(1) பக்கங்களின் எண்ணிக்கை 30

(2) புதுக்கித் திருப்பிய நாள் 16.4.90

(3) ஆதாரங்குறிப்பவர் சுருக்கொப்பம்

தமிழ்நாடு ஆவணக் காப்பகம்.

தமிழ்நாடு அரசு

76

PWD துறை

அரசாணை எண். 1878 ம
மு. கோப்புத் தாள் எண். 1879 "

அச்சகம்
பலவகை

நாள் : 8-7-1891 A.D.

மடிக்கவோ கண்டபடி கையாளவோ கூடாது

Bridal Sht nos 5, 9, 10

15 Sheets

ஆவண. கா-1—18,000—15-6-87.

1828-9
1

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Buildings and Roads.
Civil Works.

READ—the following paper:—

From W. HUGHES, Esq., Executive Engineer, Madura division, to the Superintending Engineer, VI Circle, dated 19th May 1891, No. 701.

The rent of Government buildings occupied as residences is calculated by taking a percentage of the capital cost and adding the average cost of repairs. The capital cost includes (*a*) original cost with value of subsequent improvements, (*b*) value of site, (*c*) charge for Public Works Department supervision, &c., and remains the same from year to year, no allowance being made for depreciation. In regard to (*b*) the orders of Government do not state whether the value at the time a building was erected or the present value is to be taken, but it would be obviously right to take the former value. This gives rise to a difficulty in revising rents, as in the case of old buildings the cost of the site is rarely known, and, as land values have been in most places increasing for a long time past, many sites which were acquired for little or nothing are now worth a good deal. I beg that instructions may be obtained as to whether, in cases when there is no record of the cost of the sites, the probable value when they came into Government possession or the present value is to be used for the purposes of computing capital cost.

2. I beg to bring to notice that one effect of the present system of fixing rents will be that, since old buildings cost more to maintain than new ones, rents must continuously increase although the buildings continuously deteriorate and in course of time rents of nearly all buildings must reach 10 per cent. of the occupier's salaries.

No. 188 M.D.

Copy submitted, through the Examiner, Public Works Accounts, to the Chief Engineer, Public Works Department, for orders.

2. In regard to the value of the site it is thought that it is the value of the land at the time it was acquired should be taken into account and not the present value, for it is supposed Government does not desire to provide for making a commercial profit in the matter.

3. With reference to the point referred to in para. 2 of letter from the Executive Engineer it is difficult to suggest any procedure suitable to the case beyond that it is thought the best way to arrange the matter is to fix the rent in the usual way and afterwards bring the question to the notice of Government in view to getting the rent reduced, in case it can be established that the rent has been abnormally increased owing to the building being an old one.

(Signed) J. W. MARTIN,
Offg. Supdtg. Engr., VI Circle.

27th May 1891.

No. 3407.

Forwarded with the remark that the undersigned agrees with the Superintending Engineer, but that, as the rules in Code para. 1041, rule 1 (1), note 1, are based on ruling of the Government of India, it seems desirable that the confirmation of that Government should be obtained to any general ruling regarding the principle on which sites should be valued.

19th June 1891. (Signed) C. H. P. CHRISTIE, Major, R.E.,
Examiner, Public Works Accounts.

ORDER—dated 8th July 1891, No. 1878 W., Public Works.

Ordered that the Government of India be addressed.

(Here enter No. 1879 W., dated 8th July 1891.)

(True Extract.)

(Signed) J. PENNYCUICK, Colonel, R.E.,
Secretary to Govt., P.W.D.

To the Superintending Engineer, VI Circle.
„ Examiner, Public Works Accounts.

Exd. A. D. Xavier.
Spare Copies

1828-9
1828/2

BUILDINGS AND ROADS.
CIVIL WORKS.

Govt. of {1891} Madras.

PUBLIC WORKS.

Dated July, 8th.

Rcd. *Encl.*

G.O., 8th July 1891, No. 1878 W.

JULY.

Sites

Ordered that the Government of India be addressed regarding the principle on which — of buildings should be valued.

1878-9
1828/3

PUBLIC WORKS DEPARTMENT.

Buildings and Roads.
Civil Works.

LETTER—from

COLONEL J. PENNYCUICK, R.E.,
Secretary to the Government of Madras,
Public Works Department,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT.

SIR,

I am directed to forward the accompanying copy of Proceedings No. 1878 W., dated 8th July 1891, and to request the orders of the Government of India on the two points therein raised for decision, viz.—

(1) whether, in estimating the value of the site of a building for purposes of rent, the present value is to be taken, or the value at the time of erection of the building, and
(2) whether any allowance is to be made for annual depreciation.

2. In regard to existing buildings, the rules do not say whether the cost of the site, when it is not on record, should be its present value, or its probable value when it came into Government possession. If the latter is to be adopted, there would be great difficulty in arriving at accurate results. It seems preferable, therefore, when the original value of a site is not known, that the value at the date of first application of the rules should be ascertained and adopted.

3. In respect to the second point it is remarked that the rules do not provide for any reduction of the capital cost of buildings in consequence of deterioration. On the contrary the cost of all renewals, as distinguished from additions or extensions, falling under the head of "Original Works," is added to "capital" and the book value of buildings will consequently steadily increase as they get older. Thus an entirely new roof might be required and the expenditure on this would have to be added to the capital cost of the building, and, though after the old roof had been replaced, the building would be no better than when first constructed, the occupant would have to pay rent calculated, *inter alia*, on the cost of two roofs.

4. The inclusion of the actual cost of annual repairs as a factor in the assessment of rent must in time prove very unequal in its incidence. Thus an officer going into a substantially built house in a good state of preservation would pay less rent proportionately than one occupying an old building in constant need of repair. This is a matter which might also engage the consideration of the Government of India in connection with the other two points mentioned above. I am to suggest that a fair plan

would probably be to lay down a fixed percentage on account of repairs for all buildings. The loss in one case would be covered by the gain in another, but officers would not be unequally taxed. The percentage might be the same as that now fixed when the annual cost of repairs is unascertainable, viz., 3 per cent.

I have the honour to be,

Sir,

Your most obedient servant,

(Signed) J. PENNYCUICK, Colonel, R.E.,
Secretary to Govt., P.W.D.

OOTACAMUND,
8th July 1891.

Exd. A. D. Xavier.
Spare Copies

1878-9
18/28-9/4

BUILDINGS AND ROADS.
CIVIL WORKS.

Govt. of {1891} Madras.

PUBLIC WORKS.

Dated July, 8th.

Read. Encl.

8th July 1891, No. 1879 W.

JULY.

Sites

Requesting orders regarding the principle on which — of buildings should be valued.

Cir 6658.

1878-9
1879-7

Dw

This letter must apparently be submitted to the Hon. for orders with regard to the sites of residences, vide (1) to Code para 1041, Rule (vide S.O. printed in margin of Go. 3389 W & 19.12.90) " the cost of the site will be the price paid for it by Govt., but if the site belongs to Govt. its value for the purpose of calculating the rent will be fixed by the Govt. with relation generally to the average value of similar land in the vicinity, unless in exceptional cases such value should be prohibitive".

Go. No 242 W 27.1.91 rules that when the value of a site is not known, the Ex. Engr. will obtain a valuation from the Collector. The

The G. of I. rule refers to the construction of new residences, & doubtless the same principle must be applied to the site of existing buildings.

The rules do not say whether in the case of existing buildings, the cost of the site shall be its present value, or its probable value when it came into possession.

If the latter is to be adopted, there will be great difficulty in arriving at the valuation, & a great deal of correspondence will probably result.

Nor do the rules provide for reducing the capital cost of buildings by deducting estimated annual depreciation - On the contrary, the cost of all improvements falling under the head

I should think the very difficult - Except in rare cases this principle in value of site, will make but little difference in calculating rent.

I quite agree with you - An extremely new roof might be required for a building, and the cost of this would have to be added to the capital value of the building - The building would be only what it would as about first worth but the amount would have to pay rent calculated - with this addition of the cost of two roofs - Such a case has to be dealt with actually arrived -

"original works" is added to the capital cost, & the book value of a building thus steadily increases as per policy. 1878-79

If a building is kept in good repair, there need no apprehension of decrease in value, but it is submitted that the cost of all renewals falling under the head "new works" (as distinguished from additions or extensions) should not be added to the capital cost, inasmuch as such work keeps up or maintains the original value, but does not add to it.

Again the practice of including the actual cost of annual repairs as a factor in assessing the rent, is very unequal in its incidence. An owner going into a substantially built house in a good state of repair, or into a new house, has to

pay less rent proportionately than an officer occupying an old building constantly needing repairs.

The fairest plan probably would be to lay down a fixed percentage on account of repairs, for all buildings. What the Govt. lose in one case would be gained in another, but officers would not be unequally taxed.

For orders — any modification in the rules would require the sanction of the Govt. of India.

Cl

27/6/91

Cl 6658 Dr 15401 Hm 9/91

This will very likely be the fairest plan

The percentage the same as hitherto fixed when the annual cost of repairs is unascertainable.

Put up also draft orders ?

DOS

24.6.91

? Do submit his letter.

P. W. Department. 1878/79

Read the following :—

Letter from the Superintending Engineer III circle No. 188 m. d. dated 27th May 1891. (9th)

Office note from the Examiner P. W. Accounts No. 3407 dated 19th June 1891.

FOR ORDERS.

With regard to the sites of residences, note (1) to Code para 1041, Rule I (vide S.O. printed in margin of G.O. 3339 W. dated 19-12-90) says "the cost of the site will be the price paid for it by Government, but if the site belongs to Government its value for the purpose of calculating the rent will be fixed by the Government with relation generally to the average value of similar land in the vicinity, unless in exceptional cases

value should be prohibitive.

G. O. No. 242 S dated 26th January 1891 rules that when the value of a site is not known, the Executive Engineer will obtain a valuation from the Collector.

The Government of India rule refers to the construction of new residences, & doubtless the same principles must be applied to the sites of existing buildings.

The rules do not say whether, in the case of existing buildings the cost of the site when it is not on record, should be its present value or its probable value when it came into Government possession.

If the latter is to be adopted, there will great difficulty in arriving at the valuation, & a great deal of correspondence will result.

The original value is of course the maximum beyond which it cannot exceed, when it is not known, there is nothing but to take the value as it is thought fit after enquiries. When a house and land are bought the price paid is known, but in case of inherited site.

Except in rare cases this increase in value of site would make very little difference in calculating rent. It is submitted that when the original cost of a house site is not known its value should be fixed in the manner laid down in G. O. No. 242 S dated 26th January 1891.

(2.) The rules provide for reducing the capital cost of buildings by deducting estimated annual depreciation. On the contrary the cost of all improvements falling under the head "original works" is added to the capital cost and the book value of a building thus steadily increases as years go by.

If

If a building is kept in good repair there should be no appreciable decrease in value, but it is submitted that the cost of all renewals falling under the head "new works" (as distinguished from additions or extensions) should not be added to the capital cost in as much as such work keeps up or maintains the original value, & not does not add to it. An entirely new roof might be required for a building, and the cost of this would have to be added to the capital cost of the ilding. The building would only in the same state when first constructed, & the occupant would be to pay rent calculated - inter alia -

on the cost of two roofs.

3. Again the practice of including the actual cost of annual repairs as a factor in assessing the rent, is very unequal in its incidence. 1878/11

An Officer going into a substantially built house in a good state of repair, or into a new house, has to pay less proportionately than an Officer occupying an old building constantly needing repairs.

The fairest plan probably would be to lay down a fixed percentage on account of repairs, for all buildings. What the Government lose in one case would be gained in another, but Officers would not be unequally taxed

The percentage might be the same as that now fixed when the annual cost of repairs is unascertainable, i-e 3 per cent.

For orders whether the Government of India may be addressed with reference to points (2) & (3)

Japan with the note. By all means address India. I am sure it will do no harm, but it is well to keep all these enquiries of the kind under

Cas 15.VI
Hm 29.VI

Copy of letter from Mr. T. Hughes, Executive Engineer, Madura division to the Supdg. Engineer & Circle no 701 dtd 19th may 1891.

Rent of Government buildings occupied by Native officials as residences is calculated by taking a percentage of the capital cost and adding the average cost of repairs. The capital cost includes (a) original cost with value of subsequent improvements (b) value of additions & changes for R.W.D. repairs, no allowance being made for depreciation. In regard to the orders of Government to state whether their value at the time a building was erected or the present value is to be taken but it would be obviously right to take the former value. This gives rise to a difficulty in revising rents as in the case of old buildings the cost of the site is rarely known & the land values have been, in most places, increasing for along time past

many sites which were acquired
for little or nothing are now worth
a good deal I beg that inst-
tructions may be obtained as
to whether in cases when there
is no record of the cost of the
sites the probable value when
they came into Government
possession or the present value is
to be used for the purpose of
compiling capital cost -

2. I beg to bring to notice that one
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old buildings cost more to main-
tain than new ones rents must
continuously increase although
the buildings continually deteriorate
and in course of time rents of
nearly all buildings must reach
10 per cent of the occupiers salaries -

No 188 and d/ 27 May 1891
o/ 28/.

Copy submitted through the
Examiner P. W. Accounts, to the
Chief Engineer P. W. D. for order -

2. In regard to the value of the

sites it is thought that it is the
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it was acquired should be taken
into account and not the
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Government does not desire to
provide for making a com-
mercial profit in the matter -

3. With reference to the point re-
ferred to in para 2 of letter from
the Executive Engineer it is difficult
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to the case beyond that it is
thought the best way to arrange
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in the usual way and afterwards
bring the question to the notice
of Government in order to getting
the rent reduced, in case it can
be established that the rent
has been abnormally increased
owing to the building being an
old one -

L. W. Mather
Offg: Supdg Engineer
27/5/91 for Jack

6658 W 1

No. 3407 d/19-6-91.

To E.W.

Rd 20-6-91

From

The Supt. Engineer

VI circle

To the Chief Engineer

P.W.D.

No 188 md

Dated 27 Jan 1891

Forwarded with the remark that the undersigned agrees with the Superintending Engineer, but that, as the rules in code para 1041, rule I(1) note I are based on ruling of the Government of India, it seems desirable that the confirmation of that Government should be obtained to any general ruling regarding the principle on which sites should be valued.

19/6

Rd 19/6

Submits proceedings letter from the Executive Madras Dr requesting instructions as to the valuation of sites of Buildings to be taken in calculating rents

No. 2981 W d/ 22-9-88
" 3389 d - 19-12-90
" 242 W - 26-1-91.

No. 1878 W

PUBLIC WORKS DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

UNDER date the 8th July 1891.

READ the following

Letter from Supt. Engr. VI Circle (H.E. No. 188 M.D. d/ 27.V.91)
Office note from the Ex. E. V.A. (" 3407 d/ 14.VI.91)

1878/29/12

Ordered that the Government of India be addressed.

(H.E. No. 1879 W d/ 8th July 1891)

5 E. VI Circle
E. P. V Accts

To The Secretary to the Govt. of India, P.W.D.

Sir,

I am directed to forward the accompanying copy of Proceedings No. 1878 W d/ 8th July 1891 and to request the orders of the Govt. of India on the two points therein raised for decision, viz.,

Rd 3 July.

W/5 Jul 4

1. whether in estimating the value of the site of a building

for purposes of rent,
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and
(2) whether any allowance
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2. In regard to
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value of a site is not

6P

1878-29
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known that the
present value, at the date of first application of the rules
be ascertained and
adopted.

3. In respect to the
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1878-79
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Govt of India in connection
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5. I am to suggest
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viz 3 per cent.

A.G.

R.S.

Ans 15.VI.
Hm 2-VII
H.E. m b VII

1828-29
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Govt. of 18 | Madras.

PUBLIC WORKS.

Dated

Read. Encl.

G.O., 8th July 1891. No. 1878 &
1879 W.

Cites

Orders that the Estimates
submitted regarding
the principle on which
of Godowns
should be valued

Cited

Regarding orders regarding
the principle on which
of buildings should
be valued

(5)

1/2
40/2
W.C. Dec
Ans