred to a list of 16 transactions of 3-room flats in TGR registered with HDB between 2007 January 8 and the acquisition date. Table 9 below gives particulars of these transactions.

Table 9

<i>Block</i>	<i>Unit No</i>	<i>Price (\$)</i>	<i>Date</i>	<i>Floor Area (sm)</i>
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1	11	#06-76	128 000	2007 Jan 8	74
2	11	#11-78	146 000	2007 Jan 19	77
3	2	#12-08	136 000	2007 Feb 8	74
4	5	#07-30	127 000	2007 Feb 9	77
5	5	#08-27	127 000	2007 Mar 29	77
6	3	#09-16	137 000	2007 Apr 5	77
7	6	#14-41	138 000	2007 Apr 26	77
8	7	#02-47	125 000	2007 May 17	74
9	2	#03-12	132 000	2007 May 23	77
10	3	#12-21	150 000	2007 May 23	77
11	7	#03-43	130 000	2007 Jun 11	77
12	2	#03-06	138 000	2007 Jun 11	77
13	10	#06-70	138 000	2007 Jun 25	77
14	6	#08-41	173 000	2007 Jun 29	77
15	10	#10-69	150 000	2007 Jul 10	74
16	10	#07-64	147 000	2007 Jul 12	77

#9 in Table 9 is the transaction #7 in Table 7 above excluded by Mr Wong. All the flats were in SERS-TGR blocks and 2 of them were in Block 7. The average of the transacted prices was \$138 875. Mr Wong said he would not take the average but would instead take the median. He would also consider only the transactions registered between 2007 June 11 and July 12 (#11 and #16) and not before that. He said the flats in #12 and #14 were not on floors with lift service and excluding these the remaining transacted prices were \$130 000 (#11), \$138 000 (#13), \$150 000 (#15) and \$147 000 (#16). In this case he would take the average of \$138 000 and \$147 000 or \$142 500. Having regard to the evidence he would now say that the market value of a 3-room flat in a SERS-TGR block as at the acquisition date was \$142 500. That on his analysis will give a market value of \$327 750 for 7 TGR #04-42 as at the acquisition date.

(22) Mr Wong would not consider the transactions registered before 2007 June. He said that the transaction date was likely to be earlier than the registration date. It could be one or two months earlier. In 2007 prices changed rapidly. He could not say what the trend was between January and July but prices in July should be higher. 2007 was, as he described it, "crazy". The HDB Resale Price Index (4Q98 = 100) for 2006/2007 shows a substantial rise from 103.6 (4Q06) to 104.9 (1Q07), to 108 (2Q07), to 115.1 (3Q07) and to 121.7 (4Q07) for the fourth quarter of 2006 to the whole of 2007 with a quarter-on-quarter change of 1.3% (4Q06 to 1Q07), 3% (1Q07 to 2Q07), 6.6% (2Q07 to 3Q07) and 5.7% (3Q07 to 4Q07).

(23) In his comparable sales method Mr Lee referred to 4 transactions in Table 8 above but he adopted only the floor area rate found on his analysis of transaction #1 (unit in TGR) in Table 8.1 above. His analyses of the other 3 transactions are set out below.

Table 8.2

Block 401 PGR #17-02

Type/Model = 5 Std; Floor Area = 117sm; Reg Date = 2007 Jun 12

Transacted price		\$265 000
Floor height difference @ \$750/floor	(\$9 750)	\$255 250
Time & price movement difference		

	2nd Qtr 2007	108.0	
	3rd Qtr 2007	115.1	
		x 1.0657	\$272 030.32
Lease commencement date difference		0.875%	(\$2 380.27)
			\$269 650.06
Price per Sqm			\$2 304.70/sm
Size difference		95%	\$2 189.47/sm

Table 8.3

Block 706 CWS2 #04-367

Type/Model = 5 Adj-NG; Floor Area = 136sm; Reg Date = 2006 Sep 11

Transacted price			\$322 800
Location difference		15%	(\$48 420)
			\$274 380
Time & price movement	3rd Qtr 2006	102.6	
	3rd Qtr 2007	115.1	
		x 1.1218	\$307 808.36
Lease commencement date difference		1.250%	(\$3 847.50)
			\$303 960.76
Price per Sqm			\$2 235.01/sm
Size difference		96%	\$2 145.61/sm

Table 8.4

Block 523 BBS52 #05-703

Type/Model = 5 Adj-Imp; Floor Area = 129sm; Ref Date = 2007 Apr 10

Transacted price			\$299 000
Floor height difference @\$750/floor		(\$750)	
Location difference @ 8%		(\$23 920)	(\$24 670)
			\$274 330
Time & price movement	2nd Qtr 2007	108	
	3rd Qtr 2007	115.1	
		x 1.0657	\$292 364.66
Lease commencement date difference		4.665%	(\$13 638.81)
			\$278 725.85
Price per Sqm			\$2 160.67/sm
Size difference		95%	\$2 052.63/sm

These adjustments were put to Mr Wong and it is convenient to set out his position on the adjustments in Table 10 below.

Table 10

	<i>TGR</i>	<i>PGR</i>	<i>CWS2</i>	<i>BBS52</i>
<i>Floor height</i>	(\$9 750) agreed but not \$750/fl	(\$9 750) agreed but not \$750/fl	Not agreed Would say no difference	Not agreed Would say no difference
<i>Location</i>	Agreed no difference	Agreed no difference	Not agreed Would agree 10%	Not agreed Would say no difference
<i>Time & price</i>	x 1.1110 agreed	x 1.0657 agreed	x 1.1218 agreed	x 1.0657 agreed

<i>movement</i>	Would say not more than 15%			
<i>Lease Com date</i>	Agreed no difference	0.875% agreed	1.250% agreed	4.665% agreed
<i>Size</i>	Not agreed	Not agreed	Not agreed	Not agreed

As regards adjustment for time Mr Wong agreed the methodology adopted but he pointed out that the Resale Price Index was derived from all HDB transactions and he would prefer if there had been an index for specific locations. As can be seen in Table 10 he agreed the adjustments.

(24) As regards adjustment for size Mr Wong said there should be no difference in these cases. It is not likely that he meant to say that the transacted price (as opposed to the floor area rate) of the 117sm PGR unit after the agreed adjustments would represent the market value of 7 TGR #04-42 of 148sm. It could be that he meant that the floor area rate derived from the 117sm unit transaction could be applied to the 148sm acquired land without adjustment for size. These are residential units and not surprisingly there is no evidence to support such an opinion and this Board is unable to accept it. In its view an adjustment should be made for floor area rates derived from transactions of units ranging from 117sm to 136sm before the rates are applied to the 148sm acquired land. What adjustment to be made should be derived from an analysis of comparable transactions. No such analysis has been produced but Mr Lee has given the adjustments in his analyses in Tables 8.1, 8.2, 8.3 and 8.4 and this Board sees no reason not to accept them.

(25) Mr Lee said he adopted the floor area rate derived from the TGR transaction and his reasons have been noted above. This was a 5-room flat in an HDB point block in TGR. 7 TGR #04-42 is a 5-room adjoining-improved flat also in TGR. As noted above there is no evidence before this Board of a market for any 5-room adjoining-improved flat in TGR in the 6 years down to the acquisition date but it does not follow that no buyer could be found for it if such a property was exposed for sale on the usual terms. The probable buyer could be a buyer or a probable buyer of a 5-room flat in a comparable HDB estate. On the evidence this Board is satisfied that in the circumstances of this case the TGR transaction is a comparable transaction subject to the adjustments made by Mr Lee. He has found an adjusted floor area rate of \$2 129.91/sm which translates to a market value of the acquired land as at the acquisition date of about \$315 225.

(26) Mr Lee also analysed the PGR transaction. Block 401 PGR is in an HDB estate of about the same size as that in TGR and is only walking distance away on the other side of Jurong Town Hall Road. Mr Lee made no adjustment for location and Mr Wong agreed with him. The PGR unit is also a 5-room flat like the TGR unit. The lease commencement date is only 1y 9m later than that of the TGR unit. The transaction was registered with HDB on 2007 June 12 which is even closer to the acquisition date than that of the TGR transaction and prices were rising in 2007 especially from the second quarter as noted above. All the reasons given by Mr Lee for adopting the TGR transaction appear to apply just as well to the PGR transaction and this Board sees no reason not to adopt the PGR transaction as well. This Board would also adopt the adjustments made by Mr Lee. Here he has found an adjusted

floor area rate of \$2 189.47/sm which translates to a market value of the acquired land as at the acquisition date of about \$324 042.

(27) There remain 2 other transactions analysed by Mr Lee. CWS2 is in a higher priced location and Mr Lee allowed an adjustment of -15% for location. Mr Wong would agree to only -10%. The lease commenced later and Mr Wong would agree the adjustment for this difference. He did not raise the question of the transaction registration date of 2006 September 11 although he would agree the adjustment for time. This Board agrees with Mr Lee that in the circumstances the CWS2 transaction should not be adopted. Mr Lee regarded BBS52 as being in a higher priced location and he allowed an adjustment of -8% but Mr Wong did not think so. He would not agree to any adjustment for location. Here again this Board agrees with Mr Lee that in the circumstances the BBS52 transaction should not be adopted.

(28) Having regard to the evidence before this Board and to the TGR and the PGR transactions analysed in Tables 8.1 and 8.2 above this Board finds that the market value of the acquired land as at the acquisition date was \$320 000 and this does not exceed the buyer's price for the purpose of s 33(5)(e).

Expenses

(29) The appellants claim \$5 800 for reasonable expenses as noted above and the Collector has agreed this amount for expenses under s 33(1)(e) and this Board finds accordingly.

Award

(30) Taking into consideration the market value of the acquired land as at the acquisition date of \$320 000 and the expenses under s 33(1)(e) of \$5 800 this Board determines that the compensation to be awarded for the acquired land is \$325 800 and orders accordingly.

Costs

(31) Pursuant to the Collector's notice given under s 8 and for the purpose of the inquiry held under s 10 the appellants made a claim to compensation of \$480 000. This exceeds the amount awarded by this Board by more than 20% and in accordance with s 32(4) they will not be entitled to their costs.

Dated 2009 March 18

Commissioner of Appeals T Q Lim SC
Assessor Associate Professor Lim Lan Yuan
Assessor Chua Koon Hoe

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