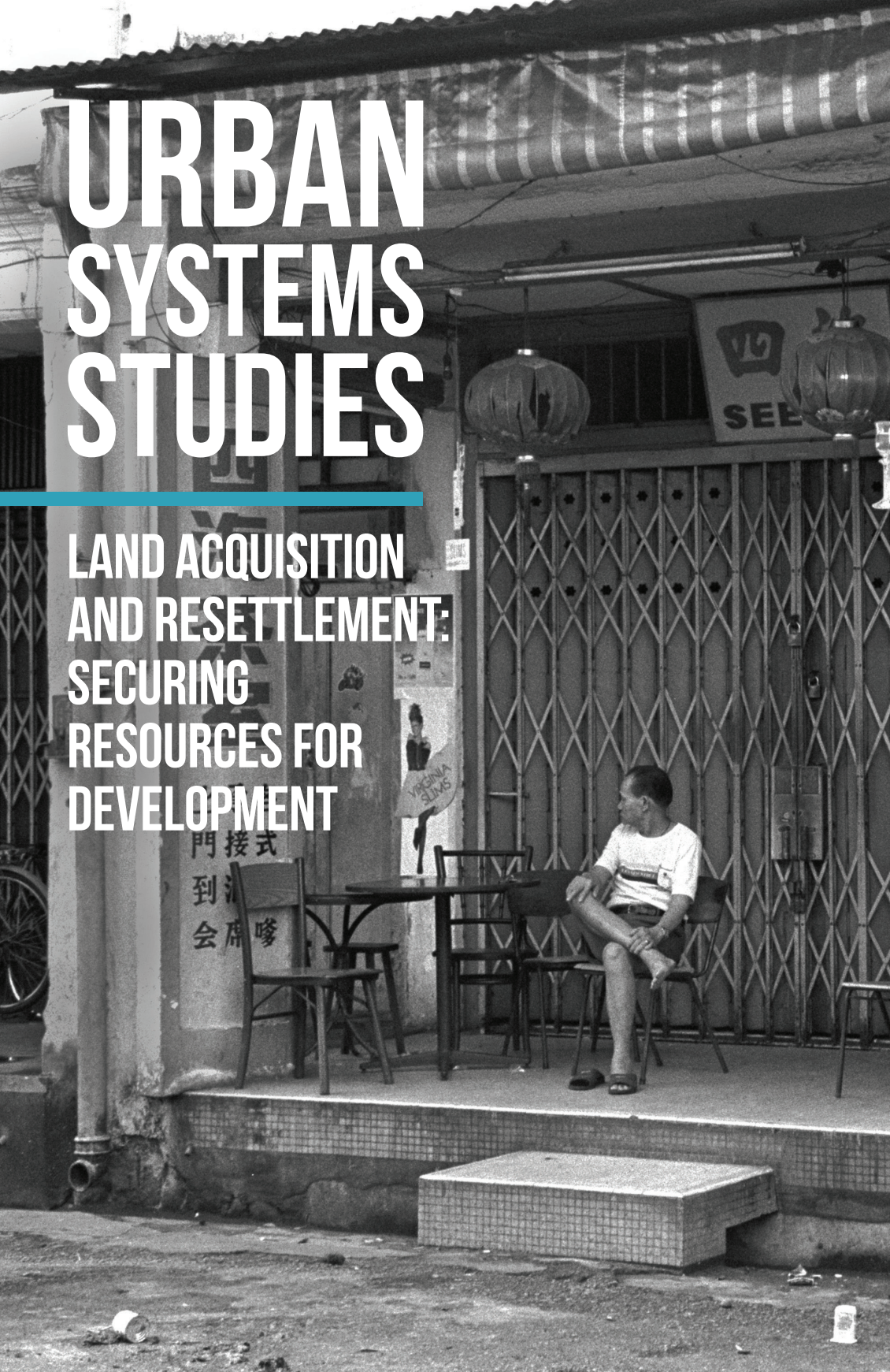


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URBAN SYSTEMS STUDIES

LAND ACQUISITION AND RESETTLEMENT: SECURING RESOURCES FOR DEVELOPMENT

CENTRE for
LiveableCities
SINGAPORE

First Edition, Singapore, 2014

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Cover photo:

See Hai Coffeeshop at Malabar Street, 1980s, Singapore. Photo courtesy of the National Archives of Singapore

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FOREWORD

It is often said, and rightly so, that medium- to long-term land use planning is one of the key success factors for any city or country, especially in densely populated urban areas. Organised and sensible planning creates a conducive environment for economic growth and national development.

A complementary observation is that effective land use also depends on the fundamental rules and institutions that shape a government's ability to effectively manage the ownership and use of scarce land. It is challenging to translate even the best planning visions into concrete reality. No country's development starts from a pristine blank slate, and land use intentions mean little if they cannot be implemented.

In the 20th century, the reassignment of land ownership and control was often necessary to untangle historical and colonial legacies, and achieve development goals in newly independent states. Likewise, land acquisition and resettlement played a critical role in Singapore's development. Today, Singapore is one of the most densely populated countries in the world, with a population of about 5.3 million people on a land area of just over 700 square kilometres. The urgent task of developing this fledgling nation with meagre land and financial resources at its disposal necessitated tough decisions for the ultimate pursuit of the public good.

While protracted legal challenges and mass protests hindered the process of compulsory land acquisition and resettlement in many other countries, Singapore avoided the worst of these negative outcomes. For instance, the mandate of the government to acquire private land with payment of market value compensation is fully and meticulously defined in legislation, and translated into detailed administrative protocols for execution by specifically gazetted public agencies with multiple safeguards against abuse or corruption.

Land Acquisition and Resettlement: Securing Resources for Development takes a broad look at the context, rationale, evolution and consequences of Singapore's compulsory land acquisition framework – from our past as a British colony, to the cosmopolitan and globalised city-state of today. It examines how the nature and scale of land acquisition and resettlement have changed to meet our key developmental priorities and challenges. For instance, in the early decades of self-government and independence, close coordination between land acquisition and the prompt resettlement of squatters and other occupants was essential not only to improve public health and sanitation, but also to secure broad-based public support by providing rapid and demonstrable improvements in standards of living. Over the years, amendments to the basis of compensation served alongside a rigorous and robust compensation appeals process to mitigate the impact on those affected. More recently, closer coordination between land planning, land administration and user agencies has also ensured that land is made available in a timely manner to achieve specific planning and transport developments to firmly secure Singapore for its next stage of growth. As the government agency responsible for administering the Land Acquisition Act (Cap 152), the Singapore Land Authority (SLA) plays an integral role in this process. As with their predecessors in the Land Office, SLA officers continue to navigate the challenges and complexities of land acquisition in collaboration with colleagues from other public agencies.

Drawing upon published research and new interviews, *Land Acquisition and Resettlement: Securing Resources for Development* illustrates how the hard choices made by Singapore over land acquisition and resettlement were not simply the inevitable product of geography and destiny, but of conscious efforts to define and execute a long-term development vision.

Vincent Hoong
Chief Executive
Singapore Land Authority

PREFACE

The Centre for Liveable Cities' (CLC) research in urban systems tries to unpack the systematic components that make up the city of Singapore, capturing knowledge not only within each of these systems, but also the threads that link these systems and how they make sense as a whole. The studies are scoped to venture deep into the key domain areas the CLC has identified under the CLC Liveability Framework, attempting to answer two key questions: how Singapore has transformed itself to a highly liveable city within the last four to five decades, and how Singapore can build on our urban development experience to create knowledge and urban solutions for current and future challenges relevant to Singapore and other cities through applied research. *Land Acquisition and Resettlement: Securing Resources for Development* is the latest publication from the Urban System Studies (USS).

The research process involves close and rigorous engagement of the CLC with our stakeholder agencies, and oral history interviews with Singapore's urban pioneers and leaders to gain insights into development processes and distil tacit knowledge that has been gleaned from planning and implementation, as well as governance of Singapore. As a body of knowledge, the Urban Systems Studies, which cover aspects such as water, transport, housing, industrial infrastructure and sustainable environment, reveal not only the visible outcomes of Singapore's development but also the complex support structures of our urban achievements.

CLC would like to thank the Singapore Land Authority and all those who have contributed their knowledge, expertise and time to make this publication possible. I wish you an enjoyable read.

Khoo Teng Chye
Executive Director
Centre for Liveable Cities

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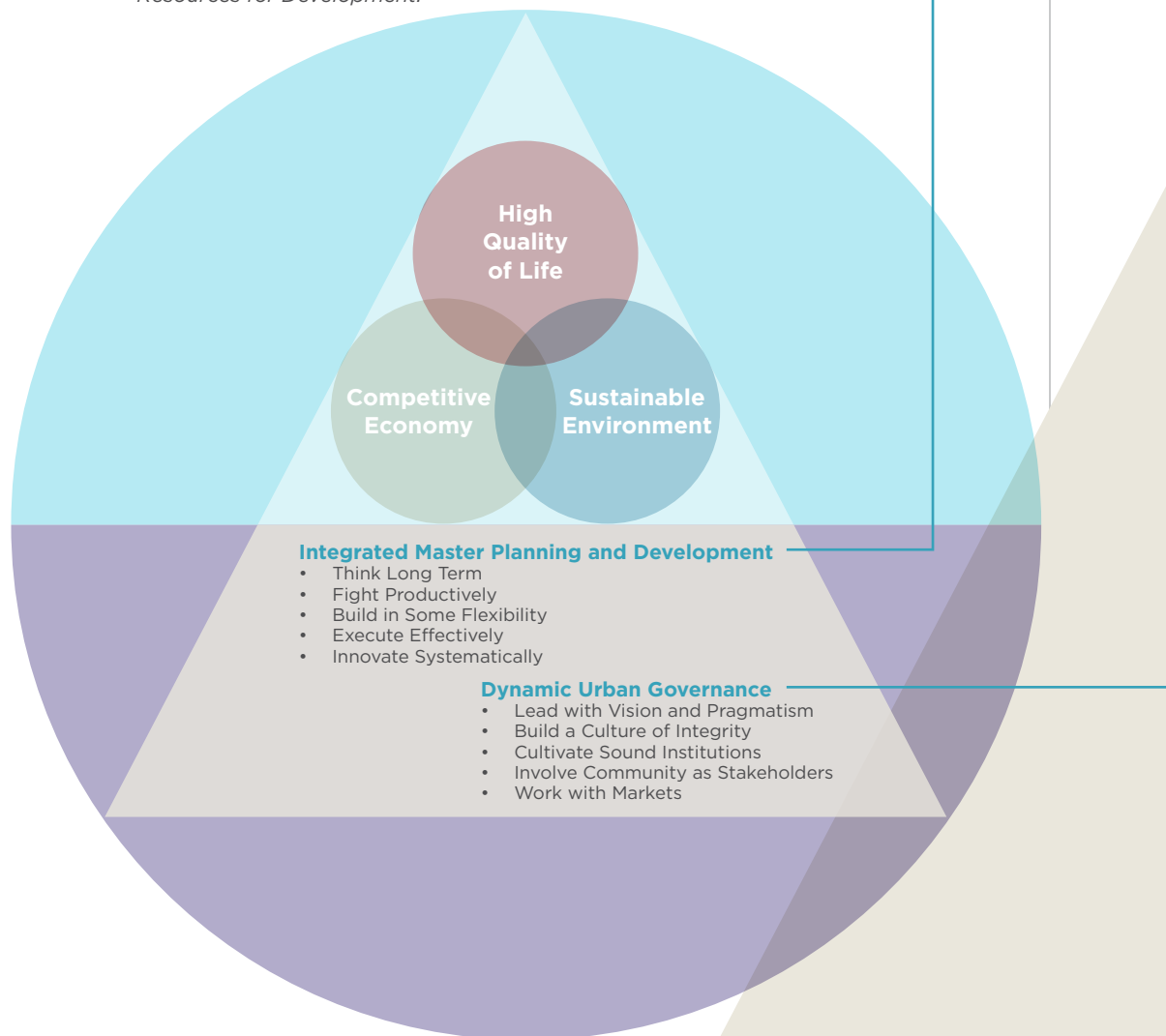
The Centre for Liveable Cities (CLC) gratefully acknowledges the assistance and advice of the following (in alphabetical order): Vincent Hoong, Kwek Sian Choo, Leung Yew Kwong, Liu Thai Ker, Neo Boon Siong, Ng Kok Ching, Tay Lee Koon, and Yap Chin Beng. CLC would also like to thank the Singapore Land Authority (SLA) for assistance provided in the preparation of this book.

Wu Wei Neng, the researcher, would like to thank the following people for their help and invaluable advice: Sharon Ong Su Min, Julian Goh, Mayers Ng.

THE CLC LIVEABILITY FRAMEWORK

The CLC Liveability Framework is derived from Singapore's urban development experience and is a useful guide for developing sustainable and liveable cities.

The general principles under **Integrated Master Planning and Development** and **Dynamic Urban Governance** are reflected in the themes found in *Land Acquisition and Resettlement: Securing Resources for Development*.



Integrated Master Planning and Development

Think Long Term

The broad scope of the Land Acquisition Act was deliberate, allowing for the declaration itself to be conclusive and unreviewable in courts. This enabled the government to subsequently acquire land for nation building without going through unnecessary appeals and contestations.

(see The Land Acquisition Act, p. 5)

Execute Effectively

The speed and efficiency by which land could be acquired for economic development helped provide a key competitive advantage in the early years of development.

(see Other Forms of Acquisition and Resettlement, p. 27)

Dynamic Urban Governance

Work With Markets

The Land Acquisition Act's compensation formula was reviewed and pegged to market valuation of land, taking into account the potential of the acquired land.

(see Review of Compensation for Acquired Land, p. 23)

OVERVIEW

In 1960, 1.3 million people out of an estimated population of 1.89 million in Singapore were squatters or residents of slums. By 1985, Singapore had virtually no homeless people, no squatters, no ghettos, and no large ethnic enclaves. No other country or city can lay claim to this achievement. Singapore accomplished this largely through successful land acquisition and resettlement exercises carried out in the first few decades after independence.

Land is among a country's most critical resources. This is especially true for a small and densely populated city-state like Singapore. Many developing cities and countries draw up long-term land use plans, but few succeed in consistently implementing these plans. Singapore's long-term Concept and Master Plans are at the heart of our land use planning framework. It relies on effective policies that allow the state to acquire and control land where required for public benefit.

Conversely, governments may be in a better position to realise the overall net benefits to society from the zoning of polluting industrial activities away from heavily populated areas, and from the provision of socially-valued public amenities such as subway systems, parks and roads. As a nation develops and the population grows, there is value in the state facilitating the periodic intensification, redevelopment and renewal of land. In many cases, these tasks may require that the government relocate activities, amalgamate existing land parcels, or otherwise realign land use and ownership.

The pace, nature and primary purpose of land acquisition and resettlement in Singapore have evolved over the decades, in response to changing priorities and challenges. While compulsory acquisition and resettlement are often controversial and sometimes cause hardship to those affected, they have been core to the success of Singapore's national development over the decades.



Singapore's central area.

Development was aided by the broad terms of the Land Acquisition Act, resulting in today's vibrant city centre.

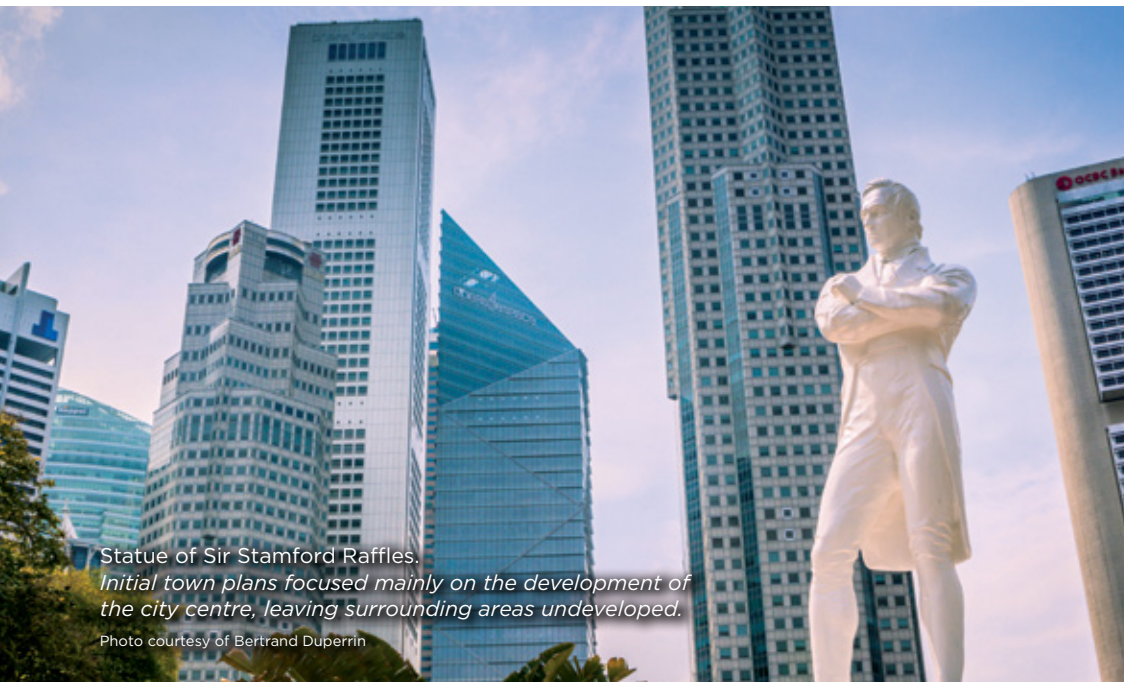
Photo from the Centre for Liveable Cities (CLC)

**THE
COLONIAL
LEGACY**

“ A chaotic and unwieldy megapolis has been created . . . by haphazard and unplanned growth.¹ ”

British Housing Committee report, 1948

From 1819 to the early 20th century, the British colonial authorities did not treat the provision of adequate accommodation for settlers as a priority. This *laissez-faire* approach did not cause any significant problems so long as the Town of Singapore and its adjacent lands – as laid out in Sir Stamford Raffles’ initial town plan – were capable of accommodating the various ethnic communities that had been attracted to the new port. However, in the late 19th century, the growing success of Singapore as a free trade port led to a steady inflow of Chinese, Malay, Indian, Bugis, Arab, Ceylonese and Jewish migrants. At this time, the island remained largely undeveloped apart from the central city area and its surrounding plantations.



Statue of Sir Stamford Raffles.
Initial town plans focused mainly on the development of the city centre, leaving surrounding areas undeveloped.

Photo courtesy of Bertrand Duperrin

By the 1920s, some individuals and corporations in Singapore owned significant tracts of land. Large plots ranging from eight to 200 hectares had been sold outside the city mostly for agricultural use,² while British private companies owned substantial tracts of land such as Bukit Sembawang Rubber Company Ltd with over 7,100 acres in 1922³. This trend, combined with rapid population growth and increasing land scarcity, led the Colonial Government to enact the Land Acquisition Ordinance in 1920, which was heavily influenced by the Indian Land Acquisition Act of 1894. This ordinance gave the government general powers to acquire private land for public purposes, and formed the core basis of compulsory acquisition law in Singapore. However, most of these acquisitions were for military or industrial purposes. Little land or financing was allocated to the construction of housing for the general population. This was to have severe consequences.

The years from 1911 to the First World War were a time of unprecedented economic prosperity for Singapore. Rapid immigration by settlers seeking opportunities led to housing shortages and the growth of city slums. The rising population soon began to spill over into informal squatter settlements on the city fringes comprised of semi-permanent tin, wood and atap dwellings. Diseases such as beriberi, tuberculosis, cholera and dysentery were endemic, caused by poor sanitation and overcrowding. A government report depicting the dreadful living conditions at the time led to the establishment of the Singapore Improvement Trust (SIT) in 1927. The SIT was tasked with public housing, land acquisition, road planning and the regulation of sanitary conditions. It began some preliminary slum clearance, but was, by most accounts, poorly resourced and hamstrung by its many decision-making committees.



Close up of squatter housing.
Living conditions were dismal and overcrowded, with high incidences of diseases.

Photo courtesy of the HDB

Exhibit 1: Population and Building Density in Early Singapore

Year	Population (City)	Dwellings	Building Density (Persons per Building)
1907	250,000	20,000	12.5
1931	567,000	37,000	15.3
1947	938,000 (700,000)	38,500	18.2

Source: *Colony of Singapore*, Report of the Housing Committee 1947; Master Plan 1955, cited in Yuen (2007).

In 1932, as the housing situation worsened, the SIT was given powers to construct its own buildings, and began to supply public housing in the 1930s and 1940s, beginning with Tiong Bahru estate. Tiong Bahru and other early SIT estates were based largely on British “New Towns” with their emphasis on small neighbourhoods, green spaces and maximum privacy between homes. While arguably pleasant, such a housing model could not cater for the scale of mass accommodation required.

The SIT’s meagre efforts were disrupted by the onset of World War II (WWII) in the Pacific. By 1942, an estimated 450,000 refugees from the Malay Peninsula had flooded into Singapore, seeking safety in the British fortress hailed as the “Gibraltar of the East” as the Japanese marched southwards. This further strained the inadequate supply of housing, leading to overcrowding, crime, disease and frequent outbreaks of fire. During the Japanese Occupation of Singapore from 1942 to 1945, hyperinflation due to the excessive issue of Japanese occupation-era currency (“banana notes”) caused the demand and prices of real assets such as property to rise sharply. By March 1945, shophouse prices had skyrocketed from \$6,000 to \$250,000, and people paid \$5,000 for a cubicle to sleep in. This excluded even more people from the housing market, who then turned to urban slums or squatting.⁴

In the immediate post-WWII years, Singapore had – according to a housing report by the British colonial government – one of the world’s worst slums, “a disgrace to a civilised community”. A British housing committee reported in 1948 that “the disease from which Singapore is suffering is Gigantism. A chaotic and unwieldy megapolis has been created ... by haphazard and unplanned growth.”⁵ An estimated 300,000 people lived in semi-permanent shelters in squatter areas with no sanitation, utilities or healthcare, and another 250,000 in rented partitioned cubicles in old shophouses within the city. Disease was common, and the death rate twice its pre-WWII level.

Efforts to ramp up the supply of public housing continued. Between 1947 and 1959, SIT and private developers built about 40,000 units to accommodate 1.5 million people. In 1959, despite these efforts, fewer than 10 percent of people in Singapore owned a home, and the housing shortfall was about 14,000 units per year. In its electoral platform, the People’s Action Party (PAP) had promised to build 10,000 units of low-cost housing annually in its first five-year programme. When the PAP government took office in 1959, its most urgent task was to fulfil this commitment. However, the task was daunting. Shophouses were being used as mass slums, land sites were fragmented and streets were narrow.

THE LAND ACQUISITION ACT



Raffles Place.

The development of Singapore's financial hub was made possible by effective land acquisition.

Photo from the Centre for Liveable Cities (CLC)

“ It would have been uneconomic and impossible to develop if we have had to acquire the property under the ordinary machinery of the Land Acquisition Ordinance.⁶

Lee Kuan Yew, First Prime Minister of Singapore, 1967

In many developing countries, “the implementation of state housing has often been hampered by the shortage or unavailability of land.”⁷ To address Singapore’s serious urban overcrowding and slum problem in the decades following World War II (WWII), the government needed a way to obtain the land required for comprehensive urban development at a manageable cost, given its limited funds.

Existing legislation was inadequate given the amount of land needed for housing and infrastructure. This land ordinance was amended following the election of David Marshall’s Labour Front Government in April 1955.⁸ The most important amendment allowed acquired land to be comprehensively redeveloped as new towns. This amendment also stabilised the cost of land for public purposes, by awarding compensation based on land prices as of 22 April 1955, for the succeeding five years..

In the few years after Singapore became a self-governing state in 1959, there were multiple, often heated, Parliamentary debates on the issue of land acquisition. At the heart of the debate was how to balance urgent national development needs with the right to private property and “adequate” compensation.

The new People’s Action Party (PAP) government enhanced the land acquisition regime through the 1961 fire-site provision, and the 1963 amendments to the Foreshores Act. Passed after the huge Bukit Ho Swee fire, the fire-site provision allowed the state to acquire land occupied by squatters that was recently cleared by natural disasters or calamities on an encumbered basis, as though squatters remained



on the land. This removed any incentive for unscrupulous landlords to use arson to clear squatters from their land, before claiming higher compensation or profit on their now-unencumbered land. The Foreshores Act allowed the state to acquire seafront land (e.g. for reclamation use), without taking into consideration the value of its seafront nature for compensation purposes. This allowed the construction of large-scale public housing such as Marine Parade on prime, reclaimed seafront land that, in many other countries, would have been exclusively owned by the wealthy.

New land acquisition legislation was proposed in 1964 by a select committee formed for this purpose, but little could be done until Singapore became independent a year later. Following intense debate and scrutiny in Parliament, the bill passed in late 1966, establishing the Land Acquisition Act (Cap 152), which repealed the older ordinance and took effect on 17 June 1967.

Broadly, the Land Acquisition Act (LAA) allowed the state to secure private land for public benefit, without excessive financial cost. Its four key features were: (1) the ability to acquire private land for an extremely broad variety of purposes, (2) the lack of any process for landowners to challenge the government's decision to acquire their land, (3) the below-market rate compensation paid to landowners, and (4) the establishment of an Appeals Board to adjudicate the amount of compensation paid. We will examine each of these in turn.

Section 5 of the LAA gave the state **broad powers to acquire land**, namely:

- 5(1) (a): for any public purpose;
- (b): by any person, corporation or statutory board, for any work or an undertaking which, in the opinion of the Minister, is of public benefit or of public utility or in the public interest;
- (c): for any residential, commercial or industrial purposes.

Ultimately, any private land held in any manner in Singapore may be acquired by the State under the LAA, if the conditions specified in the Act are met.

This broad scope was not by accident of history, but by Parliamentary design. When the draft 1966 Land Acquisition Bill was being considered by the Select Committee, the former Singapore Bar Committee proposed to add the words "of public benefit" to section 5(1)(c) to limit the potential for abuse of this very broad definition of acquisition. However, this suggestion was ultimately rejected.⁹

Ricquier states that "one striking feature of the acquisition process is the sweeping nature of the power of acquisition itself, virtually unreviewable in the courts."¹⁰ **Landowners cannot object to the government's decision** to acquire land on grounds that the government has misjudged the public interest, as the LAA provides for the declaration itself to be conclusive evidence that the land is needed for the purpose specified in the Gazette.

Lee Kuan Yew argued that the exigencies of national development required necessary infringements of the rights of property owners for the greater public good:

"It would have been uneconomic and impossible to develop if we have had to acquire the property under the ordinary machinery of the Land Acquisition Ordinance with a right of appeal in the case of every award contested, to the High Court, with two assessors who are both trained and accept, as part of their ethos, the right and sanctity of private property. This becomes all the more compelling when vast sums of public revenue are being spent on developing huge areas like Jurong, Toa Payoh, Bedok. The whole of the Bedok reclamation scheme, from Bedok right up to Tanjong Rhu, would not have been possible if the concept of private property and all the rules and regulations that have been elaborated over hundreds of years were complied with ..."



Toa Payoh central.

The development of such areas was aided by the Land Acquisition Ordinance set in 1920.

Photo from the Centre for Liveable Cities

The state pays **compensation** for all land acquired from landowners. The formula for calculating the compensation amount has evolved over the years. The 1966 Act determined compensation by taking the market value of the property, and discounting it through various conditions and exclusions. From 1973 to 2007, compensation was calculated based on either the market value at a specified historical date or the current market value, whichever was lower. From 2007 onwards, the state used current market value as the primary basis for compensation.

As discussed in Chapter 1, large plots of land in Singapore were owned by a few wealthy landowners and corporations. Therefore, the compensation formula within the 1966 LAA was consistent with the predominant assessment that a small number of wealthy landowners were making enormous profits without risk at the expense of society. In the 1950s, the government lacked both comprehensive zoning or planning regulations, and property market management levers meant that private landowners and developers could pursue profits recklessly by building haphazardly, and exploit speculative profits while inflicting negative externalities such as poor traffic flow on society. Members of Parliament (MPs) at the time referred contemptuously to them as “an iron ring of landlords and landowners”, and “the handful of rich landowners who do nothing but suck from the poor”, and “hold posterity up to highway robbery” through actions that are “disastrous to the community” and cause “chaos and financial difficulties”. In such a context, acquiring land from this group was seen by the majority in Parliament as fair.¹²

Accordingly, Lee explained in Parliament that one key principle of determining compensation for acquired land in Singapore is the prevention of economic windfalls to landowners:

“...when debating the question of increased land values and the cost of land acquisition, I stated two broad principles which would guide the Government in amending legislation on the acquisition of land, namely, first, that no private landowner should benefit from development which had taken place at public expense; and, secondly, that the price paid on the acquisition for public purposes should not be higher than what the land would have been worth had the Government not contemplated development generally in the area. I said then that I would introduce legislation which would also help to ensure that increases in land values, because of public development, should not benefit the landowner, but should benefit the community at large.”¹³

Given the central importance of this principle, it was difficult to make progress on the draft 1966 Land Acquisition Bill, which was in fact introduced in 1964, while Singapore remained part of the Federation of Malaysia. This was because the principles enunciated by then-PM Lee were arguably inconsistent with the Malaysian Constitution’s Article 13 on the right to adequate compensation in the event of compulsory acquisition. Upon gaining independence on 9 Aug 1965, Singapore’s Parliament adopted all the provisions of the Malaysian Constitution regarding fundamental rights, except for Article 13. This paved the way for the passage of the LAA.

In 1973, the concept of a statutory date of acquisition was introduced for the purposes of determining market value. This meant that when properties were acquired, compensation would be awarded using the estimated market value at the historical statutory date, rather than the current market value of the property. Recalling the reasons for his decision, Lee Kuan Yew wrote:

“Later, I further amended the law to give the government power to acquire land for public purposes at its value on a date then fixed at 30 November 1973. I saw no reason why private landowners should profit from an increase in land value brought about by economic development and the infrastructure paid for with public funds.”¹⁴

The 1966 LAA also departed significantly from existing legislation¹⁵ in that appeals regarding the Collector’s compensation awards were to be heard by an Appeals Board, an administrative tribunal established by the Act. Previously, such appeals were heard by a Judge of the High Court sitting with two qualified assessors.

In moving the second reading of the Bill, the Minister for Law and National Development, E.W. Barker, said:

“...[T]he move to take appeals away from the Courts and place them in the hands of an Appeals Board or tribunal is in conformity with prevailing trends elsewhere in the world of entrusting matters of specialist evaluation to administrative tribunals where persons with the requisite expertise can deal with issues involving subjects with which they are themselves familiar. Furthermore, procedures before such tribunals are less formal, less expensive, more expeditious and, perhaps, more satisfactory.”¹⁶

Barker further explained that:

“The intention was ...that any law providing for the compulsory acquisition of property shall be valid so long as that law provides for compensation and that such a law shall not be questioned in court as to the adequacy of the compensation. The new Land Acquisition Act, which has been passed by this House and will be brought into force shortly, provides for the setting up of a Land Appeals Board and it is not considered desirable that the intentions of that legislation should be stifled by landowners being able to raise constitutional issues when disputes over the quantum of compensation arise.”¹⁷

Once again, the design of the appeal process illustrates the determination of Singapore’s elected leaders to avoid endless litigation, and provide a strong legislative platform for the government to act in the interests of the public at large.¹⁸

The LAA does not prescribe any requirements in terms of legal or professional qualifications for the Commissioner and Deputy Commissioner of the Appeals Board. It has been argued that this could result in inexperienced or politically-linked appointments to these important posts. However, Barker assured the Assembly that the appointees would “have the status of High Court Judges, will be persons who are either legally qualified or have considerable experience in land administration and other matters”, and that the panel of assessors would be “persons with objective minds who will be able to assist the Commissioner in assessing fair compensation after listening to expert evidence on values.”

True to this promise, all Commissioners appointed by the President to the Appeals Board have either been sitting or retired judges or judicial commissioners of the Supreme Court.¹⁹ The grounds for decisions made for each case heard at the Appeals Board are available online, as well as the composition of the Board, and the identities of the assessors on the panel. Hence, there is a considerable degree of rigour and transparency in practice, despite the lack of statutory requirements in the LAA.

1960s — EARLY 1980s: DECISIVE CHOICES AND THE ACCELERATION OF ACQUISITION AND DEVELOPMENT

“As I develop town A, I have to start resettling people in area B, so that they can move into town A. Then when I develop town B, I will think about resettling people in area C.”²⁰

Yap Chin Beng, Deputy CEO, HDB

The most important immediate effect of the 1966 Land Acquisition Act (LAA) was that the new government gained the legal authority to acquire large tracts of private land quickly, for the development of new towns and industrial facilities. Early acquisitions, after the formation of the Housing & Development Board (HDB) in February 1960, were primarily for public housing. Lim Kim San, the first HDB Chairman from 1960 to 1963, streamlined the public housing decision-making process and built capacity in the local construction industry to undertake the large-scale building plans that HDB needed to meet its targets. By 1962, the HDB had built 26,168 units, almost equivalent to the Singapore Improvement Trust's (SIT) construction work during its 32 years of operation. By 1963, government expenditures on housing had risen to \$10 million from \$600,000 in 1960, and by 1965, about 54,000 flats had been built.

Meanwhile, coastal land was acquired and reclamation works initiated. Marine Parade housing estate was built on this reclaimed land in the late 1960s and was completed in the mid-1970s. The Urban Renewal Unit (URU, later renamed the Urban Redevelopment Department or URD) was set up in 1964 to manage the comprehensive redevelopment of the central area into a vibrant and modern commercial centre. Many existing squatters had to be resettled, and new locations identified for businesses. The LAA facilitated this task greatly, allowing the URD to acquire, clear and assemble fragmented lots for development.

Many statutory boards were given wide powers of acquisition within their respective acts to enable prompt action to achieve their objectives, and submitted frequent Cabinet Memos seeking approval

to acquire land. Development proceeded at a rapid pace, but the process was far from smooth. Initially, almost all legal landowners appealed the compensation award made under the LAA. Kwek Sian Choo, Head (Land Management) of the Urban Redevelopment Authority (URA) and a former collector, reminisced that “the 1% who didn't appeal were either absentee owners, or they had passed away and their descendants either could not be traced or disagreed among themselves whether to appeal.”²¹

RESETTLEMENT: POLICY AND PRACTICE

Acquisition and resettlement went hand in hand. Once a piece of land was acquired by the state, squatters needed to be relocated before development could commence. The former landowners and other “interested parties” such as long-term leaseholders were awarded compensation under the LAA, and informal dwellers (e.g. short-term tenants-at-will or squatters) were awarded *ex gratia* compensation under the resettlement regime. The cleared land would then be vested in the state on an unencumbered basis, and could be aggregated to enable comprehensive planning and construction of modern buildings and infrastructure, either by the state or private developers. (See Appendix D for a flowchart showing new town development and the coordination of acquisition, resettlement and alienation processes.)

Resettlement policy was initially based on the report by a working party on land clearance and resettlement in 1956.²² From the 1950s, resettlement programmes were essential as there were few large parcels of unencumbered land remaining. As more land was acquired, and new housing built to accommodate slum residents and squatters, resettlement became even more urgent.

Resettlement was new to most people in the 1960s, and they viewed it with great hostility and suspicion. Resistance and even violence against public officers were not uncommon. Kwek recalled:

“After the land has been acquired, those who remained on state land were deemed to be squatting. When the land was required for development, and they refused to move after notices to quit and several extensions, then we had to go to a magistrate's court to apply for a Warrant to Dispossess Unlawful Occupant to evict them, and they had to explain in court why they were refusing to leave after many notices and after payment of compensation.”

After the Warrant to Dispossess was granted by the court, the police would enforce this warrant to evict the occupants. If there was any resistance or violence, the police would handle the situation. The other thing the resettlement officers would do was render the place uninhabitable. That means, take out all the windows or the staircase, so the squatters can't stay anymore.”²³

Squatters were not compensated under the LAA as they held no legal interest in the affected land, but they were compensated for “land improvements” such as their shacks, vegetable plots and livestock. They were also given priority allocation of new land (for farmers) or HDB flats. The government established a meticulous compensation formula – resettlement officers measured the height of fruit trees, the number and age of pigs, chickens and ducks, the size of prawn and fish ponds, and the size and height of dwellings. These were valued at market rates, but many squatters still attempted to inflate their compensation claims. Some would plant “instant trees”, move livestock and plants from one plot to another to be recorded multiple times, or even partially uproot their existing trees and plants to make them seem taller and hence deserving of higher compensation. Others moved quickly onto the sites to take advantage of the compensation. To thwart these efforts, a prompt census and photographic record of the squatters’ assets had to be taken, once the land acquisition was announced.

Despite these challenges, resettlement was necessary due to the unsanitary and overcrowded living conditions in many slums. Liu Thai Ker, a veteran urban planner and former Chief Executive Officer (CEO) of the HDB, visited these slums to see how the squatters lived, and was convinced of the urgency of continuing to re-house the population:

“In the squatter areas, there was no sewer, and water was from one standing pipe, right in the middle. You had to carry your buckets there. There was electricity, but just basic wiring. . . . One day, after the rain, I decided to see how filthy the squatter areas near Henderson Road were. So I took an umbrella, and walked there with my staff on a dirt road. As we walked up, the water was running down, carrying human excrement and waste. And of course the interior of the houses leaked badly. That was the kind of environment they lived in.”²⁴

Following early mistakes, the government quickly learnt that resettlement had to be carefully planned and calibrated. For instance, many squatters and farmers were initially resettled by moving them into HDB flats in Toa Payoh. The area was formerly a wetland with few existing residents. Crime levels, such as theft, rose significantly in these resettlement ghettos, and the northeast part of Toa Payoh became known as “the Chicago of Singapore”. This situation was resolved

when many of these early emergency and one-room apartments were demolished and rebuilt in the late 1970s and early 1980s. Liu then introduced the concept of an HDB precinct – a two to three hectare public housing area – and ensured that the newly resettled residents did not comprise more than a third of the total precinct population. In so doing, HDB managed not only to avoid creating a vertical slum, but also to help family members, particularly the children of the resettled households, to learn good habits and lifestyles from the urban dwellers in the same precinct.

Apart from the HDB, the Jurong Town Corporation (JTC) also resettled thousands of farmers and squatters, to construct industrial estates that facilitated foreign investments and created jobs. JTC retained its own separate resettlement division, and developed areas such as Taman Jurong, Boon Lay and Kampung Jawa Terban to resettle the affected people.



Squatter settlements.

One of the challenges faced in resettlement was the accurate recording of squatters’ assets, in order to prevent inflation of compensation claims.

Photo courtesy of National Archives of Singapore

ROLE OF THE HDB: MORE THAN A HOUSING AGENCY

HDB's role was critical. By the end of 1960, about 9% of Singapore's resident population lived in HDB flats. This proportion grew steadily to 87% around 1990.

It is perhaps difficult for planners and policymakers from abroad to fully grasp the breadth and diversity of HDB's responsibilities. Since its inception, the HDB has been far more than a provider of public housing. It was involved in a multitude of different functions over the decades, including town planning and estate management, architectural design, engineering work, the quarrying and production of bricks, granite and tiles, provision of housing loans, rental of commercial and industrial premises, provision of spaces and facilities for recreational, educational and social activities, land reclamation, road planning and construction, car park management and landscape design within HDB estates. It coordinates its plans closely with other public agencies such as the Public Utilities Board (PUB), URA, Land Transport Authority (LTA), privatised bus and train companies, and JTC to ensure integrated and long-term land use planning.

To meet the demand for public housing, business space and amenities from 1960 to 2011, HDB constructed more than 1,011,000 dwellings, 19,460 commercial premises, 15,230 industrial premises, more than 1,500 schools and community facilities, 110 recreational sites, as well as bus interchanges, civil defence shelters and numerous car parks. HDB's achievements are impressive in light of the high-profile failures of other large-scale public housing projects worldwide, such as the Pruitt-Igoe estate in St. Louis, USA.²⁵

The early HDB estates in Queenstown, Cambridge Road, Old Airport Road and the Kallang-Whampoa area were built on smaller individual parcels of land that were already under state ownership. Starting from Toa Payoh, HDB started to plan more comprehensively because of the availability of large plots of land acquired for new town development.

Due to good integration and forward planning, the government was able to swiftly coordinate resettlement, even on a large scale, following unexpected emergencies. After the large Bukit Ho Swee Fire in 1961, a special response — Operation Big Shift — was launched to resettle about 30,000 people. Initially, 6,000 people were housed in 1,150 unallocated flats in Queenstown, Tiong Bahru, Alexandra and the old Kallang Airport. The remaining families were resettled less than a year later, by February 1962. Apart from new accommodation, the Government offered financial support through a rental subsidy of \$7 per person, up to a maximum of \$35 per family. Those who lost jobs due to the fire were given public assistance until they secured new employment, and affected students were provided with new study facilities and school fee remission.



Construction in Queenstown, Singapore.
As population grows, new estates continue to grow as old estates are demolished or refurbished.

Photo courtesy of yeowatzup

Liu Thai Ker notes that resettlement was not merely a logistical, operational exercise, but had to respect and preserve community linkages. “Because of the large scale of HDB operations, generally people could be resettled within three to five kilometres of their original location, and we moved them not as individuals but as a community. Of course there were exceptions, such as in the city centre... but even then we tried. By doing this, the people could continue to stay close to their friends, and their families. They could even keep their jobs, and their kids could continue going to their old schools.”²⁶

There was only one significant problem – fear of the lifts, especially among the older people. Even in the early 1970s, one old lady who had moved up to the ninth floor did not come down for nine months because of her fear. Liu explained HDB’s response:

“Good lift management equals good high-rise housing. Every time there was a malfunction, the mechanism would automatically lower the lift to the ground floor and open the door. The second fear was the mugging and crime. Our engineers and technicians designed a monitoring system which HDB still uses today. We would electronically check each lift every few seconds. We would know that a lift had malfunctioned, often before the residents did. These malfunctions were classified into six categories – from the combinations of two or three categories we would know that somebody was attempting to molest a woman, just by the way the buttons were pressed. For such cases we would rush to the lift, with a high priority over all other malfunctions. Now, young people don’t even know that there were frequent, almost fortnightly molest cases in the lifts. You don’t hear about it today.”²⁷

Resettlement and public housing policies went closely with Singapore’s emphasis on home ownership to build a stakeholder society. HDB began to offer flats for sale in 1964, but the take-up rate was too low. To encourage home ownership, Lee Kuan Yew decided in September 1968, to let Singaporeans use their Central Provident Fund (CPF)²⁸ savings to pay their down payments.

In anticipation, HDB offered improved one-room flats in the Bukit Ho Swee estate in July 1968, and lowered down-payments to encourage the existing tenants of one-to three-room flats to buy their flats. HDB also offered subsidised mortgage loans for the purchase of HDB flats. Because the monthly loan instalments were pegged at a lower level than the monthly rents, many families found it attractive to purchase their own homes.

OTHER FORMS OF ACQUISITION AND RESETTLEMENT

While the LAA was primarily used to acquire more land for public housing in the 1960s, large tracts of land were also acquired for other urgent national needs such as economic development. Industrial parks and flatted factories were built to house new companies and foreign investments, the largest of which was Jurong Industrial Estate.

The state also acquired land in the city centre belonging to small shops and traditional businesses. To relocate these businesses, URA quickly built larger shopping centres such as Bras Basah Complex and Hong Lim Shopping Centre. The displaced businesses were allocated some of the shop units at subsidised rental rates. Once again, the prompt provision of alternative premises was key to a successful resettlement exercise.

Former Land Bailiff, Economic Development Board (EDB) officer and JTC Director, Ng Kok Ching, recalls the huge difference that the LAA made to his work, compared to the much more tedious and problematic process of private treaty in obtaining land for public use.

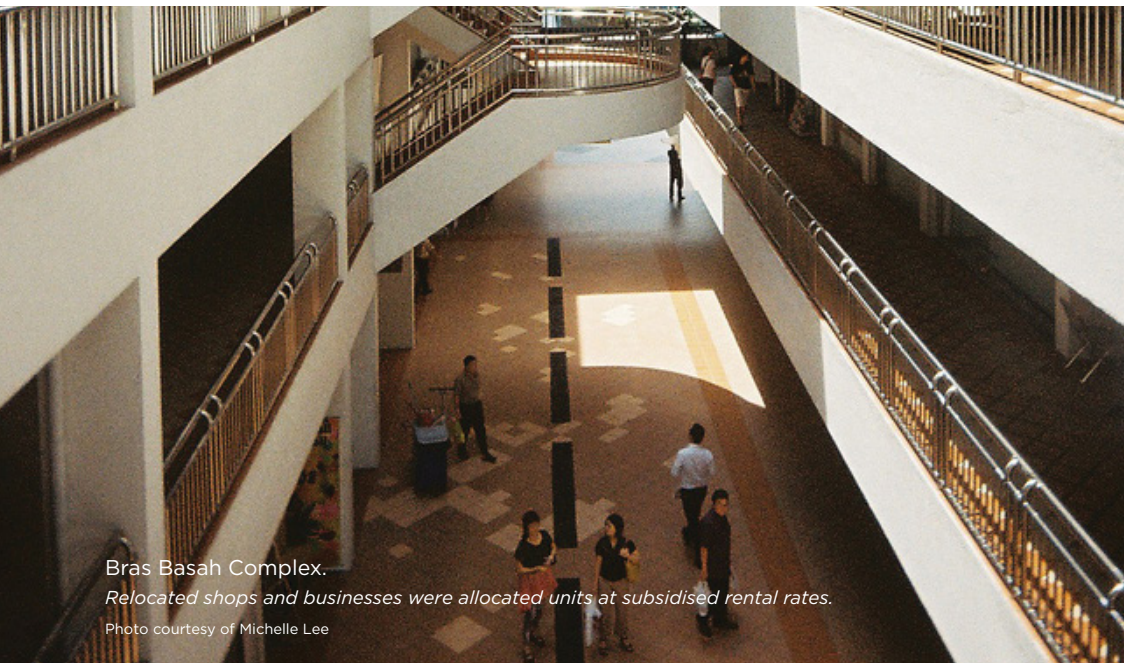
“I worked on private treaty [cases] with shipyards for the clean river campaign. There were a lot of problems, a lot of arguments, and lots of shipyards. I think I conducted around 70 meetings with the shipyard owners just to shift them out of the Geylang River, next to the stadium. There are still some factories there, but the shipyards are gone. We did so many things to persuade them, but there were still some complaints that the terms were not so favourable.”²⁹

This speed and efficiency was a key competitive advantage at a time when the newly-independent Singapore had little international credibility. Ng proudly recalls meeting the demands of foreign companies and industrialists, who would ask for industrial land at very short notice:

“Only JTC, only Singapore could do that. But we still had to go through the process. There were some investors who flew in today and said ‘I want this piece of land’. I replied, ‘Okay, I will give you the letter of approval’, and then I would consult the anti-pollution and other agencies. I knew there was a 90% or even 99% chance [the land allocation] would be approved without problems because we worked closely with them. Or I would tell them to fly home tonight, and the letter would be in their office in a few days.”³⁰

ACCELERATION OF ACQUISITION AND RESETTLEMENT

Official statistics on the annual amount of land acquisition are not publicly available. Anecdotal accounts suggest that land acquisition in Singapore peaked in the 1970s and 1980s. This is broadly corroborated by HDB’s acquisition statistics showing two peaks in acquisition in the late 1960s to early 1970s, and in the early- to mid-1980s (see [Exhibit 2](#)).



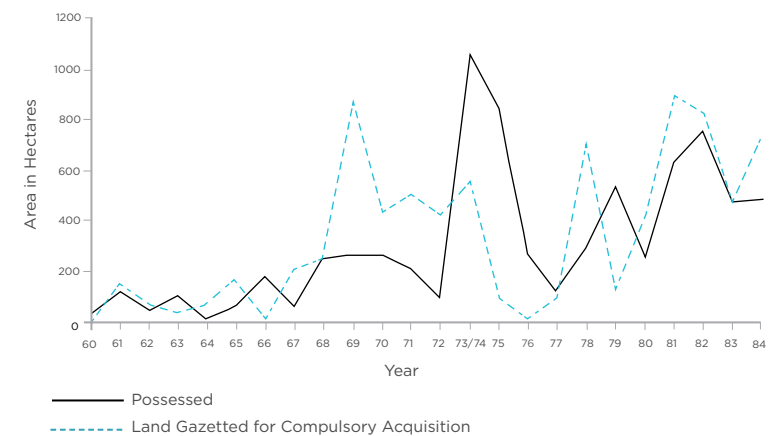
Bras Basah Complex.

Relocated shops and businesses were allocated units at subsidised rental rates.

Photo courtesy of Michelle Lee

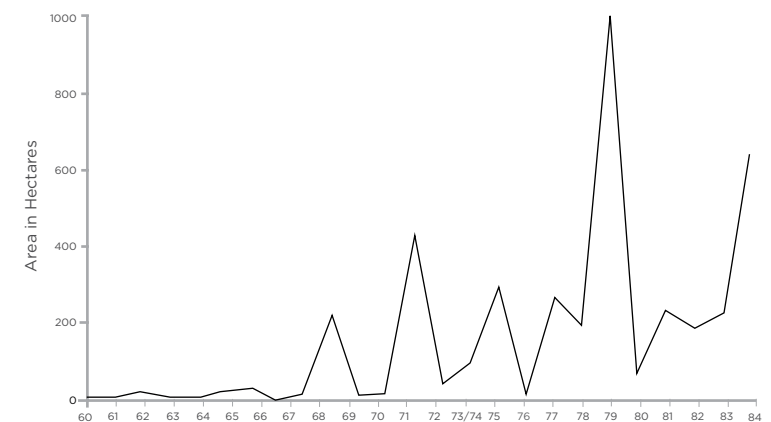
Exhibit 2: Private Land Gazetted and Possessed by HDB under the LAA

Private Land Gazetted and Possessed by Compulsory Acquisition from 1960 to 1984



Note: Year 73/74 is for the period starting from 1 January 1973 to 31 March 1974, after which all years follow the Board’s financial year, which spans 1 April to 31 March.

Land Alienation from 1960 to 1984



Note: Year 73/74 is for the period starting from 1 January 1973 to 31 March 1974, after which all years follow the Board’s financial year, which spans 1 April to 31 March.

Source: Wong and Yeh (1985).

In the late 1970s, once the immediate large-scale resettlement challenges had been tackled, HDB continued to serve as a key nation-building institution through the expansion of home ownership for Singaporeans. As public housing construction continued apace, large land acquisitions allowed for the construction of major infrastructure projects such as Changi Airport in the late 1970s, which replaced Paya Lebar Airport as Singapore's primary international airport, and the Mass Rapid Transit (MRT) commuter railway in the 1980s.

Meanwhile, from the 1970s, resettlement projects expanded in scope, beyond compulsory acquisition cases to the relocation of pig farmers for sanitary reasons, cemetery exhumation and clearance, and the relocation of illegal squatters living next to rivers. Resettlement compensation was improved in 1971 and again in 1975 to keep pace with rising living and property costs and to expedite site clearance. Close integration between acquisition and resettlement continued in the 1970s, where HDB was allocating about 20% of the land in estates for industrial use, partly to resettle businesses and factories from affected land.

A major resettlement policy revision in 1979 took place amidst a growing acceptance of resettlement as a way of life in Singapore. Compensation scales for residential squatters and farmers were harmonised, and farmers were no longer allocated land as compensation. Two more major reviews in 1981 improved compensation rates further.



Changi Airport.

Large tracts of land were acquired in the late 1970s for the development of one of the world's busiest airports today.

Photo courtesy of J. Peterson



New HDB flats in Bras Basah Complex.
Under the Home Ownership for the People Scheme, resettled residents had to get used to a new way of life in high rise estates.
Photo from Ministry of Information and the Arts Collection, Courtesy of National Archives of Singapore

EARLY SUCCESSES

While criticised as draconian by some, compulsory acquisition enabled the government to lower the cost of housing provision. For instance, the average building cost of HDB flats in the early 1960s was about \$8 per square foot of net floor area, excluding public access and staircases, resulting in the construction cost of \$3,000 each for one-room units and \$4,500 to \$5,500 each for two-room units. Low land costs allowed flats to be rented and priced affordably. In February 1964, two- and three-room flats with 99-year leases located at Queenstown and MacPherson estates were priced at \$4,900 and \$6,000 respectively.

As high-rise housing estates replaced overcrowded squatter communities between 1954 and 1970, the average number of rooms per household increased from 0.76 to 2.15, and the average number

of persons per room decreased from 4.84 to 2.52. This achievement was noteworthy by global standards. By 1966, Singapore had 9.4 new permanent dwellings per thousand inhabitants, ranking behind only the USSR and West Germany, and above the USA, France, Netherlands and other European nations.

Liu Thai Ker remembers the change in public perceptions of resettlement. He asks, "How did I know we had succeeded? In 1969, the letters to the newspapers would say 'We have lived in our squatter villages for three to four generations, why do you have to force us to live in high-rise buildings?' Around 1971 to 1972, the same voices were still heard, but now the complaints were, 'We have been waiting for the past three to four years, why have you not resettled us?' This was a clear sign of our success."³¹

KEY SUCCESS FACTORS

There are several reasons for the relative success during the early years of land acquisition and resettlement, compared to the obstacles and mass riots faced by many other developing and advanced countries.

First, the set up of a legal and constitutional mandate, as well as a clear process in the form of the LAA, was important to establish legitimacy and the rule of law in the conduct of public officers carrying out these duties. This is clearly necessary but not sufficient in itself, since almost every country has land expropriation laws. Second, the meticulous and detailed process of record-keeping and calculation of compensation for squatters' assets at market value left little room for accusations of inconsistency or unfairness.

A third and fundamental reason was the government's ability to offer the affected people accommodation in a superior living environment, as well as business premises, to replace the land or property that had been taken from them. Many lives were tangibly improved, and people eventually recognised this despite their initial resistance. Liu explains that "while we pushed them out of squatter huts, we also pulled them into better housing. [...] HDB flats clearly offered a better environment in terms of infrastructure, utilities, good cross-ventilation and lighting, and also shopping facilities, schools, and employment opportunities."³²

Fourth, effective forward planning and coordination reduced delays that could have turned public sentiment against resettlement. How was the government able to ensure smooth resettlement to a better residence? This was largely due to the integrated housing, resettlement and estate planning functions of the HDB. From 1963, the Resettlement Department was housed within HDB. This allowed for better forward planning and coordination, since the same agency issuing resettlement notices also provided alternative housing.

Yap Chin Beng, Deputy CEO (Estate and Corporate) of the HDB, explained how acquisition and resettlement were planned well in advance for the development of towns in stages.

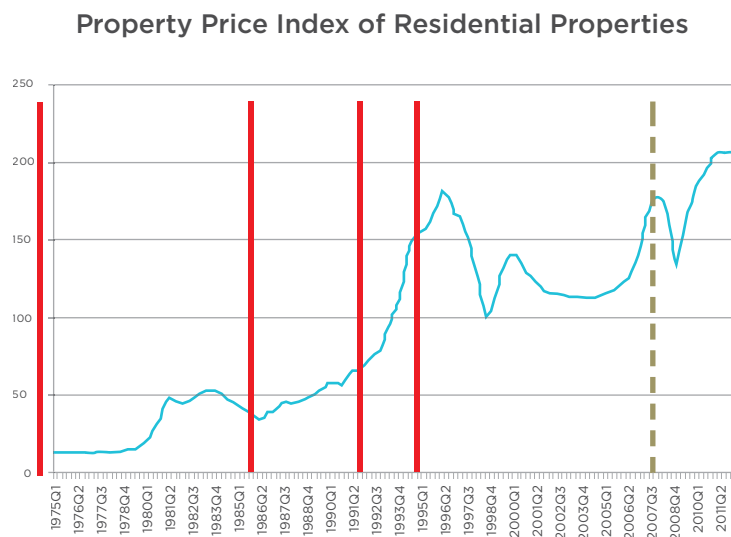
"As I develop town A, I have to start resettling people in area B, so that they can move into town A. Then when I develop town B, I will think about resettling people in area C. For instance, when HDB developed Jurong East, most people moved from Bukit Batok. Then we developed Bukit Batok, and many people moved there from Bukit Panjang. And when Bukit Panjang was developed, people came from Choa Chu Kang and Woodlands."

LATE 1980s – 1990s: POLICY CONSOLIDATION AND CHANGE

AN EVOLVING COMPENSATION FRAMEWORK

Due to the general increase in property prices over the decades, the use of historical prices to determine compensation usually resulted in awards that were lower than current market prices of the acquired properties. With rapid economic growth and urbanisation, real estate market prices rose significantly in the late 1970s and early 1980s, and the divergence between market prices and compensation amounts grew. Some landowners faced financial hardship as the compensation based on 1973 property prices was insufficient for them to purchase suitable replacement properties. **Exhibit 3** (and **Exhibit 2**, p. 28) illustrates this problem. The blue graph shows the residential property price index, a broad aggregate measure of the level of property prices over time. The solid red vertical lines indicate the various statutory dates for determining historical market value, prior to 2007.

Exhibit 3:
Property Price Index and the Statutory Date For Valuation



The government responded by introducing *ex gratia* payments above the statutory compensation, from 1982. Initially, only those who were living in the acquired property and did not own any other properties were eligible for such payments. However, over time, the scheme was expanded to allow the government to respond to special needs and deserving cases, and later even to those owning multiple properties and companies whose commercial or industrial land was acquired.

There is no mention of *ex gratia* payments within the Land Acquisition Act (LAA), and the award process is administrative. As an administrative tool, *ex gratia* payments provided the government with flexibility, and allowed the state to compensate landowners at market value, or close to market value, without changing the compensation formula in the legislation. Landowners were required to submit their requests for *ex gratia* payments, and each request was handled on a case-by-case basis.³⁴ Abuse was prevented through clear governance and in the approval process where the Land Office would propose the amount of *ex gratia* payment according to a fixed list of categories for which payments could be made. This list was approved by the Cabinet. The proposal would then be assessed and approved by the Ministry of Law.

Over time, as the state's finances became healthier, and urgent needs for mass public housing and critical infrastructure were met, more steps were taken to improve compensation regimes for both acquisition and resettlement. For instance, the statutory date was reviewed several times in the 1980s and 1990s (see **Exhibit 3** above). Such improvements were important because earlier acquisitions in the 1950s and 1960s primarily affected large, absentee landowners, but later acquisitions in the 1980s were starting to affect more small families and businesses and could no longer be justified by redistributionary goals.

While it may seem unfair for the government to acquire land at 1995 prices in 2004, the fact is that until the mid-2000s, property prices were generally lower than in 1995 due to the sharp downward correction resulting from the Asian Financial Crisis from 1997 to 1998. The government has hence argued that it has been paying market values for acquired land since 1995.³⁵ From **Exhibit 3**, we can see that the amendments to the statutory date have had a positive impact on the amount of compensation received by property owners. The absence of further reviews of the statutory date after 1995 also did not hurt them, given the fall in prices in the succeeding years.

One might ask: is the principle of compensation based on historical property prices fair? Fairness is a subjective metric, and it is difficult to decide whether the well-being of many should take precedence over the rights of a few. From the landowner's perspective, it may have been perplexing that the government thought itself entitled to acquire their land at rates below market value, when it was they who had borne the risk by investing in land when the success of Singapore was not a certainty. It could also be argued that land prices rise for reasons unconnected with the government, such as demographic trends, private improvements made by the landowner, and nearby investments made by businesses.³⁶

On the other hand, any compensation formula has to be fair to the state and ultimately to taxpayers at large. The value of land, and the rental yield obtainable from land, is closely linked to demographics, aggregate demand and economic growth, which are largely the fruit of good governance and the hard work of many citizens. The late 1950s and early 1960s saw urgent housing and infrastructure shortages, manifested by prevalent disease and overcrowding. Land ownership in the mid-20th century was concentrated in the hands of a much smaller group of individual owners.³⁷ The government faced substantial and urgent demands for housing and public works while having only extremely limited resources. The cost of land for urban development, road widening and public housing threatened to be a major obstacle to the realisation of schemes that stood to benefit over a million Singaporeans.

CONSOLIDATION OF ACQUISITION FUNCTIONS

By the early 1980s, some statutory boards appeared to be holding land in excess of immediate requirements. Meanwhile, other statutory boards, such as the Housing & Development Board (HDB), also stepped up acquisition and resettlement activities in the early to mid-1980s as the government had decided to clear and resettle all the remaining squatter communities in Singapore. This was partly the result of their longer-term planning and projection of land use needs, and the institutional incentive to acquire ahead of time, to ensure that the required land was available when needed. It must be stressed that such acquisitions would still have had to be in accordance with an approved development plan submitted by the statutory board to the Cabinet, and would not have contributed to improper personal gains by public officers.

Fundamental changes took place following an alleged corruption case involving then-National Development Minister, Teh Cheang Wan. Teh was investigated in 1986 for accepting two bribes totalling \$1 million in 1981 and 1982. According to Lee Kuan Yew, who was Prime Minister at the time, "In one case, it was to allow a development company to retain part of its land which had been earmarked for compulsory government acquisition, and in the other to assist a developer in the purchase of state land for private development."³⁸ Teh committed suicide shortly afterwards.

Following this incident, there was a rethink of institutional arrangements to acquire land, such as the broad powers that many state agencies had, to acquire land. Permanent Secretary Ngiam Tong Dow was tasked with chairing a committee in 1987 to review land acquisition policies and establish tighter checks and balances. This led to the centralisation of land acquisition under the Land Office, and later, the Singapore Land Authority (SLA) which was formed in 2001. The Ministry of Finance (MOF) also required all government agencies and statutory boards to return landholdings in excess of present requirements to the state.

Today, the SLA is the sole government agency responsible for the administration of the LAA. In this capacity, the SLA now serves as the central authority for compulsory acquisition of land on behalf of other public agencies. Accordingly, the powers previously possessed by statutory boards such as HDB and Urban Redevelopment Authority (URA) to request that the government acquires land for their purposes have been repealed. The main exception to this is the Selective En-Bloc Redevelopment Scheme (SERS), operated by the HDB since 1995, to selectively demolish and rebuild older HDB precincts. SERS makes use of the LAA framework, and HDB officers are appointed as collectors to carry out the process of serving notice of the Gazette, conducting the collector's inquiry, and making compensation awards.

SHIFT FROM COMPREHENSIVE REDEVELOPMENT TO INFRASTRUCTURE DEVELOPMENT

After peaking in the mid-1980s, resettlement began to decline as the pace of land acquisition and the number of squatters in Singapore fell in the late 1980s and 1990s. Likewise, since the 1990s, individual land acquisitions have tended to be smaller and more targeted, and mainly for specific purposes such as transport corridors (e.g. roads and rail lines). Much less land has been acquired for comprehensive redevelopment compared to the 1970s and 1980s, apart from notable exceptions, such as, land around the train stations on the North East Line (NEL).

The reduction in land acquisition for comprehensive redevelopment also reflected the growing discontent of landowners, who argued that the government should have allowed them to redevelop their properties themselves. For instance, Member of Parliament (MP) Cynthia Phua emphasised the need for the government to demonstrate sensitivity to public perceptions of the LAA. She noted that shophouses had been compulsorily acquired in Tanjong Pagar, Tras Street, Duxton Road, China Square Centre and Far East Square for comprehensive redevelopment, but were eventually restored by developers, and sold or rented as conservation properties zoned for commercial and office use. Phua mentioned that although these acquisitions were within the legal ambit of the LAA, the former owners of these properties were displeased that “they were paid pittance, [to give] up their premises for government to make the millions.”

Fundamentally, while it is difficult for people to argue with land acquisition for a fixed public purpose such as a road, there is more controversy when the acquisition is for comprehensive redevelopment, because private land may be acquired and re-sold to a developer for the construction of a shopping centre or commercial building. This is less evident as a public purpose in the minds of the people.”



Protest banners. In the early years of the Land Acquisition Act, many businesses felt that the compensation given was insufficient, especially when land was re-developed into commercial sites.

Photo courtesy of National Archives of Singapore

As citizens became more vocal in expressing their concerns about the LAA, the government stepped up its public communications efforts and became more consultative. Tay Lee Koon, former Head of Land Acquisition in the Land Office, recalls that “when the NEL acquisition was announced, there was a lot of concern and feedback from the landowners. We set up a hotline with ten phone lines. On the first day we received about 600 calls.” HDB’s Yap also emphasises the importance of timely communication, such as better information packages and closer guidance by HDB officers throughout the lengthy SERS process. Compensation benefits are clearly explained, and financial assistance is sometimes given to facilitate the movement of residents from acquired flats to replacement ones.

**2000 — PRESENT:
NAVIGATING
A COMPLEX
AND DIVERSE
LAND-USE
ENVIRONMENT**

“ I have a direct interest in being able to look the landowner in the eye and tell him that I have considered every other option.”³⁹

Vincent Hoong, Chief Executive, SLA

By the 2000s, property ownership and use in Singapore had become far more diverse and distributed compared to the 1950s. Market prices were much higher due to economic progress, and were now comparable to those of other global cities. The consequences of compulsory land acquisition could therefore be much more complex. Around the time of SLA's formation in 2001, the government took a more targeted, “just-in-time” approach to new acquisition. This complemented the decrease in acquisitions for comprehensive redevelopment, and the centralisation of state land holdings under the Singapore Land Authority (SLA). It also minimised land holding costs

to the state, and prevented situations where acquired land lay unused for long periods of time.

This was a prudent move. Land that has been acquired but not used for long periods could lead to negative public perceptions about the Land Acquisition Act (LAA), and to legal challenges. In 2006, Teng Fuh Holdings Pte Ltd took the government to court in a landmark case of judicial review.⁴⁰ It alleged that the government had acquired a large piece of its land in February 1983 for general redevelopment, but had not redeveloped the site for over 20 years. Instead, the land had been re-zoned from industrial to residential use — increasing its value — 10 years after the acquisition. Teng Fuh argued that the government's initial acquisition was illegal, and sought the return of the land. In the High Court, Justice Andrew Phang noted that given the inevitable need for flexibility in long-term urban redevelopment plans, a change



Chinatown, Singapore.

Development of land has grown to be more diverse, taking into account the conservation of old shop houses and religious buildings amidst newer commercial offices.

Photo courtesy of William Cho

of purpose over time was not evidence of bad faith, as long as the original purpose of its acquisition was not tainted by bad faith. Phang held that Teng Fuh had failed to make a *prima facie* case of reasonable suspicion that the authorities' acquisition of their land was illegal or in bad faith. This was the minimum standard of proof the Court required to hear the case.

Teng Fuh appealed the High Court's decision to the Court of Appeal. In 2007, the Court of Appeal upheld the High Court's judgement on the basis that Teng Fuh's suit was out of time. However, the Court noted that the government's prolonged and unexplained inaction could constitute an arguable case "that the land was not needed for general development when it was acquired". The Court further noted that the government had not explained why the land was not redeveloped, why it was rezoned, what the land was intended for when it was acquired, when this was intended to take place, whether there were any subsequent changes to the plans, and if so, what the current plans were.

Shortly after, then Deputy Prime Minister (DPM) and Minister for Law, Prof. S. Jayakumar, clarified in Parliament in April 2007 that over 15,000 land parcels had been acquired over the last 40 years. About 12% of that land (by area) had not been redeveloped, while the remainder was either fully redeveloped or in various stages of redevelopment. He pointed out that it was "often not possible to synchronise precisely the acquisition of the land with the redevelopment of land . . . usually because the developing agencies need to carry out site works and divert infrastructure, sometimes in several phases . . . to prepare the land for redevelopment . . . sometimes due to new factors which arise after the acquisition, it is no longer optimal to put the land to the original planned use."⁴¹

On balance, while some legitimate delays or changes must be expected in large-scale redevelopment plans, prolonged inactivity of two decades cannot be easily justified by the need to divert infrastructure or conduct site works. Meanwhile, the government had in fact leased the land back to Teng Fuh. It would have frustrated Teng Fuh that they were awarded \$4.2 million compensation in 1983, based on the market value of the land in 1975. Furthermore, they were paying rent of over \$21,000 a month to the government as a tenant. The market value of their acquired land was estimated at \$100 million in 2007.⁴²

The Teng Fuh case demonstrated the importance of ensuring that plans for acquired land are clear and justifiable, even if they are not immediately implemented or later amended. The case clarified that the government's acquisition of a specific parcel of land can be challenged in the courts on the grounds that the acquiring authority had misconstrued its statutory powers in some way, or on grounds of bad faith. However, it remains extremely difficult to challenge land acquisition in the courts, because the act of gazetting the land is held to be conclusive proof that the land is required for the purposes stated, and the purposes for which the state may acquire land are so broad as to be virtually all-encompassing.⁴³

REVIEW OF COMPENSATION FOR ACQUIRED LAND

The LAA's compensation formula underwent a fundamental review in 2007, the use of a historical statutory date was completely removed, and compensation was pegged to full current market value. Explaining this change, Prof. Jayakumar noted that the 1966 Act was passed at a time when less than 10% of people owned property. Jayakumar said:

"Singapore today has become more developed and urbanised. Land acquisitions now affect far more people than those carried out in the 1970s or 1980s. Today, many more Singaporeans own private properties. It is often that Singaporeans sink a major portion of their life savings and future earnings into their property."⁴⁴

Prior to 2007, compensation under the LAA did not take into account the potential of acquired land to be developed into a more valuable use. If a piece of land could legally be used to build two-storey houses but was currently bare, only the value of the bare land at the historical statutory date (i.e. its "existing use price") would be considered. Following the change to market value compensation, compensation awards were now based on "the market value which a *bona fide* purchaser would reasonably be willing to pay for the land. This means the compensation can take into account, *inter alia*, the land's permitted use and the potential value that is realisable under the Master Plan, subject to the prevailing planning requirements, and other factors such as location, tenure, restrictive covenants in the title and site conditions."⁴⁵

Increasingly, the government has come to view land acquisition as a last resort, when no viable alternative is available. In 2004, a building called Hock Kee House became unstable and uninhabitable due to nearby deep excavation works during construction of the Mass Rapid Transit (MRT) Circle Line. There is evidence of considerable effort by the government to avoid acquiring the property. Apart from site surveys and strengthening of temporary work structures in the vicinity, two separate and independent engineering consultants were engaged to review the stability of the building and the risk of further strengthening works. Meanwhile, transport planners explored alternative solutions, such as re-aligning the Circle Line, for close to a year. Ultimately, the government concluded that it had to acquire and demolish Hock Kee House as a last resort. Residents were given special assistance and *ex gratia* payments above the statutory compensation in recognition of the hardship caused by the acquisition at short notice. This episode is indicative of efforts to enhance substantive fairness through administrative solutions, where the legislation does not explicitly provide answers.⁴⁶

REFINING THE LAND ACQUISITION PROCESS

Internally, the government continued to refine both acquisition and post-acquisition processes. Inter-agency coordination improved in the 2000s. In 2011, SLA established a Land Acquisition Inter-Agency Committee (LAIAC) chaired by a senior public officer from the Ministry of Law, and attended by key development and user agencies. The LAIAC allows agencies to examine alternatives to acquisition more closely, and to discuss the timing, management and announcement of the proposed acquisition, in conjunction with the Master Plan Committee (MPC).

The LAIAC also allows SLA to play a more active, upstream role in advising public agencies on the viability, risks and options regarding their proposals to acquire private land. Chief Executive of the SLA Vincent Hoong notes that the process “ensures that there is indeed a public purpose and that disturbances to the public have been minimised ... [and that] public servants and planners don’t take the easy way out.”⁴⁷ The whole process can take one to two years from when the initial request is raised until the time of [the actual] gazette.

On receiving requests from developing agencies, Tay Lee Koon explains:

*“We will ask, what are the alternatives to land take? Maybe statutory board or state land can be used. Maybe we can go multi-tier or underground. We will also discuss the alternatives to that particular parcel of land. Another government agency might offer some suitable land instead. This is encouraging. Because of limited land in Singapore, lots of agencies think out of the box. You find libraries in commercial buildings. Schools open up their grounds for evening soccer games. There’s a lot of sharing. Just taking land from private owners is not easy. You really have to justify why you need it.”*⁴⁸

Hoong summarises this mindset succinctly: “I have a direct interest in being able to look the landowner in the eye and tell him that I have considered every other option.”⁴⁹

The state has continued to pay compensation awards promptly. Currently, 20% of compensation awards are paid within four to six months of the gazetting once the owner surrenders his title deeds, and whether or not he is appealing to the Board. The remaining 80% is paid when the premises are vacated. In recent years, the entire acquisition process has taken about two and a half years from the date of gazetting for the 94% of cases settled by SLA without an appeal to the Board, and about two to three years for the remaining 65% of appeal cases.⁵⁰ To facilitate negotiations and reach agreements more quickly, the Appeals Board has further introduced a “Mediation in Land Acquisitions Appeal” (MiLAAS) scheme whereby parties to an appeal may seek mediation services in cases where the award is less than \$500,000 and the property concerned is residential.⁵¹

Despite these improvements, the LAA remained publicly controversial during this period. Affected residents were generally more educated and rights-conscious, and the government experienced some public discontent and pushback where land acquisition of affected parts of the Faith Assembly of God Church and Chuan Park condominium. (In the latter case, landowners were awarded \$1 compensation because the state determined that the new MRT station being built would increase the value of their remaining property beyond the value of the acquired land.) Some even brought constitutional challenges against the government (the *Jin Long Si* temple case — Eng Foong Ho v. Attorney-General (2009)). That said, the extent of public discontent must not be overstated, as most land acquisition cases are settled without appeal.

1920

- Land Acquisition Ordinance enacted. Amendments were subsequently made in 1946 and 1955.

1955

- The 1955 legislation awarded compensation based on the market value of the acquired land as at 22 Apr 1955, for any land acquired in the next five years.

1966

- Land Acquisition Act enacted, replacing the Land Ordinance Act of 1920.
- Compensation based on the market value on the date of notification or market value of the date of declaration, with terms and conditions included.
- An administrative Appeals Board was established to resolve disputes over compensation awards.

LAND ACQUISITION AND RESETTLEMENT: SECURING RESOURCES FOR DEVELOPMENT

1920

1950

1960

1973

- The use of historical statutory baselines are introduced.

1982

- Following rapid property price appreciation in Singapore, *ex gratia* payments are introduced as an administrative measure.
- This allows the Ministry of Law to approve “top-ups” above the statutory compensation award on a case-by-case basis, for property owners in financial hardship or who cannot afford to purchase a suitable replacement property. This does not change the compensation formula but gives the government some flexibility to give financial assistance in specific cases.

1987

- A high-level committee, chaired by Ngiam Tong Dow is formed to review land acquisition processes to tighten controls and improve scrutiny.
- Following the review, land acquisition is consolidated under the Land Office, and later the Singapore Land Authority established in 2001. Many Statutory Boards’ powers to acquire land are revoked.

1988

- Legislative amendments is made to move the statutory date forward, largely to benefit affected property owners. The compensation formula remains unchanged

1993

- Legislative amendment is made to shift the statutory date forward, covering land acquired on or after 18 January 1993, to before 27 September 1995.
- Next review set to occur five years after, in 1998.
- Compensation formula remains unchanged.

1995

- Legislative amendment is made to shift the statutory date forward, covering land acquired on or after 27 September 1995
- Time between review is three years.
- Compensation formula remains unchanged.

2007

- This landmark amendment repeals the provisions for a historical statutory date for determining market value. Compensation is now based on market value of the land, according to date of declaration for gazetted land.

2011

- A Land Acquisition Inter-Agency Committee (LAIAC) is formed to improve communication and coordination between land planning and management and land user agencies.

1970

1980

1990

2000



**ASSESSMENT AND
LOOKING AHEAD:
THE ROLE OF LAND
ACQUISITION IN A
MODERN STATE**

“ Whatever the position may be in other countries, land in Singapore is a special case, because of the scarcity of land.⁵²

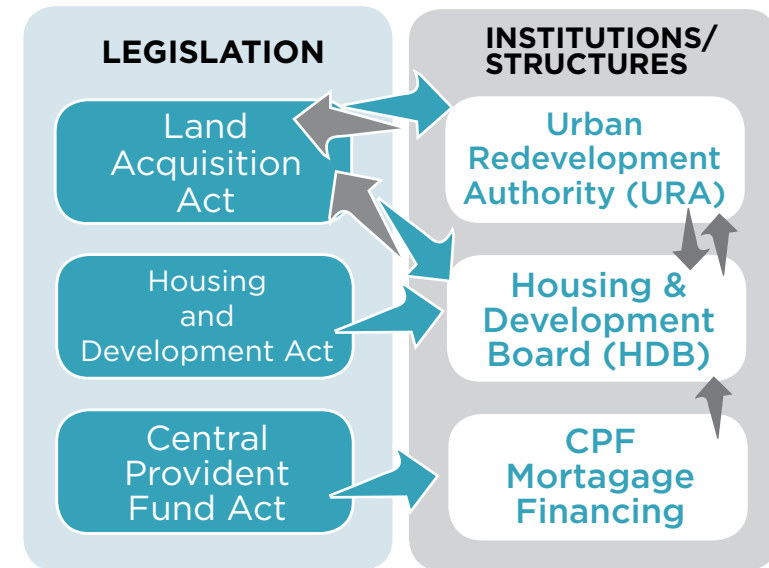
Prof. S. Jayakumar, then-Minister for Law, 2001

From 1960 to 2007, the percentage of land in Singapore owned by the public sector (including statutory boards) approximately doubled from 44% to over 85%.⁵³ The World Bank suggests that effective urbanisation and sound planning played a key role in delivering 6 to 7% real gross domestic product (GDP) growth rates in Singapore throughout the 1970s and 1980s. In contrast to many countries, this was accomplished without serious public backlash or violent protests against land acquisition.

On one level, this success was the direct result of the broad and flexible powers of the Land Acquisition Act (LAA) and resettlement policy. However, it would be a mistake to dismiss Singapore's success on the basis of its cultural or political differences. Some observers argue that there is little for other countries to learn from Singapore's land acquisition and resettlement, because it was forced upon the population by an authoritarian state and hence, not applicable elsewhere. However, this view ignores the many sound policy decisions and inter-agency processes that were introduced to improve coordination, minimise disruption, and to deliver genuine and substantive improvements to people's lives. Many other countries' land reforms and land acquisition schemes failed due to their inability to coordinate well and provide new homes for communities displaced by land expropriation.

The deeper reason for the LAA's relative success in Singapore was the system of complementary and supporting institutions and legislation that collectively achieved more than the sum of its parts. (See **Exhibit 4.**) The symbiotic relationships between market institutions, public financing, private firms, public housing, social services, and strategic infrastructure investments were at the heart of this process.⁵⁴ Underpinning this entire ecosystem was the availability of affordable land for public purposes, and the flexibility to optimise land use through resettlement and comprehensive redevelopment. The LAA provided both of these enabling conditions during Singapore's formative years of independence.

Exhibit 4:
Supportive Linkages between Enabling Legislation and Core Institutions and Structures



Beyond policies and frameworks, discipline and values also played a critical role in the government's ability to acquire private land on a large scale. Liu Thai Ker emphasises the fundamental importance of a clear sense of purpose, a high degree of credibility in what the state intends to do, and a high degree of fairness in dealing with those affected. These are “simple words, but very hard to live up to.”

Why was the powerful LAA not systematically abused by corrupt bureaucrats for personal gain? Liu is convinced that “the key is top leaders setting a good example ... good government with good personal conduct.” Hoong agrees:

“There are two possible types of abuses — the first is very high level, concerning the decision to acquire or not to acquire the land; the second type is the trading of that information by insiders. And it has not happened. I think there is only one explanation for this — you have to get the right people on the bus.”⁵⁵

Apart from hiring the right people and instilling the strict intolerance of corruption within the Singapore Civil Service, structural checks and balances have always existed when using the LAA.

Ultimately, the wide scope of purposes requires the existence of proper checks and balances to prevent “mistakes or even abuses”.⁵⁶

Jayakumar explains:

“... all proposals for land acquisition are carefully considered. Government agencies that initiate acquisition must provide full justifications on why the acquisition is necessary. They would also have to ensure that prior approval is obtained for the intended use before requests for acquisition can be considered. For major acquisitions, the proposals will also have to be presented to a Ministerial Committee comprising the Minister for Law, Minister for National Development and which sometimes can include other Ministers like the Minister for Transport if it concerns land acquisition related to MRT or major expressway development. Finally, every proposal for land acquisition must be submitted to Cabinet for approval.”⁵⁷

Apart from this, proposed acquisition plans are kept strictly confidential within certain government departments on a need-to-know basis. All Singapore Land Authority (SLA) officers involved in land acquisition have to declare any property purchases or sales in areas affected by future acquisition plans, and have to prove that these purchases were not due to information obtained in their course of work. Hoong notes that there has not been a single case where an SLA officer was investigated by the Corrupt Practices Investigation Bureau (CPIB) for possible abuse of information.

Further safeguards are built into the fiscal and valuation mechanism for state land. All state land and property is independently appraised by the Chief Valuer, and documented with the Accountant-General's Department. SLA sells the land to the developing agency, at market value after appraisal. State land forms part of the national reserves: when it is alienated for sale to public agencies or the private sector, the proceeds go back into the reserves.

Liu recalled that this culture of self-policing, as well as the strict and public prosecution of any corrupt officers regardless of seniority, has led to strong public trust in the government. People affected by acquisition would often tell him, “Of course we are not happy, but we accept it because we know the citizens are supporting the government. No point for us to kick up a fuss.”⁵⁸

COULD THE LAA BE FURTHER IMPROVED?

Looking back, it can be argued that the government shifted from a more expedient, urgent, draconian stance in the early decades of nationhood to a more stakeholder-centric, consultative process, and progressively awarding higher compensation to those affected. Processes for land acquisition have also been tightened and institutionalised, with a higher degree of centralisation and internal discipline over acquisition. These policy changes have largely benefitted property owners, yet land acquisition is still rarely a happy affair.

Is there a need for the LAA in the future? No modern state has completely abrogated the legal right to compulsorily acquire land under certain circumstances. It would be both unrealistic and to the detriment of long-term public interest for land-scarce Singapore to do so.

Recent cases of land acquisition for the construction of the Thomson Mass Rapid Transit (MRT) line and the North-South Expressway have nonetheless resulted in some public discontent, with owners expressing their displeasure in the media and appealing for higher compensation, or for the acquisition process to be stopped. We can identify two primary questions: first, why is market value compensation insufficient for some property owners? Second, should the government's decision to acquire land be subject to appeal?

IS COMPENSATION AT MARKET VALUE SUFFICIENT?

Experts have commented that the landmark amendment to the LAA in 2007 to pay market prices have “addressed private landowners' concerns regarding the level of compensation.”⁵⁹ Certainly, this is a huge step forward in addressing owners' concerns, but some have continued to appeal for even higher compensation.

It has been said that “land acquisition is unpleasant. No one would like his property acquired, whatever explanation you give and whatever compensation is awarded.”⁶⁰ However, there may be some legitimate reasons why “market value” compensation may not be sufficient for landowners affected by compulsory acquisition.

While it may seem logical and fair to compensate landowners at the prevailing market price, it must be recognised that this does not necessarily make them no worse off than before the acquisition. Often, the owner’s personal valuation of the property diverges from the prevailing market estimation of what it is worth. In a well-functioning asset market this is even truer, since any rational homeowner would already have sold her property on the open market if – all factors considered – it was better off as a result. Hence, open market value is a relevant factor when private parties are negotiating a land transaction, but it may be an inadequate proxy for the owner’s valuation in the case of a compulsory purchase.⁶¹

Because of this, federal land acquisition laws in countries such as Australia and Canada try to take account of the various damages, inconveniences and non-monetary costs to landowners when determining compensation, with the goal of placing landowners in a “situation where they are “no worse off” than before. One example is the concept of “special value”,⁶² which is any economic advantage arising incidentally from the possession of that land. For instance, a specialist Alpaca farmer may value his farm very highly because it is next to an artisanal fibre mill which can spin the Alpaca fleece into fine threads. However, this advantage would not be reflected in the farm’s market price if there were few Alpaca farmers in the country, and the broader market did not attribute any value to the nearby mill.

While the LAA’s move to market value compensation now takes account of the acquired land’s potential use value permitted by current planning laws, the existence and option value of a property to its owner goes beyond this. Possessing a property may enhance the

landowner’s personal satisfaction from owning an appreciating asset, including a feeling of self-reliance and independence. Singapore’s compensation framework also does not consider the loss of goodwill suffered by businesses due to a forced relocation, on the grounds that there are many reasons for loss of goodwill. There may also be symbolic value, based on the prestige from owning property. The owner could theoretically recapture this value by purchasing a replacement property from the market, but individual tastes, market rigidities and location preferences may make this an inferior option in practice.

Apart from different concepts of value, there is evidence that people’s behavioural and psychological attitudes may also affect their reactions to compensation offered for acquired land. Behavioural economists identify an “endowment effect”⁶³ which causes people to value goods and services they own more highly than identical goods and services they do not own. This is linked to why people are often loss averse, and willing to pay a higher amount not to lose something they already own, than they would pay to gain an identical good they do not yet own. Applied to land acquisition, the endowment effect could lead to the owner having a higher valuation for the land than the general market would, even if valuation methods used by both sides were identical.

This endowment effect could be exacerbated by feelings of resentment or injustice towards the lack of choice in the compulsory acquisition of their landholdings, and therefore the perception that the awarded compensation is insufficient. Feelings of being unlucky or discriminated against — such as the appellants in the *Jin Long Si Temple* case⁶⁴ argued — may add to these perceptions. Some jurisdictions offer “solatium” to compensate landowners for these intangible and non-monetary costs. In Victoria, Australia’s most populated state, this is capped at 10% above the market value to limit both the scope for arbitrary demands and the impact on public expenditure.⁶⁵

COULD THE APPEAL PROCESS BE IMPROVED?

Inevitably, there will be comparisons between the LAA's appeal process and that of equivalent legislation of other countries. Some other jurisdictions including Norway, Australia and Canada have taken a different approach from Singapore. Their legislative frameworks allow affected landowners to appeal the government's decision to acquire their land. Norway uses a combination of ministerial review and judicial review, Canada uses a combination of public hearing and ministerial review, while Australia uses ministerial review with recourse to review by the Administrative Appeals Tribunal.

For instance, in Australia, federal land acquisition legislation⁶⁶ allows an affected landowner to submit a request that the minister reconsider the acquisition. The landowner is required to explain the grounds of his request. The minister has 28 days to decide whether to modify, confirm or terminate the acquisition process. Should the minister decide to confirm or vary the pre-acquisition declaration, the affected person may apply to the Administrative Appeals Tribunal (a quasi-judicial tribunal) for review. In such a case, the Administrative Appeals Tribunal will provide the minister with a written decision recommending that the declaration be confirmed, revoked or varied. While the minister may choose to accept or reject the recommendation, any rejection must be done within 90 days. Upon rejecting the Tribunal's recommendation, the minister must lay before each House of Parliament a statement of the reasons for the rejection. In Victoria, Australia, disputes over the fact of acquisition or the amount of compensation can be brought by the landowner to the Victorian Civil and Administrative Tribunal of the Supreme Court of Victoria.

Addressing such international comparisons, Jayakumar opined that:

"Whatever the position may be in other countries, land in Singapore is a special case, because of the scarcity of land. The Land Acquisition Act which has served us well in the past will continue to be needed. I believe the general approach in land acquisition has served us well.

*...But at the end of the day, in Singapore, we cannot adopt the approach which may be prevalent in other countries where the authorities have abundant areas of land to take into account for developmental needs. Ours is a special case ..."*⁶⁷

Singapore cannot blindly adopt other countries' legislation wholesale. Our highly built-up urban environment and population density of 7,257 people per square kilometre is far greater than Sydney (2,058 people per square kilometre) or Melbourne (1,567 people per square kilometre), Australia's two most densely populated cities.⁶⁸ At the same time, there is value in comparative analysis of other countries' policies, because our LAA will constantly need to adapt to changing circumstances and needs.

A Delicate Balance

Given the significant potential public impact, the government has used compulsory acquisition judiciously and sparingly as a last resort. When used, decisions are made in a fair manner and based solely on technical grounds. For instance, when the government needed to ease traffic congestion along Lornie Road in 2011, it decided to build a new road across Bukit Brown cemetery despite the site's heritage and historic value, partly because the alternative option of widening Lornie Road could have involved the acquisition of private residences.⁶⁹ The decision-making process for the construction and alignment of the North-South Expressway demonstrates a similar discipline in the balancing of policy objectives such as the impact on adjacent roads, amount of acquisition required, engineering constraints and impact on the distribution of traffic flow.⁷⁰

Many experienced policymakers, planners and acquisition officers in Singapore share the common view that land acquisition cannot be regarded or assessed in isolation. There are important links between the LAA and other pillars of socio-economic and national development such as public housing, urban development, pension and retirement planning, infrastructure and communications. It is within this larger policy space that the optimal balance between effectiveness, sustainability, affordability, accountability, legitimacy and fairness must be found.

Jayakumar captures this delicate balance that Singapore's acquisition framework has operated in, and will continue to operate within:

*"Can we do without the Land Acquisition Act? No. Can we reduce the hardships and rigours of the land acquisition? Yes. And we will continue to see how we can do that."*⁷¹

ENDNOTES

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- ² Savage and Yeoh (2003).
- ³ The Straits Times, "Bukit Sembawang Rubber", 11 Jun 1924, p. 2.
- ⁴ Turnbull (1999) p. 200.
- ⁵ Ibid. p. 234.
- ⁶ Singapore Parliamentary Debates. (15 March 1967). Vol. 25, Cols. 1295-1296. *Report of Constitutional Commission 1966*.
- ⁷ Yuen (2007).
- ⁸ Laws of Singapore, 1955 (Cap. 248).
- ⁹ Koh (1967) p x. and Report of the Select Committee on the Land Acquisition Bill, Parl 9 of 1966, at p. C 74.
- ¹⁰ Ricquier (2007), p.20.
- ¹¹ Singapore Parliamentary Debates. (15 March 1967). Vol. 25, Cols. 1295-1296. *Report of Constitutional Commission 1966*.
- ¹² Chief Minister Mr. David Marshall to Singapore Ratepayers' Association, 9(?) Nov 1953; Singapore Parliamentary Debates (24 August 1955) Vol. 1, Col 412. *Mr. Ng Kah Ting (Punggol); Col. 599. Minister for Labour and Welfare, Mr. Lim Yew Hock; Cols. 600 and 602. Minister for Communications and Works, Mr. Francis Thomas.*
- ¹³ Singapore Parliamentary Debates. (10 June 1964). Vol. 23, Col. 25. See also observations by then-P.M. Lee Kuan Yew and then Minister for Law and National Development E. W. Barker during the second and third readings of the Land Acquisition (Amendment No 2) Bill in 1964-66 and Singapore Parliamentary Debates. (16 June 1965). Vol. 23, Col. 811; and (26 October 1966). Vol 25. Col 410.
- ¹⁴ Lee (2000) pp. 118-9.
- ¹⁵ The 1920 Land Acquisition Ordinance, and the 1955 Land Acquisition (Temporary Provisions) Bill.
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- ²² Land Clearance and Resettlement Working Party (Singapore), Report of the Land Clearance and Resettlement Working Party [Acting Chairman S. G. Burlock], Singapore: Printed at the Govt. Print Office, 1956.
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- ²⁴ Liu Thai Ker, Interview with the Centre for Liveable Cities (unpublished transcript), 27 June 2013.
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- ²⁶ Liu Thai Ker, Interview with the Centre for Liveable Cities (unpublished transcript), 27 June 2013
- ²⁷ Ibid.
- ²⁸ The CPF was initially established by the British in 1955 as a pension plan to provide social security for the working population. In 1968, it was redesigned as an individual mandatory retirement savings account.
- ²⁹ Ng Kok Ching, Interview with the Centre for Liveable Cities (unpublished transcript), 12 June 2013.
- ³⁰ Ibid.
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- ³² Ibid.
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- ³⁵ Singapore Parliamentary Debates. (15 August 2003) Vol. 76, Col. 2459.
- ³⁶ *The Journey: 60 years of fighting corruption in Singapore*, Parl 9 of 1966, representation by C. H. Williams, p. B19 para. 25.
- ³⁷ Chew, Hoong, Tay and Vellasamy (2010) p. 172.
- ³⁸ Corrupt Practices Investigation Board (2012), 60th Anniversary Coffee Table Book, Foreword by Lee Kuan Yew.

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- ⁴⁰ High Court judgement at *Teng Fuh Holdings Pte Ltd v Collector of Land Revenue* [2006] 3 SLR 507 and Court of Appeal judgement at *Teng Fuh Holdings Pte Ltd v Collector of Land Revenue* [2007] 2 SLR 568.
- ⁴¹ Singapore Parliamentary Debates, Official Report (11 April 2007). Vol. 83, Col. 376. Singapore Parliamentary Debates, Official Report (11 April 2007). Vol. 83, Col. 376.
- ⁴² Business Times (13 Mar 2007), "Govt can keep land it got for \$4.2m: Court" by Wee Li-En.
- ⁴³ Koh (1967) p. x - xi and Lim (1968) pp 2-5. Past judicial review cases suggest that unless bad faith by the authorities — which is a serious allegation — can be proven, an aggrieved landowner cannot challenge the validity of an acquisition (1) by arguing that some of his land was ultimately not needed for the purposes stated, (2) that the land was left unused for many years, or (3) that the land was in fact wanted for purposes other than those specified in the gazette.
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- ⁶¹ Ghatak, Maitreesh and Parikshit Ghosh (2011) "The Land Acquisition Bill: A Critique and a Proposal", *Economic and Political Weekly*, Vol. XLVI No. 41, 8 October 2011.
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- ⁶³ Hoffman and Spitzer (1993), pp 59-114, Carmon and Ariely (2000), pp 360-370, Kahneman, Knetsch and Thaler (2009).
- ⁶⁴ *Eng Foong Ho v Attorney-General* [2009] 2 SLR 542.
- ⁶⁵ s. 44 of Victoria's Land Acquisition and Compensation Act (No 121 of 1986, Ver. No. 044).
- ⁶⁶ Australian Commonwealth Lands Acquisition Act 1989 (Act No. 15 of 1989 as amended).
- ⁶⁷ Singapore Parliamentary Debates. (19 Apr 2001). Vol. 73, Col. 1480. *Minister for Law, Prof. S. Jayakumar*.
- ⁶⁸ Australian Bureau of Statistics; Singapore Department of Statistics.
- ⁶⁹ Singapore Parliamentary Debates. (22 Nov 2011). Vol. 88. *Balancing Needs of Development and Conservation, Ms. Irene Ng and Minister for National Development, Mr. Khaw Boon Wan*.
- ⁷⁰ Singapore Parliamentary Debates. (9 January 2012) Vol. 88. *North-South Expressway (NSE): Study of Alternative Options, Mr. Gerald Giam and Minister for Transport, Mr. Lui Tuck Yew*.
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APPENDIX A

Governance Tools For Land Acquisition And Resettlement

Legislation

Legislation/Policy	Significance and Effects
Land Acquisition Act (Chapter 152)	Overall framework legislation empowering the state to compulsorily acquire private land, for the award of compensation thereof, setting up of an administrative appeals body, and other related issues.
Housing and Development Act (Chapter 129)	Establishes authority of the Board in acquisition and resettlement matters: Functions and Duties of Board Subject to the provisions of this Act, it shall be the function and duty of the Board – (a) To prepare and execute proposals, plans and projects for – <ul style="list-style-type: none"> • the clearance and redevelopment of slums and urban areas; • the development or redevelopment of areas designated by the Minister; • the development of rural or agricultural areas for the resettlement of persons displaced by operations of the Board or other resettlement projects approved by the Minister.
Constitution of the Republic of Singapore (Responsibility of the Minister for National Development) Notification 2011	Empowers the Minister for National Development in matters of land and urban development, including: (a) Urban Renewal and Redevelopment (b) Resettlement
Urban Redevelopment Authority Act (Chapter 340)	Functions and duties of Authority It shall be the function and duty of the Authority – (a) To prepare or execute or prepare and execute proposals, plans and projects for – <ul style="list-style-type: none"> • the clearance, development and redevelopment of such land as the Authority may think fit for the purpose of resetting persons displaced by operations of the Authority and other resettlement projects approved by the Minister or for any other purpose;

Executive Policies

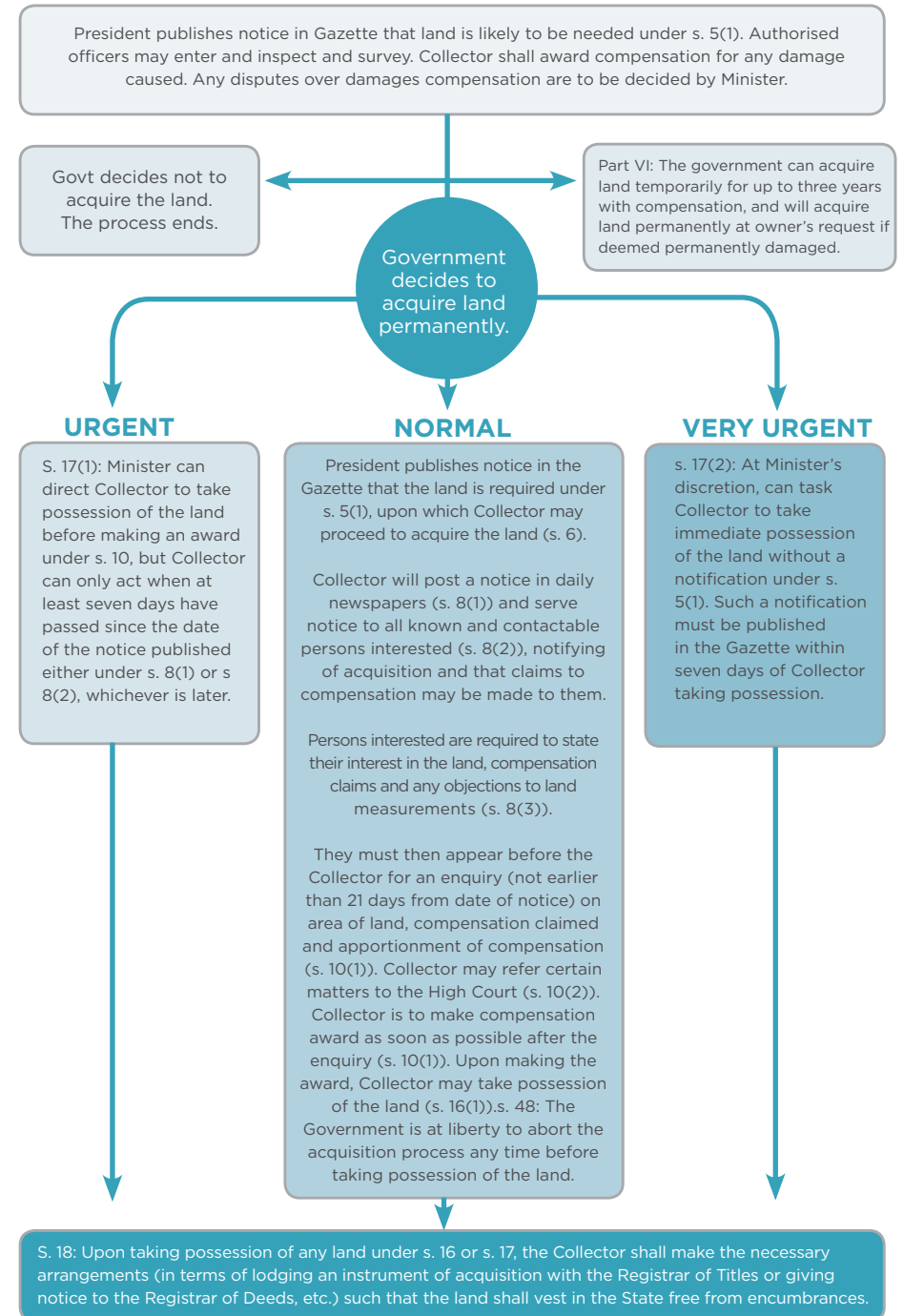
Policy	Result
Close coordination of timelines between land acquisition and resettlement of affected persons	Ensured timely provision of better-quality living environment for resettled persons, and won important early public support for resettlement.
Rigorous approval process for land acquisition by the state, involving final approval by the Cabinet of Singapore	Assured citizens of due process; minimised opportunities for corruption or vested interests to influence land acquisition decisions.
Detailed and meticulous compensation formula, based primarily on the value of land improvements and livestock/crops of resettled persons, and determined by prompt census-and record-keeping	Prevented abuse of the compensation system by documenting clearly the items for which payment would be awarded. Established an objective basis for compensation.
Introduction of <i>ex gratia</i> payments for land acquisition	Gave the state flexibility to ensure that households affected by compulsory acquisition were able to afford alternative housing.

Key Institutions

Institution	Role in Land Acquisition and Resettlement
Housing and Development Board	Statutory Board under the Ministry for National Development. Primary agency in charge of resettlement and the provision of alternative public housing.
Land Office / Singapore Land Authority	Statutory Board under the Ministry of Law. Land use and administration agency in charge of processing and assessing land acquisition proposals by public agencies. The SLA is now the primary agency responsible for administering the Land Acquisition Act.
Appeals Board	Administrative tribunal established by the Land Acquisition Act to resolve disputes over the quantum of compensation awards.
Urban Redevelopment Department / Urban Redevelopment Authority	National Development. In charge of urban renewal and development within the city centre; later expanded into the primary land use and planning agency.
Jurong Town Corporation	Statutory Board under the Ministry for Trade and Industry. Involved in major acquisition and resettlement exercises in the 1960s and 1970s for the construction of industrial estates and factories.
Land Acquisition Inter-Agency Committee (LAIAC)	Inter-agency committee chaired by a senior Ministry of Law official. Ensures constant and timely communication between land management and land user agencies regarding land acquisition matters.

APPENDIX B

Process of Land Acquisition and Appeal against Award

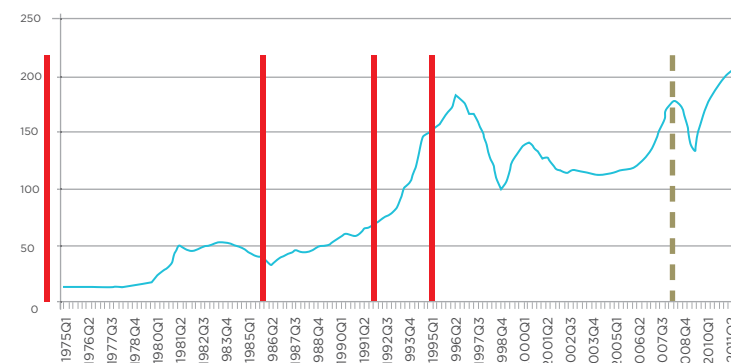


APPENDIX C

Property Price Indices (1975-2012) [Data: URA Realis]

Price Indices of Residential Property, Shop Space and Industrial Property

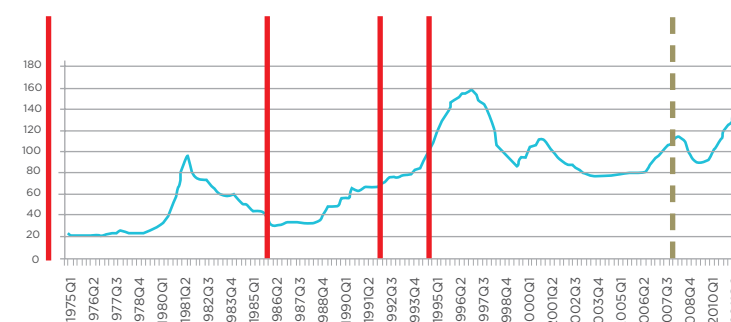
Property Price Index of Residential Property



Property Price Index of Shop Space



Property Price Index of Industrial Property



S. 19: One or more Appeals Boards shall be set up, headed by a Commissioner and Deputy Commissioner appointed by the President. They will serve two year terms, are considered public servants, and enjoy judicial immunity. s. 22: The Minister may make regulations prescribing the compensation, manner, procedures, appeal venues, and appeal fees of the Board.

S. 23(1): Any person aggrieved with an award under s. 10 may appeal to the Board by (a) lodging a written appeal notice within 14 days, and (b) depositing with the Accountant-General a sum of \$5,000 or one-third the award (whichever is less) unless a written waiver from the Collector allows otherwise. s. 23(2): Thereafter, the appellant will be given the Collector's grounds of award, and must lodge his grounds of appeal within 14 days. The appellant must only rely on these grounds of appeal during his hearing (s. 23(4)). If these requirements are not met, the appeal is deemed to be withdrawn (s. 24). The Board in its discretion can allow the appeal to proceed regardless, if certain conditions are met.

S. 26(1)(a): In cases where the appeal involves an award of \$250,000 or more, the Board shall comprise the Commissioner or Deputy Commissioner and two members from a panel of assessors appointed by the Minister.

S. 26(1)(b): In cases where the appeal involves an award of less than \$250,000, the Board shall comprise the Commissioner or Deputy Commissioner sitting alone, or with two members of the panel of assessors as in s. 26(1)(a)

S. 25: At the hearing, the onus is on the appellant to prove that the award is inadequate. s. 27: following this, the Board may confirm, reduce, increase or annul the award. s. 32: costs of appeal to be paid by Collector if Board's award exceeds Collector's, and by appellant otherwise, except if appellant is deemed to have made an excessive claim or been negligent. s. 32(4): If appellant's claim exceeds the Board's award by 20% or more, he is not entitled to his costs.

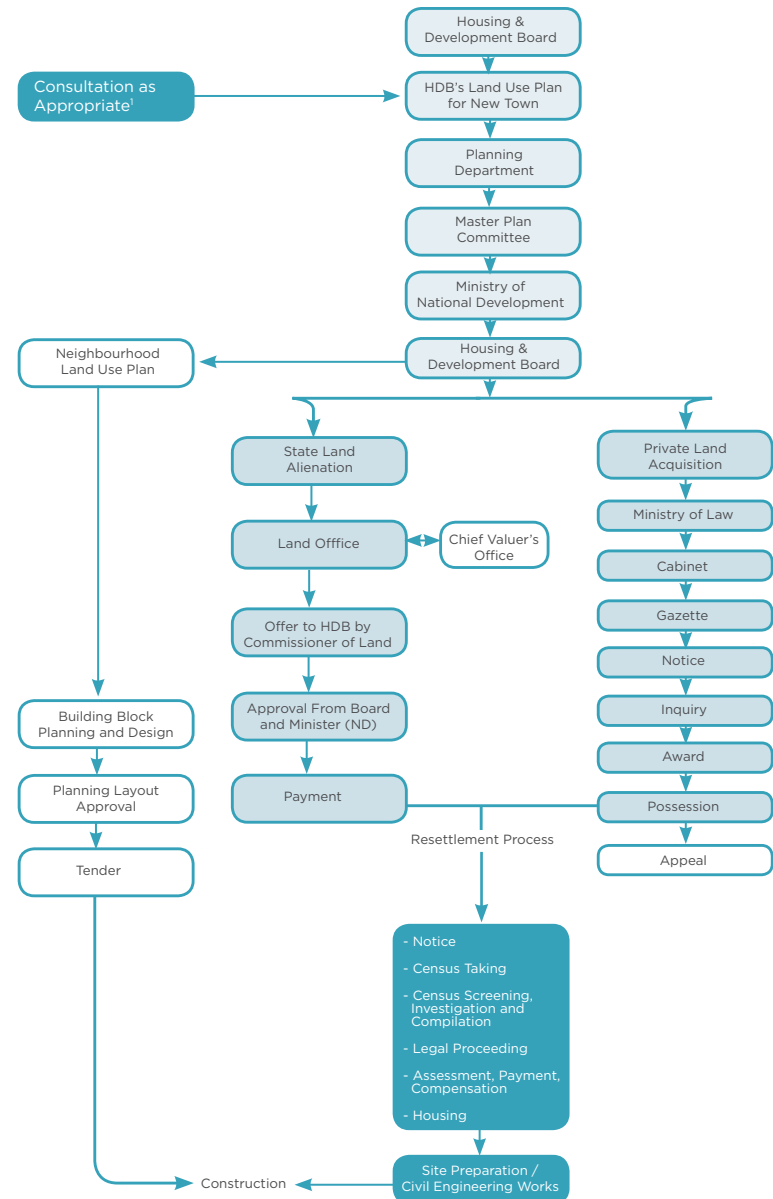
S. 33: In determining compensation, the Board will consider only: (A) where date of acquisition is not before 12 Feb 2007, the market value of the land as at the date of (i) publication of the s. 3(1) notice, provided the s. 5 declaration is made within six months; (ii) otherwise, as at the date of the s. 5 declaration. (B) the rise in value of any other land of the person interested likely to accrue from the use of the acquired land; (C) damage from severance of acquired land from other land; (D) damage to movable or immovable property when possession is taken; (E) reasonable expenses incurred if person interested must change his residence or business location; (F) associated costs of any re-issue/registration of title. Any rise in value due to uses that are illegal or detrimental to health shall not be considered.

S. 34: The Board will not consider the: (A) degree of urgency of acquisition; (B) disinclination of person interested to part with land; (C) increase or decrease in value due to likely use of the acquired land; (D) land improvements made after date of s. 5 declaration except for safety reasons; (E) sales of comparable properties, unless appellant can prove these transactions were bona fide and not speculative.

S. 29: The decision of the Board is final, but in cases where the Board's award exceeds \$5,000, the appellant or Collector may appeal the Board's decision in the Court of Appeal, upon any question of law. s. 30(1): the Board may also state a case on a question of law to the Court of Appeal. s. 30(6): The Court may confirm, reduce, increase or annul the Board's award, or remit the case back to the Board with its opinion, which shall be binding on the Board. s. 29(5): There is no further right of appeal.

APPENDIX D

New Town Planning and Development



¹with relevant authorities

Source: Wong and Yeh (1985).

LAND ACQUISITION AND RESETTLEMENT: SECURING RESOURCES FOR DEVELOPMENT

Land is among a country's most critical resources: this is especially true for a small and densely populated city-state like Singapore. For land to be developed in a sustainable manner, there need to be effective policies that allow the state to acquire land where required for public benefit. The pace, nature and primary purpose of land acquisition and resettlement in Singapore have evolved over the decades, reflecting the changing priorities and challenges of the nation. This study reviews the development of Singapore's land acquisition journey, charts the key milestones and provides an analysis of the role of land acquisition in a rapidly changing modern state.

"Land Acquisition and Resettlement: Securing Resources for Development illustrates how the hard choices made by Singapore over land acquisition and resettlement were not simply the inevitable products of geography or destiny, but of conscious efforts to define and execute a long term development vision"

Vincent Hoong, Chief Executive, Singapore Land Authority

