



GUIDE TO COMPULSORY ACQUISITION AND COMPENSATION UNDER THE ROADS ACT (2005 REVISION)

Key details

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1. Introduction.

This guide provides a simplified overview of compulsory purchase and compensation procedures under the Roads Act (2005 Revision) (the Act). It is intended to assist landowners affected by road schemes by outlining the process for notices, claims, assessments and payment of compensation.

This guide is not a full interpretation of the Act. It should be read together with

- The Act;
- The applicable regulations made under the Act;
- Form A – Notice of Intention to Make a Claim;
- Form B – Claim for Compensation and
- Any other guidance or policy.

The guide explains the process in plain language and provides practical information about what you may need to do at each stage. It does not reproduce every provision of the Act and does not address every circumstance that may arise. References to sections of the Act are included where helpful so that readers and their professional advisers can refer to the relevant statutory provisions. Therefore, you should seek professional legal and/or valuation advice if your land is subject to compulsory acquisition.

This Guide should be read together with the disclaimer at the beginning of this publication and the relevant provisions of the Act.

2. Disclaimer.

This Guide has been prepared to assist landowners, persons with an interest in land, and members of the public in understanding the road acquisition and compensation process. It provides general guidance on the statutory process, including notices issued under the Act, the submission and assessment of compensation claims, the methods of assessment and the payment of compensation.

The Guide provides general information and guidance only. It does not constitute legal, valuation or other professional advice and is not intended to provide a comprehensive statement or

interpretation of the law. It should not be relied upon as a substitution for the Act, any regulations or prescribed forms made under the Act or independent professional advice.

The circumstances of each road scheme and each compensation claim may differ. The information required, the application of the statutory provisions and the assessment of compensation will therefore depend on the particular facts and circumstances of each case.

While every reasonable effort has been made to ensure that the information contained in this Guide is accurate and complete at the date of publication, no guarantee or warranty is given as to its accuracy, completeness or continued currency. Legislation, regulations, prescribed forms, policies, and administrative procedures may be amended from time to time.

Neither the National Roads Authority nor the Cayman Islands Government accepts liability for any loss, damage, cost or expense arising from the use of, or reliance upon, the information contained in this Guide. Where there is any inconsistency between this Guide and the Act, any regulations, or other applicable law, the legislation will prevail.

Persons affected by a proposed road acquisition or compensation claim should obtain independent legal, valuation, or other professional advice where appropriate.

3. Overview of Compulsory Acquisition under The Roads Act:

Compulsory acquisition allows the National Roads Authority (NRA) to acquire your land for public road construction or improvements. The Roads Act sets out the procedures and compensation rules. Key steps include:

- Publication of statutory notice;
- Submission of claims;
- Assessment and payment of compensation.

4. Section 3 Notice (Boundary Plan).

The process begins when the Section 3 declaration is published in the Cayman Islands Gazette. This date is known as the declared day and triggers:

- The **90-day deadline to submit Notice of Intent**;
- Eligibility rules;

- The valuation date for assessment the compensation;
- The start of the compensation process.

The notice will be:

- Published in the Cayman Islands Gazette;
- Published twice weekly for three consecutive weeks in a daily newspaper;
- Sent to the registered owner via registered mail.

5. **Section 6 Notice (Entry).**

If the Governor is satisfied that the acquisition is in public interest, a Section 6 notice is published in the Gazette. This grants the NRA authority to enter and take possession of your land 15 days after publication.

6. **Section 5 Notice (Prescribed Composite Map) – Scheduling of the road.**

- The Section 5 notice is published in the Gazette, which formally declares the road a public road;
- It confirms the final surveyed boundaries of the acquired land through the PCM;
- The Prescribed Composite Map (PCM) classifies and schedules the road as a public road.

For the landowners, the Section 5 notice:

- Starts the one-year deadline to submit a claim (s.9(2));
- Triggers the final stage if you elected for a two-stage assessment (s.11(5)(c));
- Confirms the final alignment of the road and the new boundaries of the affected parcels.

7. **Rights to Compensation.**

You gain right to compensation if your land is:

- Included in a **Section 3 declaration**; and
- You have suffered a net loss; **OR**
- Your land has been temporarily occupied under **Section 15**.

8. Who Is Entitled to be Paid Compensation (Section 9)?

You are entitled to be paid compensation if:

- You have an interest in the land affected on the declared day; and
- You filed a Notice of Intent (Form A) within 90 days of the declared day; and
- You submitted a full claim (Form B) within one year of the Section 5 notice; and
- The Section 6 Notice has been published and NRA has entered the land; and
- You can demonstrate a net loss under Section 8. *

*This means that you must be able to show that the aggregate of the market value of the land acquired, any loss of crops and damage due to severance and injurious affection exceeds the increase in the value of your retained land as a result of the new, or, as the case may be, improved road.

9. What counts as an “interest”?

If you are any of the following, you have an interest in the land:

- A registered proprietors;
- A leaseholders;
- A charge holders (e.g., mortgagees);
- A beneficial owners;
- A Persons with equitable or unregistered interests;
- Heirs acquiring land by inheritance (explicitly allowed under s.8(4)).

10. Settlement of Compensation.

Compensation is settled:

- By agreement: after the parties have reached a settlement through negotiations and the claim has been approved by the NRA Board; **or**
- By Award: after the Assessment Committee determines the claim following a hearing.

11. Step-by-Step Claim Process.

Step 1 — Notice of Intention to make a claim for compensation (Form A)

Submit within 90 days of the declared day (Section 3 Notice). This notice informs the government of your intent to seek compensation for the acquisition of your land.

Step 2 — Claim for Compensation form (Form B)

May be submitted any time from the publication for the Section 3 notice up to 1 year after the publication of the Section 5 Notice

Step 3 - Negotiation or Assessment Committee

If no agreement is reached through negotiation, the claim is referred to the Assessment Committee through the NRA for a hearing and determination.

12. What Can Be Claimed?

Under the Second Schedule of the Roads Act, you may claim for:

- a) **Land Taken:** Based on the market value of your land taken on the date of the Section 3 notice. The value is assessed assuming your land taken is sold on the open market by a willing seller. It disregards the fact that the acquisition is compulsory.
- b) **Trees & Crops:** Compensation for any crops or trees which have commercial or horticultural value damaged or destroyed when possession is taken. Claims must be supported by expert reports.
- c) **Severance:** Compensation for any reduction in the value of your remaining land due to a partial acquisition.
- d) **Injurious Affection:** Compensation for any damage to your remaining land resulting from the use of the new or improved road.
- e) **Disturbance:** Covers reasonable relocation costs if the property is acquired. This includes reasonable costs related to moving homes or businesses, acquiring new premises, agent fees, and other related expenses.
- f) **Loss of Profits:** Compensation for any reduction in your profits between the date of the Section 3 notice and the time of possession.

- g) **Betterment:** If you own other adjacent land that has not been acquired compulsorily, which has increased in value because of the new or improved road, then that increase will have to be set off against the compensation otherwise due.
- h) **Other Costs or losses:** including Professional fees are not listed as a standalone category, but you may be able to claim for:
- Costs necessary to quantify and substantiate the claim;
 - Costs the Committee considers fair and reasonable if the matter is referred to the Committee for determination.

13. Appointing agents.

You may appoint a qualified chartered surveyor to assist you with assessing and negotiating the compensation claim. However, your agent must have relevant experience in land acquisition and valuation matters, and the basis of their fees should be clearly set out in writing before work begins.

The NRA is responsible for paying the reasonable professional fees related to dealing with the claim, however, you may be responsible for any portion not covered by the NRA. Therefore, it is important to choose representation carefully and ensure that all costs are necessary, proportionate, and properly managed, in line with RICS guidance and our policy on professional fees. The maximum hourly rate covered by the NRA is C\$200 per hour.

14. Methods of Assessment.

There are two ways in which you may elect to have your compensation assessed under Section 11 of the Act:

One-Stage Assessment:

- One final assessment based on the section 3 notice.
- Assuming the road will be built as proposed.
- The compensation paid is a full and final settlement and no additional payment will be made.

Two-Stage Assessment:

- Interim award of up to 75% of the agreed compensation based on the section 3 notice.
- Final award will be assessed and paid after road is built and the Section 5 Notice is published when the actual area of land taken is determined.

If you do not make an election in the prescribed time and manner, you shall be deemed to have opted for the two-stage assessment. Furthermore, an election once made cannot be revoked.

15. Mitigation of Compensation through Works.

The NRA may agree to fund or undertake the works to mitigate the impact of the new road (e.g., replacing boundary walls or fences) on your retained land. This work must be agreed in advance and may reduce the compensation.

16. Assessment Committee.

If no agreement is reached, your claim is referred to the Assessment Committee, through the NRA. The Assessment Committee comprises the Chief Magistrate and two public members and determines the amount of compensation based on submissions from both parties.

You may appeal to the Grand Court within 21 days, but only on:

- Matters of law; or
- Determination of the extent of interest.

You cannot appeal simply because you disagree with the amount awarded.

17. Payment of Compensation - Section 6 published and NRA Entered the land.

Compensation can only be paid once:

- The Section 6 notice has been published
- The NRA has entered the land.

Once compensation is settled by either agreement or the Assessment Committee, we will request the Ministry to issue payment either by Cheque or Bank Transfer.

If multiple parties hold an interest in the land, written consent from all the landowners will be required before payment can be made.

The Roads Act does not provide for interest to be paid on compensation if settled by agreement. However, if the claim is settled by the Assessment Committee, interest at 6% per annum will apply from the date of the award to the date of payment.

Further Information.

This Guide is intended for general information only. For the current Roads Act, the prescribed forms, policies and other road compensation information please refer to <https://www.caymanlandinfo.ky/services/valuation/road-compensation> or contact the Valuation team at LV@gov.ky

If you require advice concerning your legal rights, valuation or the preparation of a comprehensive claim, you should seek advice from an appropriate independent professional.