

**YEAR OF CONSTRUCTION OR YEAR OF COMPLETION –
WHICH SHOULD A VALUER CONSIDER?**

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While assessing the age of a building, valuers often face an important question:

If the foundation was laid in 2000 and the building was completed in 2005, what should be considered as the year of construction?

Many valuers may simply take 2005 as the year of construction because the building became ready for occupation only in that year. Accordingly, as of 2026, the age of the building would be 21 years.

However, the answer is not always so simple.

Vr. R. K. Gandhi, the well-known author of "*Elements of Immovable Property Valuation*", has pointed out that a valuer should consider several factors before arriving at such a conclusion.

He cites an interesting example. A multi- storied R.C.C. framed structure in South Bombay was constructed up to a certain stage in 1980. Due to a legal dispute, the work stopped for nearly twenty years. After settlement of the dispute in 2000, a new builder was appointed. Before resuming the work, structural consultants carried out detailed tests on beams, slabs and columns. Necessary repairs and strengthening works were undertaken, and finally the building was completed in 2007.

In such a case, should the building age be taken from 1980 or 2007?

The valuer has to exercise professional judgement. The original structural frame was constructed in 1980; therefore, the structural age may be considered from that year. The year of completion may be 2007, but the actual age of the structure in 2026 could be considered as 46 years.

Hence, there cannot be a universal rule applicable to all cases.

A valuer should carefully examine:

1. Year in which the original structure was erected.
2. Period during which construction remained abandoned.
3. Structural stability test reports.
4. Extent of repairs, rehabilitation or retrofitting carried out.
5. Present physical condition and maintenance of the building.

Ultimately, maintenance and present condition are more important than chronological age alone in determining the remaining life of a building.

Therefore, while assessing depreciation and residual life, valuers should not rely merely on the year of completion but should apply their technical knowledge, inspection findings and professional judgement.

"Valuation is not merely a mathematical exercise; it is an informed professional opinion."
