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ROYAL GOVERNMENT OF BHUTAN  
MINISTRY OF FINANCE  
TASHICHHO DZONG



No. FM/DNP/PAVA/2009/4729

17<sup>th</sup> April 2009

NOTIFICATION

Subject: **Compensation Rates for Land and for Structures on the Land – Revision  
Thereof**

The Royal Government hereby announces the revised compensation rates for land and for structures on the land, both in rural and in urban areas, when acquired by the Government. The rates are as given in the Annexure attached herewith. Land Compensation Rates (LCR) – 2009.


In applying the rates for rural land compensation, some additional factors are required to be considered. These are outlined at page 5.

Compensation system for the structures, if any, on the land to be acquired, is also revised herewith. Such compensations shall be on a replacement cost basis and not on depreciated cost as in the past. LCR – 2009. (Page No. 12)

Further implementation procedure and guidelines are also outlined at Page No. 13.

These rules and rates shall supersede all the earlier relevant rules and rates. These shall come into force with effect from the 1<sup>st</sup> of May 2009, and prevail for a duration of three years.

This is as per Section 151, Chapter 7 of the Land Act 2007, and as per the decision of the Lhengye Zhungtshog's –37<sup>th</sup> Session held on 15<sup>th</sup> April 2009.

  
(Nima Wangdi)  
Director General

Attached Sheet

Copy to:

1. All agencies of the Royal Government.
2. The Secretary, Cabinet Secretariat, Tashichhoe Dzong.

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Department of National Properties  
Property Assessment & Valuation Agency

# ROYAL GOVERNMENT OF BHUTAN MINISTRY OF FINANCE



## LAND COMPENSATION RATES - 2009 (Rural and Urban land compensation rates including building/structures depreciation guide when acquired by the Government)

DEPARTMENT OF NATIONAL PROPERTIES  
*PROPERTY ASSESSMENT AND VALUATION AGENCY*

ROYAL GOVERNMENT OF BHUTAN  
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Department of National Properties  
Property Assessment & Valuation Agency

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**A - Rural Land Compensation Rates 2009**

*(a) or Rural Kamzhing Land*

Amount Nu./decimal

<u>Sl. No.</u>	<u>Dzongkhag</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>
1	Bumthang	6,312.85	4,418.99	2,845.21
2	Chhukha	5,158.86	3,611.20	2,299.20
3	Dagana	4,815.13	3,370.59	2,167.74
4	Gasa	2,973.69	2,081.58	1,694.56
5	Ha	4,423.88	3,096.72	2,666.43
6	Lhuentse	5,314.44	3,720.11	2,671.61
7	Mongar	5,644.95	3,951.47	2,658.39
8	Paro	8,314.11	5,819.88	3,839.84
9	Pema Gatshel	5,646.32	3,952.42	2,287.77
10	Punakha	7,400.49	5,180.34	3,171.99
11	Samdrup Jongkhar	5,057.60	3,540.32	2,182.94
12	Samtse	6,085.76	4,260.03	2,112.80
13	Sarpang	5,318.84	3,723.19	2,043.97
14	Thimphu	17,412.53	12,188.77	3,955.82
15	Tsirang	5,630.16	3,941.11	2,142.94
16	Tashi Yangtse	5,545.12	3,881.58	2,637.52
17	Tashigang	6,034.64	4,224.25	2,679.37
18	Tongsa	5,433.20	3,803.24	2,262.54
19	Wangdue Phodang	6,595.22	4,616.66	3,373.06
20	Zhemgang	4,648.65	3,254.06	2,056.12

Class A Land: Less than or equal to 2 KM from the municipal boundary.

Class B Land: More than 2 KM and less than or equal to 6 KMs from the municipal boundary.

Class C Land: More than 6 KMs from the municipal boundary.

Distance is horizontal distance in kilometers and the municipal boundary is as demarcated by the MWHS.

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**A - Rural Land Compensation Rates 2009**

***(b) For Rural Chhuzhing Land***

Amount Nu/decimal

<b>Sl. No.</b>	<b><u>Dzongkhag</u></b>	<b><u>Class A</u></b>	<b><u>Class B</u></b>	<b><u>Class C</u></b>
1	Bumthang	6,356.90	4,449.83	3,336.72
2	Chhukha	5,375.50	3,762.85	2,608.69
3	Dagana	4,930.35	3,451.24	2,653.75
4	Gasa	2,996.13	2,097.29	1,939.67
5	Ha	4,107.67	2,875.37	2,750.41
6	Lhuentse	5,329.00	3,730.30	3,013.83
7	Mongar	5,705.11	3,993.58	3,172.90
8	Paro	8,883.76	6,218.63	4,563.88
9	Pema Gatshel	5,653.07	3,957.15	2,725.99
10	Punakha	7,470.82	5,229.57	4,129.60
11	Samdrup Jongkhar	5,225.63	3,657.94	2,530.13
12	Samtse	6,416.12	4,491.29	2,799.03
13	Sarpang	5,524.86	3,867.40	2,895.43
14	Thimphu	14,921.29	10,444.91	4,682.64
15	Tsirang	5,727.11	4,008.98	2,710.02
16	Tashi Yangtse	5,462.82	3,823.97	3,034.23
17	Tashigang	6,059.28	4,241.49	3,036.00
18	Tongsa	5,894.86	4,126.40	2,707.77
19	Wangdue Phodang	6,969.31	4,878.51	4,078.89
20	Zhemgang	4,687.94	3,281.56	2,669.39

Class A Land: Less than or equal to 2 KM from the municipal boundary.

Class B Land: More than 2 KM and less than or equal to 6 KMs from the municipal boundary.

Class C Land: More than 6 KMs from the municipal boundary.

Distance is horizontal distance in kilometers and the municipal boundary is as demarcated by the MWHS

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**A - Rural Land Compensation Rates 2009**

**(c) For Rural Cash Crop Land**

Amount Nu/decimal

<b>Sl. No.</b>	<b><u>Dzongkhag</u></b>	<b><u>Class A</u></b>	<b><u>Class B</u></b>	<b><u>Class C</u></b>
1	Bumthang	6,318.28	4,422.80	2,852.98
2	Chhukha	5,310.22	3,717.15	2,515.43
3	Dagana	5,131.17	3,591.82	2,619.22
4	Gasa	3,274.31	2,292.02	2,124.02
5	Ha	4,414.49	3,090.14	2,653.01
6	Lhuentse	5,383.59	3,768.52	2,770.40
7	Mongar	5,711.10	3,997.77	2,752.89
8	Paro	8,458.33	5,920.83	4,045.86
9	Pema Gatshel	5,902.15	4,131.50	2,653.25
10	Punakha	7,497.19	5,248.04	3,310.13
11	Samdrup Jongkhar	5,265.84	3,686.09	2,480.43
12	Samtse	6,477.00	4,533.90	2,671.72
13	Sarpang	5,855.13	4,098.59	2,810.09
14	Thimphu	17,563.86	12,294.70	4,172.02
15	Tsirang	5,982.23	4,187.56	2,645.89
16	Tashi Yangtse	5,735.35	4,014.74	2,909.27
17	Tashigang	6,236.04	4,365.23	2,967.08
18	Tongsa	5,691.64	3,984.15	2,631.74
19	Wangdue Phodang	6,603.00	4,622.10	3,384.17
20	Zhemgang	4,991.04	3,493.73	2,545.25

Class A Land: Less than or equal to 2 KM from the municipal boundary.

Class B Land: More than 2 KM and less than or equal to 6 KMs from the municipal boundary.

Class C Land: More than 6 KMs from the municipal boundary.

Distance is horizontal distance in kilometers and the municipal boundary is as demarcated by the MWHS

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**A - Rural Land Compensation Rates 2009**

*(d) For Rural Land Close to Throms as Listed Below (Class A1)*

<b>Sl. No.</b>	<b>Class A1 Rural Land</b>	<b>Rate (Nu./decimal)</b>
<b>1</b>	Rural Land $\leq$ 1 KM from Phuntsholing Throm boundary	28,395.02
<b>2</b>	Rural Land $\leq$ 1 KM from Thimphu Throm boundary	31,415.47
<b>3</b>	Rural Land $\leq$ 1 KM from Gelephu Throm boundary	11,559.95

Distance from the respective Throm is to be taken as the horizontal distance from the nearest Throm boundary as demarcated by the MWHS.

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**Factors to be Taken into Account when Determining Compensation Rates for  
all Categories of Rural Land  
[i.e., A(a), A(b),A(c) & A(d)]**

The following factors shall be taken into account when calculating the rural land compensation rate for all Classes of Land:

1. Distance from the High way / Feeder Road;
2. Water availability on land;
3. Topography of land.

**1. Distance from the Highway / Feeder road:**

- The compensation rate shall increase by 10% if the location of the land under assessment is within half an hour (normal route) by normal walking distance from the nearest highway / feeder road.
- The compensation rate shall increase by 5% if the location of the land under assessment is more than half an hour (normal route) but less than or equal to one hour normal walking distance from the nearest high way / feeder road.
- If the land under assessment is more than 1 hour normal walking distance, there shall be no percentage increase in Compensation rate.

**2. Water availability on the land:**

- The compensation rate shall reduce by 5% if there is no water at the land under assessment at the time of assessment.

**3. Topography of the land:**

- The compensation rate shall remain same if the topography is less than or equal to 30°.
- The compensation rate shall decrease by 10% if the topography of the land under assessment is more than 30° but less than or equal to 60°.
- The compensation rate shall decrease by 30% if the topography of the land under assessment is more than 60°.



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**B - Urban Land Compensation Rates 2009**

(a) *For Thimphu Throm*

Sl. No.	Land Use As Per Thimphu Structural Plan (TSP) 2002-2027		Land Value (Nu/sq. ft)	Land Value (Nu/decimal)
1	URBAN CORE (UC)	Sub-Precinct 1 A	1383.8	602,783.28
2		Sub-Precinct 1	1,349.21	587,715.88
3		Sub-Precinct 2	1,233.89	537,482.48
4		Sub-Precinct 2A	1,233.89	537,482.48
5		Sub-Precinct 2B	1,176.23	512,365.79
6		Sub-Precinct 3	1,176.23	512,365.79
7		Sub-Precinct 4	1,176.23	512,365.79
8		Sub-Precinct 4A	1,176.23	512,365.79
9	URBAN HUB	UH	250.42	109,082.95
10	NEIGHBORHOOD NODE	NN	250.42	109,082.95
11	URBAN VILLAGE PRECINCT	UV - 1	258.43	112,572.11
12		UV2-MD	230.38	100,353.53
13		UV2-I	230.38	100,353.53
14		UV2-II	230.38	100,353.53
15		UV2-LD	198.33	86,392.55
16		UV - 3	180.3	78,538.68
17	INSTITUTIONAL PRECINCT	I	226.38	98,611.13
18	ENVIRONMENTAL PRECINCT	E - 1	180.3	78,538.68
19		E - 2	180.3	78,538.68
20		E - 3	180.3	78,538.68
21		E - 4	182.3	79,409.88
22	HERITAGE PRECINCT	H	194.32	84,645.79
23	DZONG	D	180.3	78,538.68
24	ROYAL PRECINCT	R	180.3	78,538.68
25	DEFENCE PRECINCT	M	206.34	89,881.70
26	TRADITIONAL VILLAGE	TV	250.42	109,082.95
27	GREEN SPACES	G1 AND G2	194.32	84,645.79

**Notes:**

1. For details on uses allowed under each land-use category, please refer to TSP 2002-2027.
2. For details on development control, please refer to TDCR 2004.

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## B - Urban Land Compensation Rates 2009

### (b) *For Phuntsholing Throm*

Sl. No.	Land Use As Per Phuntsholing Urban Development Plan (PUDP) 2002-2017	Land Value (Nu/sq. ft)	Land Value (Nu/decimal)	
1	Residential ( R )	Zone I	325.93	141,975.11
2		Zone III	325.93	141,975.11
3		Zone IV	325.93	141,975.11
4		Zone V	325.93	141,975.11
5		Zone VI	325.93	141,975.11
6		Zone VII	325.93	141,975.11
7		Zone VIII	325.93	141,975.11
8		Zone IX	325.93	141,975.11
9	Mixed Use (M)	Zone III, IV, VIII & IX	353.09	153,806.00
10	Commercial ( C )	Zone II	908.42	395,707.75
11		Zone VI	913.18	397,781.21
12		Zone VII	908.42	395,707.75
13	Public & Semipublic (P)	Zone III	353.09	153,806.00
14		Zone IV	380.25	165,636.90
15		Zone V	353.09	153,806.00
16		Zone VII	353.09	153,806.00
17	Warehousig & Light Industries ( I )	Zone I	353.09	153,806.00
18		Zone VI	353.09	153,806.00
19	Recreational (G)	Zone I, II, III &	325.93	141,975.11
20	Utilities & Special Reservation (U)		325.93	141,975.11
21	No Development Zone (N)		325.93	141,975.11

**Notes:**

1. For details on uses allowed under each land-use category, please refer to Phuntsholing Urban Development Plan 2002-2017.
2. For details on zoning, please refer to PUDP 2002-2017

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**B - Urban Land Compensation Rates 2009**

*(c) For Gelephu Throm*

Sl. No.	Land Use As Per Gelephu Structure Plan (GSP) 2005		Land Value (Nu/sq. ft)	Land Value (Nu/decimal)
1	URBAN VILLAGE PRECINCT	UV - 1	74.16	32,304.10
2		UV - 2	71.21	31,019.08
3		UV - 3	64.87	28,257.37
4		UV - 4	65.31	28,449.04
5	URBAN CORE PRECINCT	UC - 1	211.31	92,046.64
6		UC - 2	44.23	19,266.59
7	INSTITUTIONAL PRECINCT	I - 1	70.33	30,635.75
8		I - 2	44.23	19,266.59
9	ENVIRONMENTAL PRECINCT	E - 1	44.23	19,266.59
10		E - 2	45.70	19,906.92
11		E - 3	54.99	23,953.64
12		E - 4	47.18	20,551.61
13		E - 5	56.47	24,598.33
14		E - 6	56.47	24,598.33
15		E - 7	54.55	23,761.98
16		E - 8	56.47	24,598.33
17	HERITAGE PRECINCT	H	56.47	24,598.33
18	SPECIAL ECONOMIC PRECINCT	SE - 1	70.33	30,635.75
19		SE - 2	58.53	25,495.67
20		SE - 3	62.36	27,164.02
21		SE - 4	76.22	33,201.43
22	ROYAL PRECINCT	R	65.31	28,449.04
23	DEFENCE PRECINCT	D	65.31	28,449.04

**Notes:**

1. For details on land use category, please refer to GSP 2005.

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**B - Urban Land Compensation Rates 2009**

*(d) For Samtse Throm*

Sl. No.	Land Use As Per Samtse Structure Plan (SSP) 2004	Land Value (Nu/sq. ft)	Land Value (Nu/decimal)
1	URBAN VILLAGE PRECINCT	UV - 1	47,728.69
2		UV - 2	45,820.76
3		UV - 3	41,046.59
4		UV - 4	36,511.99
5	URBAN CORE PRECINCT	UC - 1	87,821.32
6	INSTITUTIONAL PRECINCT	I - 1	26,249.26
7		I - 2	45,102.02
8	ENVIRONMENTAL PRECINCT	E - 1	23,862.17
9		E - 2	25,852.86
10		E - 3	32,055.80
11		E - 4	27,839.20
12		E - 5	36,032.83
13		E - 6	34,046.50
14		E - 7	33,410.52
15		E - 8	34,442.89
16	HERITAGE PRECINCT	H	34,442.89
17	SPECIAL ECONOMIC PRECINCT	SE - 1	39,535.06
18		SE - 2	35,161.63
19		SE - 3	37,226.38
20		SE - 4	45,102.02
21	DEFENCE PRECINCT	D	37,226.38

**Notes:**

1. For details on land-use category, please refer to SSP 2004.

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**B - Urban Land Compensation Rates 2009**

*(e) For Damphu Throm*

Sl. No.	Land Use As Per Damphu Structure Plan (DSP) 2004		Land Value (Nu/sq. ft)	Land Value (Nu/decimal)
1	URBAN VILLAGE PRECINCT	UV - 1	54.54	23,757.62
2		UV - 2	52.27	22,768.81
3		UV - 3	47.00	20,473.20
4		UV - 4	41.63	18,134.03
5	URBAN HUB PRECINCT	UC - 1	114.07	49,688.89
6	INSTITUTIONAL PRECINCT	I - 1	41.84	18,225.50
7		I - 2	48.51	21,130.96
8		I - 3	39.27	17,106.01
9	ENVIRONMENTAL PRECINCT	E - 1	27.27	11,878.81
10		E - 2	29.54	12,867.62
11		E - 3	36.63	15,956.03
12		E - 4	33.63	14,649.23
13		E - 5	41.18	17,938.01
14		E - 6	38.91	16,949.20
15		E - 7	38.18	16,631.21
16	HERITAGE PRECINCT	H	39.36	17,145.22
17	SERVICES PRECINCT	SP - 1	27.27	11,878.81
18		SP - 2	27.27	11,878.81
19	ROYAL PRECINCT	R	44.81	19,519.24

**Notes:**

1. For details on land-use category, please refer to DSP 2004.

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**B - Urban Land Compensation Rates 2009**

*(f) For rest of the Dzongkhag Throm*

Sl. No.	Dzongkhags	Commercial		Residential	
		Land Value (Nu. Per sft)	Land Value (Nu. Per decimal)	Land Value (Nu. Per sft)	Land Value (Nu. Per decimal)
1	Bumthang	48.25	21,017.70	26.11	11,373.52
2	Chhukha	47.74	20,795.54	23.25	10,127.70
3	Dagana	37.60	16,378.56	18.63	8,115.23
4	Gasa	35.18	15,324.41	14.80	6,446.88
5	Ha	38.08	16,587.65	15.98	6,960.89
6	Lhuentse	39.53	17,219.27	21.05	9,169.38
7	Mongar	94.85	41,316.66	24.85	10,824.66
8	Paro (Tshongdue)	198.95	86,662.62	69.84	30,422.30
9	Pema Gatshel	43.40	18,905.04	22.60	9,844.56
10	Punakha (Khuruthang)	69.77	30,391.81	36.59	15,938.60
11	Samdrup Jongkhar	165.18	71,952.41	62.78	27,346.97
12	Sarpang	46.69	20,338.16	26.79	11,669.72
13	Tashi Yangtse	42.44	18,486.86	21.99	9,578.84
14	Tashigang	154.75	67,409.10	49.01	21,348.76
15	Tongsa	51.10	22,259.16	26.92	11,726.35
16	Wangdi Phodrang	53.53	23,317.67	27.70	12,066.12
17	Zhemgang	37.80	16,465.68	19.50	8,494.20

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## B - Urban Land Compensation Rates 2009

(g) *For Specific Throms Listed Below*

Sl. No.	Name of Dzongkhag	Throm	Commercial		Residential	
			Land Value (Nu. Per sft.)	Land Value (Nu. Per decimal)	Land Value (Nu. Per sft.)	Land Value (Nu. Per decimal)
1	Chhukha	Tsimasham	21.89	9,535.28	20.48	8,921.09
		Gedu				
		Tsimalakha				
2	Lhuentse	Autsho	20.25	8,820.90	19.80	8,624.88
3	Paro	Bondey	65.89	28,701.68	44.39	19,336.28
4	Pema Gatshel	Nganglam	22.50	9,801.00	22.43	9,770.51
5	S/Jongkhar	Deothang	36.17	15,755.65	32.58	14,191.85
6	Samtse	Gomtu	37.04	16,134.62	33.04	14,392.22
7	Tashi Yangtse	Duksum	21.45	9,343.62	21.00	9,147.60
8	Tashigang	Kanglung	46.46	20,237.98	43.21	18,822.28
		Rangjung				
		Wamrong				
9	Zhemgang	Panbang	19.05	8,298.18	18.30	7,971.48

### Compensation Rate for Buildings/Structures on the Land

The compensation for building/structures shall be based on its current construction cost, that is the cost of constructing a similar structure at the current prices. This should amount to the replacement cost with no depreciations being applied, as done earlier.

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**Implementation Procedure**

The implementation procedural steps will be as follows:

1. **Initiation:** On the decision of the agency/project to acquire land, the proposal is to be submitted to the National Land Commission Secretariat (NLCS) for formal approval. The NLCS will convey its decision within 2 weeks. (Ref: Section 155 of the Land Rules & Regulations of the Kingdom of Bhutan 2007).
2. **Notification:** Subject to the approval of the NLCS, the Dzongkhag or Thomdey Committee is to notify the landowner of the Government's intention to acquire land at least 120 days prior to the acquisition of the land. (Ref: Section 156 and 157 of the Land Rules & Regulations of the Kingdom of Bhutan 2007).
3. **Replacement:** Should the landowner opt for a substitute land, the case shall be dealt with as per the Land Act of Bhutan 2007. Should the landowner opt for monetary compensation, the Dzongkhag / Thomdey Committee will determine the compensation amount as per the compensation rates fixed by the Government.
4. **Referencing of Municipal Boundary:** For distances from the municipal boundary, the boundary demarcated by the MWHS shall be taken.
5. **Valuation:** The compensation for land shall also be worked out by the Committee based on the rates while the compensation for the structures shall be based on the estimates prepared by qualified engineers (Dzongkhag Engineers) vetted by the Committee.
6. **Taking Possession:** Taking possession of the land shall be as stipulated in Section 158 of the Land Act of Bhutan 2007.
7. **Effective Rate:** The compensation rate applicable shall be as per the category of land as on the date of notification of the Government's intention to acquire land shall be used.

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