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Discrepancy in the Adequacy of Compensation for Land Acquisition between Public and Private Valuers

Priya Dharishini Arulraj[1], Rozilah Kasim[1]*,

[1] *Department of Real Estate Management, Faculty of Technology Management and Business, Universiti Tun Hussein Onn Malaysia, Batu Pahat, Johor, 86400, MALAYSIA*

*Corresponding Author: rozilah@uthm.edu.my
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Abstract

This study examines discrepancies in determining adequate compensation for land acquisition between public and private valuers in Johor, grounded in Malaysia's constitutional and statutory framework, which mandates fair compensation while acknowledging persistent valuation disputes. The objective is to identify the key factors contributing to these discrepancies and to determine their hierarchy of importance from the perspectives of public and private valuers within the state. A quantitative research design was employed, utilising a structured questionnaire distributed via Google Forms to public and private valuers in Johor. The data were analysed using SPSS, employing descriptive statistics, frequency analysis, and mean–standard deviation-based ranking on a five-point Likert scale. The findings reveal that nine main factors including Market Value, Physical Characteristics, Valuation Methodology, Date of Notification, Betterment, Disturbance or Incidental Cost, Injurious Affection, Severance, and Accommodation Works—are all perceived as significant, with Market Value, Injurious Affection and Severance recording the highest mean scores, while Disturbance or Incidental Costs and Accommodation Works exhibit strong consensus based on low standard deviations. These results suggest that discrepancies stem from a combination of technical, legal, and ethical considerations, indicating the need for clearer valuation guidelines on high-importance and recommending that future research expand the geographical scope, incorporate real case files, and include a broader sample of valuers to enhance transparency, consistency, and equity in compensation assessment.

1. Introduction

Land acquisition is a crucial process that supports national development by allowing the government to obtain private land for public use. In Malaysia, this process is rooted in Article 13 of the Federal Constitution, which ensures that no person is deprived of property except in accordance with the law, and that any compulsory acquisition must include adequate compensation. To uphold this principle, the Land Acquisition Act 1960 (LAA 1960) provides a legal framework that defines the methods and procedures to determine fair compensation. The First Schedule of the Act specifies the factors that must be considered or disregarded in valuation. Public valuers, appointed by the government, and private valuers, engaged by landowners, are responsible for carrying out these assessments.

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However, even with clear legal guidelines in place, discrepancies in compensation values persist between public and private valuations. These discrepancies often lead to disputes, objections, and legal action, reflecting ongoing dissatisfaction among landowners (Mohamed et al., 2022). Under Section 37(1) of the LAA, landowners can submit objections using Form N, usually citing issues like inaccurate land measurement, unfair compensation, or disagreement over the rightful recipient. In practice, private valuers tend to arrive at higher valuations because they consider potential land appreciation and sentimental value, while public valuers usually rely on current market value and exclude non-monetary considerations (Mohd Salleh & Sik, 2024). These opposing approaches highlight concerns about fairness, accuracy, and equity, often influenced by differences in valuation methods, interpretation of the First Schedule, or even professional judgment and institutional pressure (Alias et al., 2006). Moreover, ethical issues such as lack of transparency, pressure on valuers, and varying levels of independence further impact the credibility of the valuation process. Although the Malaysian Valuation Standards (MVS) advocate for professional integrity and fairness, their consistent application in land acquisition practice remains uncertain.

The persistence of valuation inconsistencies has broader implications, including landowner dissatisfaction, prolonged legal debates, and project delays, which can erode public trust in the system. A study by Ismail Omar (2007) on the KUTKM land acquisition case in Melaka revealed significant differences between public and private valuation figures. While the study provided important insight, it did not examine the specific factors that contributed to these discrepancies or their relative significance. Although previous research has explored compensation disputes, few studies have focused on identifying and comparing the key technical and ethical factors that shape valuation outcomes. This gap is even more evident where empirical data from both public and private valuers are limited, and most studies rely on secondary data or the perspectives of landowners.

Therefore, this study aims to identify and examine the main factors contributing to compensation valuation discrepancies between public and private valuers, as well as to evaluate their extent and impact. Despite involving a limited sample of practitioners, the research offers meaningful insights that can enhance valuation practice, improve fairness and consistency, and ultimately strengthen transparency and trust in Malaysia's land acquisition system.

Valuation in land acquisition is crucial to ensuring that landowners receive fair compensation when their land is acquired for public purposes. Under Article 13 of the Federal Constitution, no person shall be deprived of property except in accordance with the law, and any compulsory acquisition must be accompanied by adequate compensation. However, Alias and Daud (2006) highlighted that compensation amounts often fall short of landowners' expectations, contradicting fair value principles under Malaysian law. Although the Land Acquisition Act 1960 (LAA 1960) provides standardised valuation guidelines, differences in compensation between public and private valuers continue to create dissatisfaction (Boyd & Irons, 2002).

Public valuers typically assess compensation based on current market values and rarely account for potential development opportunities, whereas private valuers often incorporate future potential and sentimental values, resulting in significant valuation gaps. These differences arise from variations in valuation methods, professional judgment, and interpretations of statutory provisions, such as those under the First Schedule. Consequently, public confidence in the valuation process and land administration system has weakened (Omar, 2007), raising concerns about transparency, fairness, and project execution (Case & Wachter, 2005). For instance, in the case of Lot 1072 in Mukim Krubong, Melaka Tengah, the compensation discrepancy between a public valuer (RM59,896.00) and a private valuer (RM223,483.00) led to objections and revisions, illustrating how differing approaches can generate disputes.

While prior studies have explored adequate compensation, few have focused on the specific factors contributing to valuation discrepancies or compared how consistently public and private valuers apply these factors. Owusu-Ansah (2012) found that inconsistencies may arise from the handling of variables such as location, land size, usage, title conditions, and eligibility. Yet, the extent to which these variables dominate valuation remains underexplored. Additionally, ethical issues, including valuers' independence and professional judgment, may influence compensation outcomes but are rarely thoroughly assessed (Museleku H. K., 2021). Therefore, this study aims to identify and evaluate the hierarchy of significant factors contributing to compensation discrepancies from the perspectives of public and private valuers. The study's findings are expected to provide valuable insights for young valuation practitioners in land acquisition valuation, enabling landowners to understand the process and factors considered in determining adequate compensation. Additionally, the study will help academicians or researchers clarify how valuation differences occur in determining adequate compensation.

Thus this research is aimed to identify the factors contributing to discrepancies in determining the adequate compensation amount of public and private valuers and to determine the hierarchy of the factors contributing to discrepancies in determining the adequate compensation amount of public and private valuers. This study focuses on several key considerations such as the type of valuation (adequate compensation), the respondents are those of public and private valuers in the State of Johor'

2. Literature Review

The literature review section describes all relevant literature related to the research and critically discussed. This section can be structured based on the stated objectives and focus of the study or any logical order as deemed appropriate.

2.1 Definitions and terms

Land Acquisition

Land acquisition is a process run by the government or its authorized agencies to acquire privately held land for public purposes, including infrastructure development, urban expansion, or economic projects, and may occur against the landowner's desire for the benefit of the public rather than the private sector (Brown, 1991). In Malaysia, it is governed by the Land Acquisition Act 1960 (Act 486), which outlines procedures for compulsory acquisition valuation, adequate compensation, and dispute resolution in line with Article 76(4) of the Federal Constitution, so that land acquisition and compensation are governed by statute (Xavier, 2001). The Act balances development needs with the constitutional protection of affected landowners' rights, including compulsory compensation when land is acquired by the State Authority.

Compensation

Compensation for land acquisition refers to a sum of money or financial remuneration provided where the principle of compensation is rooted in the protection of property rights of individuals who own land, ensuring their rights are not violated when they acquire land without paying for any damage or loss where amount vary according to the interpretation of what constitutes fair and adequate compensation as per Brown (1991) (Alias & Daud, 2006). Therefore, the implementation of the corresponding payment of compensation must be strictly adhered to according to the provisions set out in the Land Acquisition Act 1960 to ensure compliance and safeguard landowners' rights.

Adequate Compensation

Adequate compensation, as used in Malaysian land acquisition, refers to the fair and reasonable monetary compensation given to landowners when their property is acquired for public purposes, such as national development or infrastructure projects. The idea is regulated under the LAA 1960 (Act 486), which states that the amount paid must take into consideration both the land's market value at the time of acquisition and any additions or modifications made to the property. Compensation that is given as an exchange or consolation for what has been lost, according to McGregor (1988), would seem to understand more intangible loss, something that cannot be substituted, and something other than monetary loss. However, Malaysian law does not provide direct compensation for sentimental attachment or emotional worth to the property.

Valuation Accuracy

Valuation accuracy refers to how precisely and fairly the worth of land and related properties is assessed to determine compensation. According to Keith (1984), eminent domain is subject to two fundamental requirements: private property may only be seized for public purposes, and the property taken must be compensated fairly. Qualified valuers in Malaysia perform valuations of land using a variety of approaches, including the Comparable Sales Method, Income Approach, and Cost Approach, to determine the market value, and factors such as the valuer's credentials, the approach taken, and the state of the market all impact the accuracy of a valuation. Conflicts and possibly unfair compensation may result from valuation disparities, whether they arise from different approaches taken by public or private valuers. For the land purchase process to remain transparent and equitable, valuation accuracy must be guaranteed.

2.2 Legal Provisions and Legal Practices in Malaysia

Federal Constitution

Land administration in Malaysia operates under a complex legal framework that balances the state's power to acquire land for development with the protection of individual property rights, with 5 the Federal Constitution as the highest legal authority. Article 13 explicitly provides that no person shall be deprived of property except in accordance with the law, and that no law shall provide for the compulsory acquisition or use of property without adequate compensation. These provisions ensure that landowners are protected from arbitrary land seizures and are entitled to fair compensation when their land is acquired by the government, with the value compensated being equal to the property's value.

National Land Code 1965

The National Land Code 1965 (Act 486) is the primary legislation governing land matters in Peninsular Malaysia, consolidating existing laws on land tenure, title registration, dealings, and revenue. It also outlines mechanisms for the government to acquire private land for public infrastructure, while safeguarding landowners' rights through fair compensation and procedural transparency. The Code establishes the Torrens System, the indefeasibility of title, and a uniform framework for land transfers and compulsory acquisition, ensuring that land governance is systematic, equitable, and aligned with national development objectives.

Land Acquisition Act 1960

The Land Acquisition Act 1960 (Act 486), originally enacted as Act 34 (1960) and revised in 1992, is the principal legislation governing compulsory land acquisition in Malaysia. It provides a structural legal framework to ensure that acquisitions are carried out with fairness and transparency. It outlines the grounds and procedures for acquisition, and the rights of affected landowners, beginning with a preliminary notice under Section 4, followed by a formal declaration under Section 8, and an enquiry by the land administrator to determine compensation based on market value, loss of earnings, and relocation costs. Landowners may appeal to the High Court under Section 36, while Section 19 permits the urgent possession of land before compensation is finalised. The Act aligns with Article 13 of the Federal Constitution to guarantee adequate compensation and safeguard landowners from arbitrary dispossession.

Land Ordinance Sabah and Sarawak Land Code

Land acquisitions in Sabah and Sarawak follow distinct legal frameworks that reflect their unique administrative structures, namely the Sabah Land Ordinance (Cap. 68) of 1930 and the Sarawak Land Code (Cap. 81) of 1958, which governs ownership, registration, acquisition, and protection of Native Customary Rights (NCR). These laws ensure indigenous communities are safeguarded during acquisition processes and that development is balanced with local governance needs, while regulating land transactions and aligning acquisitions with state planning policies. Although similar in purpose to the LAA 1960, they are tailored to customary land rights and administrative structures, ensuring that both native customary and statutory rights are considered in the acquisition process.

2.3 Land Acquisition Practices in Other Countries

Across countries, land acquisition is generally governed by statutory frameworks that define the process, compensation, and dispute resolution, often limiting acquisition to public purposes and reserving this power to governments or state entities. In the United States, eminent domain, as protected under the Fifth Amendment, allows the government to acquire private land for public use with just compensation. Landowners are given time to review detailed compensation schemes, a safeguard that is not present in Malaysia (Alias & Daud, 2006). In India, the 2013 Act on Fair Compensation and Transparency requires social impact assessments, guarantees compensation and recovery assistance, and highlights consent-based acquisition for private projects. In contrast, Singapore's Land Acquisition Act 1966 streamlines the acquisition process for urban development and infrastructure by utilising market value and an Appeals Board to ensure predictable decisions. These examples illustrate how other jurisdictions strike a balance between property rights and development needs, suggesting that Malaysia's Land Acquisition Act 1960 could be strengthened by enhancing legal protections, compensation mechanisms, and procedural clarity.

2.4 First Schedule of the Land Acquisition Act 1960

The First Schedule of the Land Acquisition Act 1960 outlines the principles for determining fair compensation, with primary emphasis on the market value of the land at the date of declaration of the intended acquisition, and additional consideration for severance and injurious affection for any remaining land. It also accounts for relocation costs and disturbance allowances, including losses of earnings or livelihood, while disregarding increases in value of other land due to the acquisition and certain improvements made close to the acquisition date. The Land Administrator is responsible for investigating and assessing compensation in accordance with these rules. Landowners may appeal to the High Court for judicial review of a possible revaluation if they consider the compensation to be inadequate. This framework, consistent with Article 13 of the Federal

Constitution, aims to ensure that compulsory acquisition balances the public interest with the protection of private property rights and does not permit the violation of individual ownership rights.

2.5 Factors Contributing to Discrepancies in Determining the Adequate Compensation Amount of Public and Private Valuers

Market Value

Market value is the primary basis for determining compensation at the date of acquisition, influenced by comparable sales and fair negotiation between a willing buyer and a willing seller (Alias, 2014). It represents the price agreed upon in an open market under fair conditions (MVS Sixth Edition, 2019). Variations occur due to differences in land size, use, tenure, or valuation date (Land Acquisition Act, 1960).

Physical Characteristics

Land size, shape, and location strongly influence value, with irregular or landlocked plots typically valued lower. Comparable properties' prices and features guide valuation (Azhari, 1996). Proximity to amenities and accessibility increase value, while poor surroundings reduce it (Omar, 2007).

Valuation Methodology

Differences in valuation methods between public and private valuers often cause compensation disparities. Public valuers usually apply conservative existing-use values, while private valuers may consider future potential. Valuation accuracy depends on the chosen approach and the factors considered (Adebisi et al., 2024; Alias & Daud, 2006).

Date of Publication

The gazette date defines the valuation reference point (LAA, 1960). Market changes between valuation and payment often lead to inconsistent compensation amounts (Rahman et al., 2015). Delayed payments rarely reflect true market value, causing dissatisfaction among landowners (Azhari, 1996).

Betterment

Betterment arises when land value increases due to external development or rezoning (LAA, 1960). To avoid overcompensation, these increments are often excluded, though valuation practices differ (Gdesz, 2008). Private valuers may include speculative increases, widening compensation gaps (Alias et al., 2006).

Disturbance or Incidental Costs

Disturbance costs include relocation expenses, legal fees, and lost income (LAA, 1960). These costs significantly affect total compensation but are difficult to quantify. Public valuers consider basic expenses, while private valuers include broader incidental costs (Omar, 2007).

Injurious Affection

Injurious affection refers to the reduced value of unacquired land affected by development works (LAA, 1960). Impacts include loss of accessibility, noise, or visual obstruction. Assessment varies widely, with private valuers considering broader landowner perspectives, leading to inconsistent compensation.

Severance

Severance occurs when the acquisition of part of a property reduces the value of the remaining land (LAA, 1960). Public valuers may apply general allowances, while private valuers assess losses in more detail. Compensation varies depending on how severance is quantified and interpreted.

Accommodation Works

Accommodation works involve improvements like access roads or drainage to maintain land usability (LAA, 1960). Valuation disagreements often arise over the estimation of value and its necessity. Public valuers may undervalue such works, while private valuers seek full reimbursement, resulting in discrepancies in compensation.

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2.6 Summary of Factors Contributing to Discrepancies in Determining the Adequate Compensation Amount of Public and Private Valuers

Table 1 *Factors Contributing to Discrepancies in Determining the Adequate Compensation Amount Of Public and Private Valuers*

Researcher	Factors Contributing to Discrepancies	Summary of Past Research
Alias (2014), MVS 6th Edition (2019), LAA (1960)	• Market Value	• Market Value • Land Physical Characteristics • Valuation Methodology • Date Of Publication • Betterment • Disturbance/Incidental cost • Injurious Affection • Severance • Accommodation works
Omar (2007), Azhari (1996)	• Land Physical Characteristics	
Adebisi et al. (2024), Alias & Daud (2006), Pashoulis Varnavas (2020)	• Valuation Methodology	
Rahman et al (2015), Azhari (1996), LAA (1960)	• Date Of Publication	
Gdesz. M (2008), Alias et al. (2006), LAA (1960)	• Betterment	
(Omar, 2007)	• Disturbance/Incidental cost	
(LAA 1960)	• Injurious Affection	
(LAA 1960)	• Severance	
	• Accommodation works	

Based on **Table 1**, nine factors were identified in contributing to the accuracy of determining adequate compensation: market value, physical characteristics, valuation methodology, date of publication, betterment, disturbance or incidental cost, injurious affection, severance, and accommodation works.

2.7 Conceptual Framework

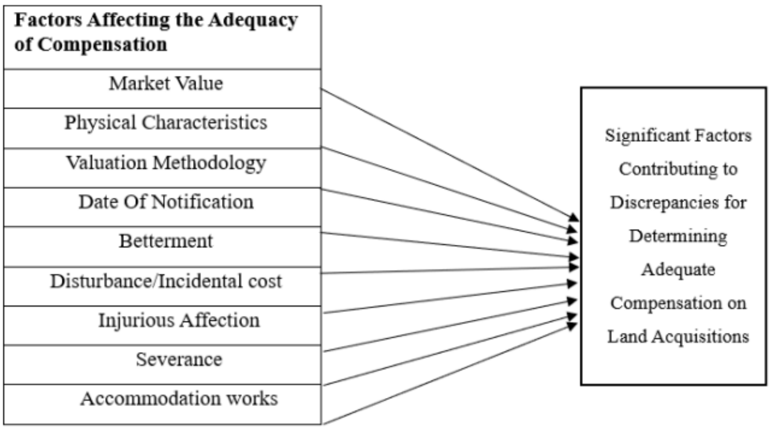

Fig 1. *Conceptual Framework*

This conceptual study ensures a clear focus and direction throughout the research process. According to Hassan. M (2024) notes that this framework helps ensure the study remains aligned with its predetermined aims by providing a detailed outline of the research objectives. **Fig 1** illustrates how methodical data collection has been carried out in accordance with appropriate standards to fulfil the study objectives. The significant factors included are market value, physical characteristics, valuation methodology, date of notification, disturbance or incidental cost, injurious affection, severance and accommodation works.

Based on Figure 1, data collection has been carried out according to suitability criteria to ensure the research objectives are met. Therefore, using the right research instrument is important in gathering data for ongoing quantitative data collection, as shown in **Table 2.**

Table 2 *Conceptual Framework (Quantitative Data Collection)*

Research Objective	Method	Data Analysis	Findings
Objective 1	Quantitative Method (Questionnaire Instrument)	Descriptive Analysis	To identify the factors contributing to discrepancies in determining the adequate compensation amount of public and private valuers
Objective 2		Frequency Analysis	To determine the hierarchy of the factors contributing to discrepancies in determining the adequate compensation amount of public and private valuers

3. Research Methodology

3.1 Research Design

This study employed a quantitative method approach, which aims to identify the factors contributing to discrepancies in determining the adequate compensation amount of public and private valuers. The researcher employed a questionnaire technique, referred to in this study as an instrument, to achieve the study's objectives.

The flowchart is a visual representation of the research process, systematically describing it as a methodological guide. Mind maps and arrows are two examples of how the operational process is depicted. Figure 2: Research flow chart is included in the Appendix.

The quantitative method is used in this study because it is useful for gathering data for research projects because of its reliability, objectivity, and capacity to generalise results. Statistical techniques are used to collect and analyse numerical data in quantitative research (Creswell, 2014).

The population consists of public and private valuers located in the state of Johor. The research area comprises all public valuers from the government sector, as well as private companies, totalling 54 companies in all districts of Johor. In this case, there are 20 certified public valuers and 128 private valuers, totalling 148 valuers eligible to conduct the survey. This research employs non-probability convenience sampling, utilising a Google Forms questionnaire distributed via WhatsApp and Email. Based on the total of 148 respondents, the total number of respondents needed was 59.

$$n = \frac{148}{1 + 148(0.1)^2} = 59.677$$

$$= 59.7 \ respondents$$

3.2 Data Collection

The data collection method used is the distribution of questionnaires provides a brief overview of the research's purpose and facilitates the data analysis process at the end of the study. This instrument also employs the standard Likert scale technique, which yields more accurate data compared to other scales.

Research Instrument

This instrument uses a questionnaire survey referring to **Table 3.**

Table 3 *Research Instrument*

PART 1 Respondent demography	Example question: • Employment sector • Industry experience	Question outcome • Respondent information

PART 2 • Market Value • Physical Characteristics • Valuation Methodology • Date Of Publication • Betterment • Disturbance/Incidental cost • Injurious Affection • Severance • Accommodation works	Supported by: • Alias (2010), • MVS 6th Edition (2019), • Omar (2007), • Adebisi et al. (2024), • Alias & Daud (2006), • Pashoulis Varnavas (2020), • Rahman et al (2015), • Azhari (1996), • LAA (1960), • Gdesz. M (2008)	Using the Likert scale 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree
PART 3 The hierarchy of the most significant factors contributing to discrepancies in determining adequate compensation for public and private valuers.	The frequency, mean, and standard deviation determine the hierarchy of the most significant factor contributing to discrepancies.	

3.3 Data Analysis

Data collected systematically, analysed using SPSS, and presented in a ranking table and descriptive analysis were used to determine the hierarchy of significant factors contributing to discrepancies in determining adequate compensation for public and private valuers.

Descriptive Analysis

Statistical methods are used in this quantitative descriptive research to objectively and systematically characterise the features and patterns of the data. The conclusions drawn will include the values of the mean, median, mode, and standard deviation.

Frequency Analysis

Frequency analysis is used to explain the minimum score and the distribution of frequencies for quantitative methods. The frequency of the data being studied is calculated, and the data is arranged based on the frequency distribution.

Hierarchy Analysis

The mean scores and standard deviations were analysed with SPSS to determine the significant factors contributing to discrepancies. High mean values with low standard deviations showed the most significant factors contributing to discrepancies in adequate compensation of public and private valuers.

4. Results & Discussions

4.1 Survey Response Analysis and Demographics

Response Rates

The response rate from several surveys has been collected, as stated in Chapter 3. A total of 59 respondents were considered for data collection in this research, distributed among public and private valuers across Johor, comprising both government and private valuers. A response rate of 71% was achieved, with 42 respondents returning complete survey tools. According to Dilman (2000), a minimum of 50% is suggested, while Fowler (2013) recommends a minimum of 60%. A response rate above 50% is considered good, while rates above 70% are considered great, recommended by Adogy (2024). The response rate is presented in **Table 4** below.

Table 4 *Survey response*

Survey response	Frequency	Percentage (%)
Total of respondents needed	59	100%
Total of respondents missing	17	29%
Total of respondents obtained	42	71%

Respondent Demographics

Table 5 *Respondents' Demography*

Group	Criteria	Frequency	Percentage
Industrial Experience Duration	1-3 years	8	19%
	4-6 years	8	19%
	7-10 years	7	16.7%
	10-15 years	4	9.5%
	More than 15 years	15	35.7%
	Total	42	100%
Employment Sector	Government	13	31%
	Private consultant	29	69%
	Total	42	100%

Table 5 shows that majority respondents are private valuers (69%), while the minority are public valuers (31%). The industrial experience duration of the respondents in their professional field was as follows: 35.7% (more than 15 years), 9.5% (10 to 15 years), 16.7% (7 to 10 years) and with a similar rate of 19% (4 to 6 years and 1 to 3 years. The respondents' employment sector distribution of 31% in the government sector and 69% in the private sector.

4.2 Discussions

Objective 1: *To identify the factors contributing to discrepancies in determining the adequate compensation amount of public and private valuers*

Table 6 *Frequency and Descriptive Analysis of Factors Contributing to discrepancies in Land Acquisition by Public and Private valuers*

Group	Factor Code	Likert Scale 1	2	3	4	5	Mean	Mod
Market Value	F1.1	1	0	0	1	40	4.88	5
	F1.2	0	0	0	10	32	4.76	5
	F1.3	0	0	0	6	36	4.86	5
	F1.4	0	0	7	7	28	4.50	5
	F1.5	0	2	23	14	3	4.26	3
	F1.6	3	10	7	0	22	3.14	5
Overall Average							4.40	
Physical Characteristics	F2.1	1	7	1	7	26	4.19	5
	F2.2	0	0	10	19	13	4.07	4
	F2.3	0	0	5	4	33	4.67	5
	F2.4	0	2	23	14	3	3.43	23
	F2.5	0	5	9	9	19	4.00	5
Overall Average							4.07	
Valuation methodology	F3.1	0	0	9	20	13	4.10	4

	F3.2	0	1	5	8	28	4.50	5
	F3.3	4	11	15	10	2	2.88	3
	F3.4	1	10	9	15	7	3.40	4
	F3.5	0	0	5	11	26	4.50	5
	F3.6	0	0	10	15	17	4.14	5
	F3.7	0	3	10	13	16	4.00	5
	F3.8	7	10	13	0	12	2.71	3
	Overall Average						3.78	
Date of Notification	F4.1	1	0	2	13	26	4.50	5
	F4.2	1	1	3	7	30	4.52	5
	F4.3	2	0	5	8	27	4.38	5
	F4.4	0	0	12	6	24	4.29	5
	F4.5	0	2	3	17	20	4.31	5
	F4.6	5	4	8	0	25	3.26	5
	Overall Average						4.21	
Betterment	F5.1	2	8	14	12	6	3.29	3
	F5.2	7	12	0	9	14	3.19	5
	F5.3	3	11	2	14	12	3.50	4
	F5.4	7	10	7	13	5	2.98	4
	F5.5	6	8	9	14	5	3.10	4
	F5.6	0	5	11	0	26	3.50	5
	Overall Average						3.26	
Disturbance Or Incidental Costs	F6.1	0	1	4	20	17	4.26	4
	F6.2	0	4	10	19	9	3.79	4
	F6.3	0	1	9	16	16	4.12	4
	F6.4	0	0	8	19	15	4.17	4
	Overall Average						4.09	
Injurious Affection	F7.1	0	0	4	16	22	4.43	5
	F7.2	0	5	7	12	18	4.02	5
	F7.3	0	0	10	17	15	4.12	4
	F7.4	0	0	4	15	23	4.45	5
	Overall Average						4.26	
Severance	F8.1	0	1	2	10	29	4.60	5
	F8.2	0	0	2	16	24	4.52	5
	F8.3	0	0	7	18	17	4.24	4
	F8.4	0	4	8	13	17	4.02	5
	Overall Average						4.35	
Accommodation works	F9.1	0	6	14	14	8	3.57	3
	F9.2	0	3	23	12	4	3.40	3
	F9.3	0	0	22	14	6	3.62	3
	F9.4	0	0	20	12	10	3.76	3
	Overall Average						3.59	
	Total Average						4.00	

Based on the frequency of respondents assigning scale values for each factor, it was generally found that the majority of respondents assigned the scale values "strongly agree", "agree" and “neutral” to several factors, identifying factors contributing to discrepancies in determining the adequate compensation amount of public and private valuers. Therefore, based on the frequency analysis in **Table 6**, the mean and mode values were considered to identify the factors contributing to discrepancies in determining the adequate compensation amount of public and private valuers. The analysis found that the elements of the factors from the descriptive analysis had an overall mean value of 4.00. Referring to the Likert scale used in the questionnaire, a scale value of ≥ 3 is considered relevant. Consequently, the mean value for the market value had the highest overall average (4.40), followed by severance (4.35), injurious affection (4.26), date of notification (4.21), Disturbance or incidental costs (4.09), Physical Characteristics (4.07), Valuation Methodology (3.78), Accommodation Works (3.59) and Betterment (3.26).

Objective 2: *To determine the hierarchy of the factors contributing to discrepancies in determining the adequate compensation amount of public and private valuers*

Table 7 *Ranking of the Most Significant Factors Contributing to Discrepancies in determining the adequate compensation amount of public and private valuers*

Code	Factor	Mean Score	Ranking	Standard Deviation	New Ranking
F1	Market Value	4.40	1	0.285	8
F2	Physical Characteristics	4.07	6	0.251	7
F3	Valuation Methodology	3.78	7	0.162	4
F4	Date of notification	4.21	4	0.109	3
F5	Betterment	3.26	9	0.292	9
F6	Disturbance or Incidental costs	4.09	5	0.081	1
F7	Injurious Affection	4.35	2	0.179	6
F8	Severance	4.26	3	0.173	5
F9	Accommodation Works	3.59	8	0.103	2

Table 7 presents the hierarchy of the mean scores for the nine main factors contributing to discrepancies in determining adequate compensation, with values ranging from 3.26 to 4.40 on a five-point Likert scale. This indicates that all factors were generally perceived as important by the respondents, since mean scores above 3.00 reflect a positive level of agreement with the listed factors. In particular, Market Value (F1), Injurious Affection (F7) and Severance (F8) recorded the highest mean scores of 4.40, 4.35 and 4.26, respectively, suggesting that these dimensions are viewed as the most influential sources of disagreement between public and private valuers when assessing compensation for land acquisition.

To provide a more nuanced interpretation, the factors were also re-ordered according to their standard deviation values, which range from 0.081 to 0.292. A lower standard deviation indicates stronger consensus among respondents, whereas a higher value reflects greater variability in perceptions. Disturbance or Incidental Costs (F6) showed the smallest spread (SD = 0.081; new rank 1), followed by Accommodation Works (F9; SD = 0.103) and Date of Notification (F4; SD = 0.109), implying relatively consistent views about the role of these factors in shaping discrepancies. In contrast, Betterment (F5; SD = 0.292) and Market Value (F1; SD = 0.285) recorded the largest standard deviations, indicating that respondents were less homogeneous in how strongly they felt these factors contribute to valuation differences, even though Market Value remained the top-rated factor in terms of mean importance.

Taken together, the dual ranking based on mean score and standard deviation suggests that some factors, such as Market Value and Injurious Affection, are not only rated highly but also exhibit moderate variability, highlighting them as critical yet debated dimensions in compensation assessment. Conversely, factors like Disturbance or Incidental Costs and Accommodation Works show lower mean scores but very tight dispersion, implying widespread but more moderate agreement about their influence on discrepancies. This pattern underscores that policy interventions and professional guidelines may need to prioritise clarifying the valuation treatment of high-mean, higher-variability factors (e.g., Market Value, Betterment), while consolidating existing practice for factors where consensus is already strong.

5. Conclusion

This study confirms that the identified factors play a crucial role in explaining discrepancies in determining the adequate compensation amount between public and private valuers in Johor. The findings show that nine main factors, including market value, physical characteristics, valuation methodology, date of notification, betterment, disturbance or incidental cost, injurious affection, severance and accommodation works, are all considered significant, as indicated by their mean scores above 3.0 on the Likert scale. Overall, the research demonstrates that discrepancies in compensation do not arise from a single element or factor, but from a combination of valuation prospects, legal and practical considerations that shape valuers' professional judgement in land acquisition cases. As for the author's limitations, data collection is constrained by the limited participation of valuers.

In light of this study's limitations, several suggestions for future research can be considered to further strengthen and expand the current work. First, future studies may extend the scope beyond Johor to other states in Malaysia, allowing comparisons across different geographical and institutional contexts and providing a more comprehensive picture of discrepancies in determining adequate compensation. Second, subsequent research may focus more specifically on discrepancies in land acquisition practices between public and private valuers, supported by real case studies of actual land acquisition files to better capture how these factors operate in practice. Third, the respondent population may be broadened to include a larger and more diverse group of valuers from all states in Malaysia, including valuers and firms that were not reachable in this study, to obtain more data on the findings. Through these efforts, the continuity of this research can be maintained and can contribute to the development of more transparent, consistent and equitable frameworks for determining adequate compensation in land acquisition.

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Conflict of Interest

There is no conflict of interests regarding the publication of the paper.

Author Contribution

The authors confirm contribution to the paper as follows: ***study conception and design:*** Priya Dharishini Arulraj, Rozilah Kasim; ***data collection***: Priya Dharishini Arulraj; ***analysis and interpretation of results***: Priya Dharishini Arulraj; ***draft manuscript preparation***: Priya Dharishini Arulraj, Rozilah Kasim. All authors reviewed the results and approved the final version of the manuscript.

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