

Recent East Asian Court Cases: Japan, South Korea, Taiwan

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Recent Court Decisions • The Valuation Engineer

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Notice to readers. These summaries are the Journal's own descriptions of court decisions and legal instruments, written for valuation professionals. They are not legal advice. Where the understanding of a decision or a provision is critical to a matter, the reader should consult the official text and obtain advice from a lawyer qualified in the jurisdiction concerned. Many of the sources were written in languages other than English and were read in machine translation, which can be in error; each such item is marked, and its original-language source is linked so that it can be checked.



Jurisdictions surveyed in this installment are outlined and shaded.

Scope and Sources

This is the *baseline* installment for East Asia, covering Japan, South Korea and Taiwan; South Asia and Southeast Asia have installments of their own in this issue. As with the Oceania survey in this issue, a baseline installment reaches back further than a single quarter: it treats developments of continuing practical significance through the third quarter of 2026. Subsequent installments will be quarterly updates.

The contexts mixed in this installment are named at the outset. It covers valuation for tax (Japan, South Korea), compensation for compulsory acquisition — expropriation, the taking of private property by the state, which US practice calls eminent domain or condemnation (South Korea,

Taiwan) — and civil disputes in which a valuation decides the outcome (all three). Each country section opens by naming its own context; a statement made under one context should not be assumed to hold under another.

Primary sources, by jurisdiction, are: the Korean Supreme Court’s comprehensive legal information service; the Taiwan Judicial Yuan law and regulations retrieving system, together with the Judicial Yuan’s open-data service; and Japan’s Supreme Court judgment database together with the National Tax Agency’s published valuation guidelines.

Searching was conducted in the language of each jurisdiction as well as in English. This matters more than it may appear. For Taiwan in particular, English-language searching returns effectively nothing, while Traditional Chinese searching returns both the governing assessment regulation and the Supreme Administrative Court’s Grand Chamber jurisprudence; the Japanese material below was likewise reached only in Japanese. Where a decision has been read only in secondary description, that is stated.

Two date conventions are traps for the unwary and are noted because this department has already been caught by both. Taiwan uses the Republic of China calendar, in which *minguo* 115 is 2026 and 113 is 2024. Japan uses regnal eras, in which Reiwa 7 is 2025, not 2026; at least one automated summary of the Tokyo High Court decision discussed below rendered Reiwa 7 as 2026. Dates in this survey are given in the Gregorian calendar and have been confirmed against the original, except where a verification note states otherwise.

Provenance and machine translation. Where a decision or instrument in this survey was read in a language other than English, it was read in machine translation, and that is disclosed at the point of use by a **Source** note giving the original-language publication and a link to it. Two reasons. The first is candor: a machine translation of a judicial holding is not the holding, and a reader weighing whether to rely on a proposition should know how it reached this page. The second is operational. This journal publishes translated editions, including an Arabic edition and Japanese, Korean and Chinese editions. A translated edition that renders our English back into the language the source was written in would compound two translations rather than reverse one. The retained link lets each edition work from the original, which is the only version that carries authority.

No competing text in the original language. One consequence of the practice above needs stating plainly, because it governs how the translated editions of this issue must be produced.

Everything this department says about a decision read in another language is its *own summary, composed in English*. It is not a translation of the court’s words and must never be presented as one. Where a term of art appears in inverted commas — “markedly high”, “the expert of experts” — the original term is supplied beside it, in its own script or in transliteration, and the original governs; the English is a gloss, not a rendering of the holding.

The reason for the insistence is a specific hazard. The jurisdictions surveyed here give judgment in Japanese, Korean and Chinese, and this journal publishes translated editions in all three of those languages. If an edition in one of those languages were produced by translating this English text back into it, the result would be a second body of text, in the language of the original judgment, describing that judgment in words that are not the court’s. A reader could not tell which text carried authority, and the journal would have manufactured the confusion.

Editions in a language surveyed here must therefore treat these passages as *editorial description*,

presented as such, and must follow the **Source** link to the original where the court’s own language is wanted. What must not happen is a silent round trip that produces a rival version of a holding in the language the holding was written in.

Nothing in this survey should be relied upon from the English description alone. Case citations and statutory references should be verified against the official report or gazette in the original language before any reliance for practice or for further publication.

Expropriation, Eminent Domain, and Condemnation

Including inverse condemnation. Just compensation, larger parcel, severance, project influence, stigma, and reasonably probable future use.

South Korea — the remainder, the parcel, and the development gain

The remainder is not an average: 2024Du44754. On 29 May 2025 the Supreme Court held that where the part taken and the remainder differ in actual use or zoning, the pre-project value of the remainder may not be derived by spreading the whole parcel’s price evenly over its area. A partial-valuation method is required — the whole-parcel value less the value of the part taken, or a direct valuation of the remainder — with the date of value taken before incorporation into the project. Reversed and remanded as to KRW 940,295,580 (Korean won) with interest.

Parcels are valued one by one: 2024Du44167. Parcels are appraised individually; an en-bloc appraisal is permitted only where they stand in a relationship “inseparable in use”, judged by social, economic and administrative reasonableness. Two parcels with different designations, acquired at different times, the smaller of which was independently marketable without material loss, did not qualify. The Korean larger-parcel test is therefore functional — a question of use, not of ownership or adjacency.

The true owner takes the old figure: 2024Du66167. Where compensation for land incorporated into a river was paid in 1989 to the registered rather than the true owner — KRW 44,127,500 — the true owner’s later claim is valued at the date of that earlier appraisal, on the statutory method: the use at incorporation, the public-law restrictions then in force, the condition then obtaining. A claimant who surfaces thirty-six years later inherits the valuation date of the payment that went astray.

Cash settlement must include the expected gain: 2022Da228230. In a reconstruction project inside a speculation-overheated district, a non-member acquirer bought out for cash is compensated as at the date the acquirer obtained the property — here 26 June 2020 — and the figure *must* include the expected reconstruction development gain. The lower court had used comparables from before the August 2017 designation to strip out the appreciation that followed it; the Supreme Court reversed. This is the mirror of the scheme-disregard rule: where the statute gives the owner the project’s uplift, the valuer may not take it away by choice of comparables.

Implication for appraisers. The Korean year supplies four clean rules and one warning. The remainder is valued, not averaged; parcels are separate unless use binds them; a misdirected payment fixes the date for the rightful owner; and a buy-out in a reconstruction project carries the development gain. The warning is in the last: the comparables a valuer selects can silently decide the date-of-value question, and a court will look at the selection to see whether it did.

Source — Supreme Court of Korea, official texts in the national law information service (read in Korean): <https://www.law.go.kr/DRF/lawService.do?OC=test&target=prec&ID=606497&type=HTML>; <https://www.law.go.kr/DRF/lawService.do?OC=test&target=prec&ID=609341&type=HTML>; <https://www.law.go.kr/DRF/lawService.do?OC=test&target=prec&ID=618331&type=HTML>; <https://www.law.go.kr/DRF/lawService.do?OC=test&target=prec&ID=615643&type=HTML>.

Taiwan — the remedy and the assessment regulation

Taiwan's context is compulsory acquisition: first the remedy by which a compensation figure is contested, then the regulation prescribing how the figure is produced.

Supreme Administrative Court, Grand Chamber, ruling 109 *da* 1 of 12 June 2020. The Grand Chamber (行政大法庭) resolved a long-running question about how a landowner dissatisfied with an expropriation compensation figure may challenge it. Having exhausted administrative remedies, the owner may bring a mandatory performance suit (課予義務訴訟) under Article 5(2) of the Administrative Litigation Act. Where the authority maintains its original assessment after a written objection, that refusal constitutes a denial of the claim for the difference, and the owner may sue for either a fresh compensation decision or an increased figure.

The ruling confirms that Article 30(1) of the Land Expropriation Act requires compensation at the market price (市價) current at the time of expropriation. It is important to be clear about what it does not do: it settles the *remedy* and leaves the *valuation methodology* untouched.

Implication for appraisers. The separation is the point. Taiwan has a fully specified route for contesting a compensation figure and no judicial gloss on how that figure should have been produced — so the methodology fight happens entirely on the expert evidence, against the regulation described next.

Source — Traditional Chinese, read in machine translation; original retained for the translated editions: Judicial Yuan, Judicial Weekly, <https://www.judicial.gov.tw/tw/cp-1454-230684-2c9f8-1.html>

The Regulations Governing the Assessment of Market Value for Land Expropriation Compensation. Taiwan has codified its adjustment methodology in regulation rather than leaving it to professional standards. Market value for an expropriated parcel is assessed against a benchmark parcel (比準地), adjusted for individual factors grouped as parcel conditions, road conditions, accessibility conditions, surrounding-environment conditions and administrative conditions. Critically, the adjustment for each individual factor is capped: it may not exceed the maximum range set out in the prescribed factor-evaluation tables. Special provision is made for isolated building land in agricultural and conservation zones designated as public-facility reserve land, whose neighboring average market value is computed from the three nearest price districts of the same use character.

Implication for appraisers. This is a statutory sales-comparison grid with binding limits on the size of each adjustment — the regulatory analogue of the bracketing and support requirements that appear as professional standards elsewhere. Two consequences follow. An adjustment that would fall outside the tabulated range is not merely poorly supported but unlawful, so the appraiser's judgment is constrained before the evidence is weighed. And because the methodology is public and fixed, a Taiwanese compensation dispute turns on the selection of the benchmark parcel and on the placement of each adjustment within its permitted range, rather than on which valuation approach to use at all.

Source — Traditional Chinese, read in machine translation; original retained for the translated editions: Laws & Regulations Database, Ministry of Justice (Taiwan),
<https://law.moj.gov.tw/LawClass/LawAll.aspx?pcode=D0060117>

Taxation

Ad valorem assessment appeals, current use against highest and best use, special-purpose and utility property, estate and gift tax, and conservation-easement valuation.

Japan — valuation for inheritance and gift tax

The context here is tax valuation first: Japan values real estate for inheritance and gift tax by administrative formula, fixed by National Tax Agency circular rather than by statute or appraisal, and the opening items concern when that formula gives way to appraised market value. The Japanese civil items — the interest a fractional purchaser actually holds, and the measure of defect damages — are reported under insurance.

The 2026 tax reform outline and the “five-year rule”. The ruling coalition’s 2026 tax reform outline, published on 19 December 2025, proposes a structural change to how real estate is valued for inheritance and gift tax. The change is to be implemented not by statute but by amendment of a National Tax Agency circular (通達, *tsūtatsu*, an administrative directive to tax offices); as of July 2026 the amended circular had not been published, and the outline states an intended effect for inheritances and gifts on or after 1 January 2027. Under the outline, for certain rental properties acquired or newly built for consideration within five years before the inheritance or gift, valuation would be based on a fair-market-value equivalent calculated from acquisition cost rather than on the standard roadside-land-price and fixed-asset-value methodology (administratively fixed values; the nearest US-vocabulary analogue is assessed value). For fractionalized rental real estate products the fair market value at the time of the taxable event would apply regardless of acquisition date.

The proposal is the sequel to the Supreme Court’s decision of 19 April 2022 endorsing the National Tax Agency’s use of provision 6 of its property valuation basic circular (財産評価基本通達6項, commonly cited in English as “Article 6”) — an administrative circular, not legislation, whose provision 6 is a catch-all override often described as anti-avoidance, permitting departure from the standard method — in a case where property returned at an assessed value of ¥333 million was reassessed on appraisal at ¥1.273 billion. That decision left the tax authority with a discretionary override; the outline would convert the override into a rule for one defined class of case.

Article 6 after the 2022 decision: Tokyo High Court, 19 June 2025. The override remains live for everything the new rule does not reach, and the lower courts are still working out its limits. On 17 January 2025 the Tokyo District Court found for the taxpayer in a dispute over the valuation of unlisted shares in a structure designed to avoid classification as a share-holding company. On 19 June 2025 the Tokyo High Court reversed, upholding the assessment made on the National Tax Agency Director’s instruction under Article 6. It followed the so-called Sendai pharmacy case — Sendai being the seat of the taxpayer company; the courts that decided it sat in Tokyo — in which the Tokyo District Court (18 January 2024) and the Tokyo High Court (28 August 2024) both found for the taxpayer and the National Tax Agency did not appeal. Against that recent grain, the 19 June 2025 reversal is the more significant.

The shares were those of an asset-holding company, issued to the decedent two months before death. The High Court upheld the tax office’s resort to the general-provisions override: the office’s net-asset value of about ¥3,443 a share against the taxpayer’s method, a tax reduction of roughly ¥978.72 million, or 48 percent. “Market value” in article 22 is objective exchange value and is not capped by the circular. *Flag*: reported from professional commentary; the case number has not been published in the sources read.

The asset in this case was unlisted shares rather than real estate, and it is included here for that reason rather than in spite of it: the courts are applying a single Article 6 framework across asset classes, and the fact-specific approach the High Court took — adopting the 2022 Supreme Court framework but resolving the case on its own facts — is what an appraiser instructed in a Japanese valuation dispute should expect.

Source — Japanese, read in machine translation; original retained for the translated editions: Mori Hamada & Matsumoto, client newsletter,
<https://www.morihamada.com/ja/insights/newsletters/124816>

Source — Japanese, read in machine translation; original retained for the translated editions: Tokyo High Court, 19 June 2025, commentary,
<https://www.pwc.com/jp/ja/knowledge/news/legal-news/legal-20260225-2.html>

Implication for appraisers. If implemented as outlined, the change would move a large class of Japanese valuations from a formulary basis to an appraised market-value basis, and would do so on a bright-line five-year test. Three consequences would follow for practice. First, demand for dated, defensible market-value appraisals of income-producing residential property would increase, and the valuation date would be litigated because the rule turns on it. Second, the divergence between assessed and market value that the proposal targets is a measurable quantity that appraisers working in that market should expect to be asked to opine on directly. Third, and cutting the other way, the Article 6 line of cases means that a formulary valuation remains vulnerable to appraisal-based reassessment even outside the proposed five-year rule, so the change would narrow the appraiser’s exposure without closing it.

Source — Japanese, read in machine translation; original retained for the translated editions: EY Japan, tax alert on the 2026 tax reform outline,
https://www.ey.com/en_jp/technical/ey-japan-tax-library/tax-alerts/2025/tax-alerts-12-24

Supreme Court, Second Petty Bench, 17 February 2025 — the depreciation of a mixed-structure building. An Osaka building of eighteen stories, reinforced and steel-reinforced concrete in the low floors and steel above — about eighty-seven percent of the floor area — was entered for fixed-asset tax at ¥2,470,112,000. The taxpayer argued for a depreciation rate weighted by floor area; the assessor applied the rate for the structure of the low floors. The Court held the low-floor method “permissible under the valuation standard”, because the loads of the whole building are ultimately borne by that structure. A depreciation rate follows the structure that does the work, not the one that fills the space.

Source — Supreme Court judgment of 17 February 2025, official PDF (Japanese): <https://www.courts.go.jp/assets/hanrei/hanrei-pdf-93789.pdf>.

South Korea — retrospective appraisal, and the burden of proving nothing moved

Supreme Court, 30 April 2026, 2024Du61780, and 2 April 2026, 2025Du35499 — retrospective appraisal in inheritance and gift tax. Two decisions of spring 2026 fix the terms on which an appraisal commissioned after a death or a gift may supply the market value of the property at the date of the death or the gift.

In case 2024Du61780, an inheritance-tax case decided on 30 April 2026 and concerning land in Seodaemun-gu, Seoul, inherited on a death of 9 April 2019, the Supreme Court held that the burden of asserting and proving the *absence of special circumstances of price change* between the date of death and the date of the appraisal rests on the tax authority. Where the authority does not discharge that burden, a retrospectively appraised figure cannot be treated as the market value at the date of death. On the facts the authority had assessed on the average of four retrospective appraisals — two it had commissioned and two the heir had — of KRW 11,549,988,450, against a reported KRW 7,434,058,500. That average was rejected; the court-appointed appraiser's figure, fixed as at the date of death, stood; and both appeals were dismissed.

The companion decision, 2025Du35499 of 2 April 2026 — a suit for revocation of gift tax assessments (증여세 부과처분취소), reported at Gong 2026-sang, 1087 (*Gong* is the official gazette of Korean Supreme Court decisions; a citation to it is a citation to the authentic report) — went against the taxpayers. The Court dismissed their appeals in full (상고를 모두 기각한다) and upheld assessments based on appraisals the tax authority had commissioned, holding that the proviso to Article 49(1) of the Enforcement Decree of the Inheritance and Gift Tax Act, under which the appraisal-based assessments were made, is not ultra vires the Act.

Implication for appraisers. Read together, the pair states sharply a problem every retrospective valuation faces: an appraisal prepared after the fact is evidence of value at the date of the appraisal, and becomes evidence of value at an earlier date only on an additional assumption about the intervening market. Under 2024Du61780, Korea places the burden of that assumption on the tax authority asserting the retrospective figure; under 2025Du35499, an appraisal-based assessment that clears the decree's requirements stands. The appraiser's contribution is to make the assumption explicit and to support it with market evidence over the intervening period, rather than to present a retrospective figure as though the date of preparation were immaterial. An appraiser working across both Japan and Korea should not assume that the burden of displacing a formulary value falls in the same place in the two systems; the questions their courts have answered are different.

Source — Korean, read in machine translation; original retained for the translated editions: Supreme Court of Korea, precedent database (2025Du35499),
<https://lx.scourt.go.kr/search/detail/precedent/0/2026000036467>

Source — Korean, read in machine translation; original retained for the translated editions: Korean tax press on 2024Du61780 (Intn; TaxTimes),
<https://www.intn.co.kr/news/articleView.html?idxno=2050872>
<https://www.taxtimes.co.kr/news/article.html?no=275003>.

And the assessment that failed for want of that proof: 2025Du30615. Land inherited and reported at its official individual price of KRW 1,515,544,000 was reassessed on two later sales totaling KRW 2,940,000,000. On 20 May 2026 the Supreme Court held the assessment unlawful: the tax office had not proved the absence of price change between 13 October 2019 and the sales. A run of further 2026 decisions carries the same headnote — the office must plead and prove that nothing

moved between the valuation date and the date of the evidence it relies on — and in 2024Du61780, reported above, the office failed to do so even on an average of four retrospective appraisals.

Source — 2025Du30615 (Korean): <https://www.law.go.kr/DRF/lawService.do?OC=test&target=prec&ID=622257&type=HTML>; 2024Du61780: <https://www.law.go.kr/DRF/lawService.do?OC=test&target=prec&ID=620457&type=HTML>; 2025Du35499: <https://www.law.go.kr/DRF/lawService.do?OC=test&target=prec&ID=618673&type=HTML>.

Lending, Foreclosure, and Mortgage Regulation

Origination and refinance appraisals, GSE, FHA and FIRREA independence rules, deficiency actions, and what loss the valuation actually caused.

South Korea — a conversion price that is half cost, half appraisal. On the conversion of public rental housing to owner-occupation, the Seoul High Court applied the statutory formula: the price is the arithmetic mean of construction cost and appraised value — for a twenty-*pyeong* unit, KRW 34,834,953 and KRW 106,268,471 giving KRW 70,551,712 — and rejected floor-level discounts because the appraisal had been made per unit type. A formula that averages a cost and a value is not a valuation of anything, and the court’s refusal to refine it is the honest treatment.

Verification note. No Japanese or Korean decision of 2025–26 on the auction reserve price or the auction appraiser was located; a Taiwanese High Court execution appeal on the reserve price (114 Kang 750) appears in a database listing but its text could not be retrieved, the official judgment database refusing every request.

Source — Seoul High Court 2023Na2060019 (Korean): <https://www.law.go.kr/DRF/lawService.do?OC=test&target=prec&ID=622327&type=HTML>.

Valuer and Appraiser Professional Liability

Negligence, breach of contract, and rarely fraud against the appraiser; bracket and margin of error, intended use, and USPAP compliance.

No decisions in this category this quarter.

Verification note. No 2025–26 decision on an appraiser’s liability was found in the Japanese or Korean official databases. A Taiwanese constitutional complaint (114 Shen-Cai 1305) following a High Court dismissal of a claim that an estate appraiser’s over-valuation caused loss appears in listings only; the court’s database was inaccessible and the holding is unverified.

Family Law, Divorce, and Equitable Distribution

Date-of-value contests, discounts, and whether a contemplated subdivision or development is reasonably probable.

South Korea — the date is the mediation, unless the market moves against one side: 2025Seu595. Divorce was concluded by mediation on 15 September 2022 and the division of property claimed later. The Supreme Court held that the date of value is in principle the mediation date, but that external, supervening changes in jointly formed real estate may be reflected where

fixing the gain or loss on one side would defeat the purpose of the division. An apartment at KRW 267,500,000 at mediation had fallen to KRW 190,000,000 by the close of the hearing in November 2024; the lower court’s use of the later figure was upheld.

Implication for appraisers. This is the opposite of the German and Dutch positions reported in the European installment, where the statutory date held even against a later sale. Korea lets the date move when the market does, in the name of fairness between the parties — which means a Korean instruction may need two valuations where a German one needs one, and the second is the one that decides.

Source — 2025Seu595 (Korean): <https://www.law.go.kr/DRF/lawService.do?0C=test&target=prec&ID=608517&type=HTML>.

Estate, Trust, and Probate

Date-of-death value, lack-of-control and marketability discounts, and mixed real-estate and business interests.

No decisions in this category this quarter.

Verification note. The Korean Supreme Court’s decision of 24 March 2025 in 2024Seu866 fixes the specific inheritance share as at the opening of the succession but contains no valuation of real property. Nothing was found in Japan or Taiwan.

Partnership, Shareholder, and Buy-out Disputes

Fair value against fair market value, and whether an asset or cost approach is appropriate when the real estate is an operating asset.

South Korea — the company’s land re-valued, and the shares follow. A headnote of the Seoul High Court, 23 January 2026, records that re-computing the value of unlisted shares on the basis of an appraisal of the company’s real estate yields a lawful market value at the date of the gift. Reported from the database headnote; the judgment text was not served.

Insurance, Casualty, Environmental Diminution, and Private Contract Damages

Before-and-after value, cost to cure against stigma, wildfire and contamination, insurance appraisal clauses, options, and partition.

South Korea — the lease, and the fire

Supreme Court, First Division, late August 2026 — lease premium recovery and “markedly high” rent. A pharmacist had occupied commercial premises since 2001, renewing in 2018 at a deposit of KRW 100 million and rent of KRW 6 million per month, thereafter renewed by implication. On retiring she contracted to transfer the business to an incoming tenant for a premium (권리금, *gwonrigeum*) of KRW 2.2 billion. The claim arose under Article 10-4 of the Commercial Building Lease Protection Act (상가건물 임대차보호법), which prohibits a landlord from interfering with a departing tenant’s recovery of the premium. The landlord then demanded

of the prospective tenant rent of KRW 20 million per month and a deposit of KRW 500 million, and the transaction collapsed. The first two instances found for the landlord; the Supreme Court, Justice Cheon Dae-yeop presiding, reversed the damages holding and remanded to the Busan District Court.

The Court observed that the demand amounted to approximately 333 percent of the existing rent and, on a converted-deposit basis, approximately 357 percent, and that a difference of that order may well be “markedly high”. Its statement of the assessment is the part that matters here. In deciding whether a demanded rent is markedly high, a court must consider not only the taxes and public charges and the rents and deposits of *neighboring shops* that the statute names, but also the difference between the terms of the existing lease and those demanded of the incoming tenant, and the market value of the building together with an appropriate rent for it, transaction practice, and prevailing economic conditions.

Implication for appraisers. The Court listed factors beyond the neighboring-shops comparison, directing attention to a properly reasoned rental valuation of the subject building rather than a bare comparison against neighboring shops. In the vocabulary of the *Foundations* department in this issue, the neighboring-shops comparison is a conditioning set too narrow for the question being asked: it conditions on location while ignoring the characteristics that distinguish the subject premises, and the resulting figure therefore estimates the wrong quantity. The decision creates direct demand for reasoned rental valuation evidence in Korean commercial lease disputes, an area in which premiums of this magnitude are routinely at stake.

Source — Korean, read in machine translation; original retained for the translated editions: Kyunghyang Shinmun, <https://www.khan.co.kr/article/202608301445001/>

Citation note. The case number of this decision had not been established at the time of going to press and is given here by court, division, date and subject matter only. It should be obtained from the official report before the decision is relied upon.

Fire insurance: actual value is the default: 2024Da301832. On 14 August 2025 the Supreme Court held that the measure of a fire loss is actual value — depreciated value under article 676(1) of the Commercial Act — unless the policy provides otherwise, and that a replacement-cost endorsement’s clause requiring notice of repair within 180 days is a forfeiture ground and therefore a material term the insurer must explain. Reversed and remanded. The machinery was not real property, but the rule about which terms of an endorsement the insurer must explain applies to buildings exactly.

Source — 2024Da301832 (Korean): <https://www.law.go.kr/DRF/lawService.do?OC=test&target=prec&ID=615639&type=HTML>.

Japan — sunlight, a defect, and a forced purchase

Sendai District Court, 26 September 2025. A bank branch of 8.23 meters, in a residential zone but outside the shadow-regulation area, blocked more than five hours of winter-solstice sun. The court held the interference tortious beyond the limit of tolerance despite full code compliance, and awarded ¥670,000 and ¥550,000 — ¥1.22 million in all — against claims of about ¥4.59 million and ¥1.65 million. The source does not break the claims or the awards into heads, so it does not say whether any diminution in land value was allowed. *Flag:* reported from practitioner commentary and the technical press.

Source — Sendai District Court, Reiwa 6 (Wa) No. 115 (Japanese): <https://ezaki-law.com/archives/3771>.

Supreme Court, Second Petty Bench, 28 August 2026 — a co-ownership share is not subject to the building purchase demand. Where a building stands on leased land, the purchaser of that building cannot use it freely without the landowner's consent to assignment of the leasehold, and Article 14 of the Act on Land and Building Leases answers that difficulty by allowing the purchaser, if consent is refused, to demand that the landowner buy the building at its market value (時価). A Tokyo property company had bought an undivided share — per the report, a three-quarters share, unconfirmed — of a building in Adachi Ward, Tokyo, from the heirs of the deceased owner. The landowner, Tobu Railway, refused consent, and the company demanded that it purchase the share, per the report for approximately ¥27 million (unconfirmed).

The Second Petty Bench, Ojima J presiding, held for the first time that Article 14 does not extend to a fractional share. Recognizing the claim would compel the landowner to lay out cash it had not sought while leaving it locked into co-ownership with the remaining share-holders and unable to deal with the building freely. The purchaser's route to recovering its investment is an action for partition of the co-owned property.

Implication for appraisers. The decision matters because it removes a valuation floor. The practice it addresses — acquiring only the fractional interests in aging leasehold buildings that fall out of divided inheritances — has been growing, and a purchaser who could invoke Article 14 held something close to a market-value put option against the landowner. Without it, the fractional interest must be valued for what it now is: an illiquid minority position in a co-owned building on land held under a leasehold whose assignment the landowner has refused, realizable only through partition. A discount for lack of control and lack of marketability is not an optional refinement on those facts; it is the substance of the valuation.

Source — Japanese, read in machine translation; original retained for the translated editions: Kitanippon Shimbun (webun.jp), <https://webun.jp/articles/-/1082875>

Tokyo District Court, 17 June 2026 — proportionality in the measure of defect damages. A four-building, 705-unit condominium complex completed in 2007 in Tsuzuki Ward, Yokohama was found to have piles that did not reach the bearing stratum: a tilt in one building was discovered in 2014, and falsification of pile-driving data came to light in 2015. The entire complex was demolished and rebuilt. The developer, Mitsui Fudosan Residential, sued the contractors — Sumitomo Mitsui Construction, Hitachi High-Tech and Asahi Kasei Construction Materials — for approximately ¥50.5 billion. The court found the defect impaired the building's basic safety and recognized joint liability in tort, but awarded approximately ¥1.3 billion (約13億円), on the reported ground that a full rebuild went beyond what the defect required. The plaintiff developer has indicated it will appeal.

Implication for appraisers. The award is about three percent of the sum claimed, and, as the press reports frame it, the gap is one of *measure* rather than of liability: liability was established, and what the court is reported to have declined to accept was the measure of the loss. The case is the clearest recent illustration that establishing a defect does not establish that the most thorough remedy is the compensable one, and that the reasonableness of a chosen remedy against the impairment actually suffered is a question on which expert valuation evidence decides the outcome. An appraiser instructed on defect damages should expect to be asked not what the cure cost, but whether the

cure was proportionate to the harm — and commentary on this judgment has framed the issue precisely as whether rebuilding every block was necessary at all.

Source — Japanese, read in machine translation; original retained for the translated editions: Nihon Keizai Shimbun; and the plaintiff developer's own notice of 17 June 2026, Mitsui Fudosan Residential, <https://www.nikkei.com/article/DGXZQ0UD163GN0W6A610C2000000/>

Taiwan — the stigmatized dwelling, priced

Three decisions of 2026 on *xiongzhai*. Taiwan's courts continue to put figures on the stigma attaching to a dwelling in which a death has occurred. In a Pingtung decision of 20 August 2026 a court-commissioned appraiser, on a comparison and an income approach, found a loss of NT\$1,460,462 against NT\$1.5 million claimed, the tenant liable and the heirs within the estate. In a second case reported the same month the appraiser put the value at NT\$10,563,314 before and NT\$8,296,427 after — a loss of 21.46 percent, NT\$2,266,887 — and the tenant was ordered to pay that sum with NT\$100,000 of fees under the lease. A Tainan decision (114 Su 158) held heirs and the letting agent jointly liable for about NT\$2.11 million. *Flag*: all three are reported from the press; the official judgment database refused every request and no text has been read.

Implication for appraisers. No jurisdiction in this survey prices psychological stigma as routinely as Taiwan, and the twenty-one percent figure is the kind of number an appraiser elsewhere is asked for and cannot support. It is supported here by a court-appointed appraiser's before-and-after on the specific dwelling, which is the only method that survives cross-examination on this question anywhere.

Source — Pingtung decision, Yahoo Taiwan news (Chinese): <https://tw.news.yahoo.com/>; second decision, *China Times* (Chinese): <https://www.chinatimes.com/realtimenews/20260820000965-260402>; Tainan 114 Su 158, practitioner note (Chinese): <https://www.cdlaw.com.tw/modules/news/>.

Coverage and completion status

This baseline installment is incomplete, and the department prefers to say so rather than to pad. Material has been verified for Japan, Taiwan and South Korea. It is worth being precise about how it was reached.

Searching in the language of the jurisdiction — rather than in English — was decisive for Taiwan and Japan, and is the reason those sections exist. The judgment search systems of Taiwan and South Korea are form-driven query interfaces whose result pages are not indexed by search engines, so current-period decisions were first identified through press and practitioner reporting; the Korean decisions were then read in the official texts at law.go.kr, which the source notes cite, and the Japanese Supreme Court decisions at courts.go.jp. Items still resting on press or practitioner reporting alone say so where they appear.

Taiwan is the tractable case and is the department's next priority. The Judicial Yuan operates a judgment open-data service that responds to programmatic queries, subject to registration and to a restricted daily service window. Retrieval of *minguo* 115 (2026) expropriation compensation decisions through that service is planned for the next installment.

- **South Korea — the compensation regime itself.** Four Supreme Court decisions on compensation under the Act on Acquisition of and Compensation for Land for Public Works Projects open this installment, with the tax and commercial-lease decisions after them. What

is not treated is the regime's own machinery — the figure set through appraisers working from the publicly announced land price and adjusting for location, shape, environment and use — which deserves its own treatment.

The following items were identified from the editor's materials and are carried forward, not verified; each is noted in one line only.

- **South Korea:** a Constitutional Court decision upholding the realtor single-listing-price rule.
- **South Korea:** a Supreme Court decision of July 2026 on a realtor's liability to a lender for verification of a *jeonse* (lump-sum-deposit lease) arrangement.
- **South Korea:** a Supreme Court decision of August 2026 excluding filial-care property from forced heirship.