

**JOHN A. PARKS'S PRINCIPLES AND PRACTICE OF VALUATIONS
(LAND AND HOUSES) Edited by B.P. Chatterjee. 4th Edition
(1970). Eastern Law House, Calcutta. Pp. xi×319. Rs. 25.**

AN ACCURATE valuation of property assumes considerable significance, *inter alia*, in the administration of various provisions of law, especially in the field of taxation¹ and land acquisition proceedings. In valuation proceedings involving governmental agencies in the aforesaid area, it is not unlikely that there may arise wide disparity in the assessment of the value of the property. Even though the expert valuers may have ample reasons to support their assessments, the courts and tribunals will necessarily have to look into the principles and practices of valuation with a view to scrutinizing the accuracy of the assessment made by the experts. Therefore, a book dealing with principles and practice of valuations has an important role to play, as an impersonal agency, in aiding the courts and tribunals in the task of assessing the value of the property. It is in this context that the reviewer welcomes the appearance of John A. Parks's book *Principles and Practice of Valuations*, in its fourth edition.

It may be stated at the outset that before the publication of Mr. Parks's book in 1942, an Indian legal scholar had to turn only to English valuation books for guidance. Howsoever well written English publications in the field, the utility of those works for Indian legal scholars was extremely limited. For a book on valuation is necessarily hinged to the socio-economic situation of a particular community. The publication of this book by Mr. Parks in 1942 filled the void in this area. In the light of the socio-economic changes that have come out in this country during the last three decades and in view of important judicial pronouncements by the highest court of the land in this area, the reviewer would like to congratulate Mr. Chatterjee for bringing out this revision.

The book has been divided into twelve chapters. The author deals firstly with the theories of valuations and secondly with the methods and principles involved in the valuation of various kinds of immovable properties, like leasehold interests and easements. These methods and principles are illustrated by examples and thus contribute to a better understanding of the complicated principles.

The first chapter deals with the theories of value-market and value-rent. Valuation of anything is an estimate of the value of that thing in terms of money. In common parlance the word value is used to mean valuation, which in turn denotes its market value. The author has, with

1. S. 36 of the Estate Duty Act, 1953, lays down,
"The principal value of any property shall be estimated to be the price, which in the opinion of the controller, it would fetch, if sold in the open market, at the time of the deceased's death".

the help of case law, explained what is market value and how it is calculated. The 'market value' has been defined as :

The price that a willing purchaser would pay to a willing seller for a property, having due regard to its existing condition, with all its existing advantages, and its potential possibilities when laid out in its most advantageous manner.

The rental method of valuation to determine the market value in regard to residential property, shops and business premises, godowns and ware-houses, and industrial property, is also discussed in detail and various methods are recommended for finding out the valuation of property by this method.

When land is not developed by buildings erected thereon, or where the buildings that are erected do not fully develop the land, it becomes difficult to value a property by the *rental* method of valuation, and in such a case the *land and building* method is adopted. Briefly stated the method is : to the market value of the land at the material time add the value of the buildings at the material time. The author discusses this method in a lucid manner in relation to bustee land, land-locked land, machinery and orchards.

The *belting method* is recommended to estimate the value of one flat of land fairly and accurately in comparison with another flat of known value. A valuer may have to value an irregular shaped flat and the only known values are for regular shaped flats or vice versa. The author points out that if sufficient data is available, the area of flats can be reduced to units and then by taking into account frontage, depth, shape and size, it is possible to compare one flat with another fairly and accurately. With the help of numerous examples the author has explained this method in detail.

One of the chapters in the book is devoted to "The Construction and Application and Use of Life Tables." Sometimes a valuer may be called upon to value a property which is subjected to a life interest of a person, and for this he must have a thorough knowledge of the 'mortality tables' and 'expectation of life tables.' The 'Carlisle tables' showing the 'mortality of Carlisle' for nine years 1779-87, were compiled in England. These have been recommended by the author to be used as a guide "until such times as tables are published for this country (India)". Such tables are since regularly published and one fails to understand why the Indian tables have not been given in the revised edition and instead, the original text as published in 1942 is left untouched.

The valuation of easements is dealt with in the tenth chapter of the book. However, the impression one gets from reading the definition and illustration of easement is that an easement is confined only to the right to receive light across another's property. This is certainly not the only easement we come across. The author while quoting the definition of

easement from some other book,² has failed to divulge the source of this quotation. This becomes all the more relevant in as much as the definition given is not the same as given in the Indian Easements Act of 1882.³

The fourth edition of this book which is under review is more or less a reprint of the earlier edition and not a revision. Except for the addition of some recent case law the text has been left untouched, which indeed makes the reading anachronistic in quite a few places. For example on page 6 one comes across the following passage :

At the present time (1942) Government securities are yielding between 3 and 3 $\frac{3}{4}$ %. A new loan has just been floated at 3%. There is plentiful supply of money in the market at present, and if the Government had floated a loan of 2%, there would have still been buyers.

The situation mentioned in this passage is far from the reality at present and it appears that only 1942 has been inserted in the original text, which relates to the year 1942. At least the revised edition should have brought these facts and figures upto date. The same tendency is noticed again at page 85 where we find the following passage :

It would be impossible at the present time (1942) to build a substantial building owing to the various articles required not being procurable.

Again on page 89, we find the text saying that "the actual prime cost worked out to about 4 annas per cubic foot." And further on, the old rates are given again in annas. This should have been revised by the learned editor in terms of the current coinage.

There are a number of printing mistakes which could have been easily avoided. The Supreme Court cases which have been added in this edition have not been discussed fully. It would have been better if the editor had stated the facts of at least a few of the leading cases of the Supreme Court. The revision of the fourth edition however, leaves much to be desired. One further limitation of the book appears to be that it deals mainly with conditions prevailing in Calcutta and though the principles enunciated can be applied to any city, yet one gets the feeling that the book is meant mainly for residents of Calcutta and its suburbs.

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2. The definition of easement quoted is :

A privilege without profit which the owner of one property has the right to enjoy in respect of that property in or over the property of another person.

3. The definition given in s. 4 of the Indian Easement Act is as follows :

An easement is a right which the owner or occupier of certain land possesses, as such, for the beneficial enjoyment of that land, to do and continue to do something or to prevent and continue to prevent something being done in or upon, or in respect of certain other land not his own.

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