

A Survey on Valuation for Immovable Properties: Agricultural Land

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ABSTRACT: Valuation is an art of process of estimating value, depending on the circumstances of the case and purpose for which valuation is needed, at the given time, place and market condition. The objective of this study is to identify the market value of Agriculture land and guidelines to follow the calculation for land which is situated in semi urban and rural area of Chhattisgarh, India. This study helps to property owners, farmers to know the actual condition of land and future scope of the land. The valuation of agricultural land helps to plan the future growth of the city, approach to the city and improve the present condition of land.

KEYWORDS: Agricultural land, Valuation, Value, Market value, Area

I. INTRODUCTION

Valuation can be defined as the process of estimating value. Valuation depends on the circumstances of the case. For the purpose in which conclusions about value are arrived at by a scientific analysis of the available data, valuation is an art requiring judgement and forecast. Valuation is essentially an inter-disciplinary exercise. Identification of interest in the property to be valued, the nature of the right to be valued and the special factor to be taken into consideration with reference to the need of the client or owner. Value is a function of time, place and purpose

Cost: it is the expenditure to produce a commodity having value.

Price: it is the cost of a commodity plus additional reward to producer for his labour and capital.

This study has reviewed the concept of valuation for the agricultural land and the specific nature and challenges for valuer, engineer and surveyor to calculate the market value of the agricultural land.

In this research, the guidelines given by government of Chhattisgarh are studied and to simplify the valuation purpose for calculating the market value of the land, guidelines are prepared based on conditions prevailing on the date as which valuation is required.

II. RELATED WORK

Moreshwar A. Almast, Ashish A. Ahakravarti, Pramod S. Purjekar, Bonning Ravinder, January (2015), in this paper the authors tell about factors affecting value of agricultural land, methods of agricultural land and agricultural income with rent or revenue derived from land which is situated in India. In this paper authors tell about the performance by a cultivator or receiver of rent-in-kind to render the produced raised or received by him fit to be taken to market.

S.K. Dhawan, October (2007), in this article the author tells about the method of valuation of land and its effect on prices for various needs of the buyer

E. Subba rao September (2009), in this article the valuer tells about valuation of different types of plotted land and about the classification of agriculture land, Agricultural land are of two types, dry and wet agricultural land.

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III. RESEARCH METHODOLOGY

The research work initiated with study of few valuation techniques and past valuation reports data for the calculation of market value of the property. As per the requirement of the technique, reference data was collected from site and various government bodies like district registrar, Municipal Corporation, Patwari and old valuation reports of valuers in Rajnandgaon, Chhattisgarh, India. This studies is helpful in dividing the whole property into different areas and calculate the area of land to get the market value of the property.

IV. QUANTITATIVE ASSESMENT OF AGRICULTURAL LAND

Valuation of agricultural land:

The Valuation of agricultural can be quantified and considered by following:

1. Criteria of market value of agriculture land under Municipal Corporation or municipal council is to calculated by different area

Table1: criteria for market value of agricultural land under Municipal Corporation or municipal council

S.no	Area of land	Rate to be considered
1.	When area is less than or equal to 0.050 hectare.	100% of the approved rate of the plot of that land
2.	When the area of land is greater than 0.050 hectare. But less than or equal to 0.100 hectare.	80% of the approved rate of the plot of that land
3.	When the area of land is greater than 0.0100 hectare. But less than or equal to 0.150 hectare.	60% of the approved rate of the plot of that land
4.	When the area of land is greater than 0.0150 hectare. But less than or equal to 0.202 hectare.	40% of the approved rate of the plot of that land
5.	When the area of land is greater than 0.202 hectare. But less than or equal to 0.243 hectare.	According to the approved rate of hectare of that land

NOTE: In case of sales of agriculture land is more than 0.243 hectare then valuation will be according to fixed market value per hectare, any area under municipal co-operation or municipal council with any one documents of land Any sales of land having more than one khasara no., and if total area is more than 0.243 hectare, than the valuation will be done according to per hectare rate depending on the type of land.

2. Agricultural land in urban area of city council, valuation will be done as follows:
Calculation for the valuation of agricultural land where there is a city council. The whole area is divided into small area

Table2: calculation for market value of agricultural land under city council:

S.no.	Area of land	Rate to be considered
1	Area less than or equal to 0.050 hectare	100% of the approved rate of the plot of that land
2.	Area greater than 0.050 hectare and less than or equal to 0.100 hectare	25% of the approved rate of the plot of that land
3.	Area greater than 0.100 hectare and less than or equal to 0.150 hectare	10% of the approved rate of the plot of that land
4.	Area greater than 0.150 hectare and less than or equal to 0.202 hectare	5% of the approved rate of the plot of that land

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Note: In case of sales of agriculture land is more than 0.202 hectare then valuation will be according to fixed market value per hectare, any area under city council with any one documents of land. Any sales of land having more than one khasara no., and if total area is more than 0.202 hectare , than the valuation will be done according to per hectare Rate depending on the type of land.

3. When one or more people who does not belong to the same family and they together purchase agricultural land and each one having shear up to 0.243 hectare of municipal co-operation,/ municipal council or investment area then valuation will according to market value as in point no.(1.) and if land is up to 0.202 hectare then valuation will according to market value as in point no.(2.)
4. Value of tube well / Pump
 - a. Tube well /submersible pump fitting = Rs. 70,000
 - b. Tube well / electrical pump 7/10 horse power = Rs. 60,000
 - c. Tube well / electrical pump 5 horse power = Rs. 55,000
5. Value of well:
 - a. Equipped well : Rs. 60,000
 - b. Unequipped well: Rs. 50,000
6. In rural area if land has more than one khasara number is sold through a single document; total area of land being more than 0.050 hectare then valuation of total area per hectare will be calculated according to the type of land.
7. In sale of unirrigated double cropped land, depending on the type of land, more than 10% of prescribed rate and in case of irrigated double cropped land, rate more than 25% of prescribed rate will be considered for calculating market value.
8. Any irrigated / unirrigated land for commercial crops – sugarcane, soybean, ground nut, banana, papaya are planted, then in case of sell of land – prescribed rate will be appreciated by 25% for calculation of market value.
9. Any agricultural land situated in 46 meter in depth in any of the two sides of the road; it will be assumed to be on road. Its value will be according to the prescribed value for calculation. But if any party purchases any land more than 46 meter in depth then total area will be assumed to be in road for the calculation of the market value

For example: Refer above table (1.) for agriculture land up to 0.243 hectare Valuation of market value will be done as follows:

(If the rate of any area is Rs.200 per square meter than calculation will be done as shown)

1.	Upto 0.050 hectare	100 % (506 sqm. x 200)	= 101200
2.	Greater than 0.050 hectare and upto 0.100 hectare	80% (506 sqm. x 160)	= 80960
3.	Greater than 0.100 hectare and upto 0.150 hectare	60% (506 sqm. x 120)	= 60720
4.	Greater than 0.150 hectare and upto 0.202 hectare	40% (506 sqm. x 80)	= 40480
5.	Greater than 0.202 hectare and upto 0.243 hectare	0.041 x 500000	= 20500
Total market value			= 303860

For Example: Refer above table (2.) of agriculture land up to 0.202 hectare Valuation of market value will be done as follows:

(If the rate of any area is Rs.200 per square meter then calculation will be done as shown)

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S.No		
1.	Upto 0.050 hectare	100% (506 sqm. x 200) = 101200
2.	Greater than 0.050 hectare but less than 0.100 Hectare	25% (506 sqm. x 50) = 25300
3.	Greater than 0.100 hectare but less than 0.150 hectare.	10% (506 sqm. x 20) = 10120
4.	Greater than 0.150 hectare but less than 0.202 Hectare	5% (506 sqm. x 10) = 5060
		Total market value = 141680

V. CONCLUSION

For valuation of Agricultural land, the use of the above presented quantitative valuation technique could help the farmer and valuer and different type of valuation institute for the calculation of market value. Valuer and owner of the property will know the actual condition of the land and use of that land, district registrar know the value of the land at the time of selling and owner can also know the current market condition for his property. Country and town planning department can also fix the zone in city.

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