

LANDLOCKED AND LEGALLY LOST? THE HIDDEN TRAPS OF VALUING INACCESSIBLE LANDS

How to recognise, value, and legally safeguard Land Locked Land (LLL)—and protect yourself from bank blame.

Abstract from book : Valuation essential (VOL-II) by Vr. Shubham Bansal essential

Land Locked Land (LLL)—plots without **legal** access to a public road—pose acute **marketability, mortgageability, and litigation risks**. This article dissects the concept of LLL, explains **the statutory framework (Indian Easements Act, 1882 & TPA, 1882)**, offers a **valuation deduction matrix (often 75% or more)**, illustrates **case laws**, and provides a **defensible reporting toolkit** for valuers to avoid professional liability. Strategic **best practices, disclaimers, and documentation checklists** are included.

1) Definition: Land Locked Land (LLL)

Land Locked Land is a **parcel without any direct, documented, or legal access** to a public road or highway, typically **surrounded by private lands**. Without **easement, license, or statutory provision**, such **land cannot be reasonably developed, mortgaged, or transferred**.

Key Features

- **Zero legal frontage** to a public thoroughfare
- **Encircled by private properties** (no inherent right to cross)
- **Development, sanction, and mortgage at risk** unless legal access is formally established
- High dependence on litigation or negotiation for resolution

2) Why Landlocked = Legal & Financial Risk

- **Municipal building permissions** generally require **motorable access**.
- **Banks/Financial Institutions** rely on **clean, legal access** to ensure **recoverability under SARFAESI**.
- **Market value collapses** because the land is **useful only to adjoining owners** or those willing to take litigation risk.
- **Valuers can be held negligent** if they assume access exists without **registered proof**.

3) Statutory Framework

A. Indian Easements Act, 1882

Sec on 52 – Easement of Necessity

- Arises when transferred land **would otherwise be unusable**; granted **only to the extent necessary**.

□ Example: If A sells a rear plot to B but gives no road, B gets a **necessity right of way** over A's remaining land.

Sec on 53 – Easement by Implication

- Even without express wording, an **implied right** may be recognised **if historically used access existed**.

Easement by Prescription (20 Years Rule)

- **Open, peaceful, continuous** use of a pathway for **20 years** can ripen into a **prescriptive easement**.

B. Transfer of Property Act, 1882

Sec on 44 – Transfer by One Co-owner

- A transferee of an undivided share steps into the shoes of the co-owner and **can use common access routes**.
- Relevant when access lies over **jointly owned land**.

4) Remedies for Land Locked Land

Remedy	What It Does	Proof/Action Needed	Risk/Limitations
Easement of Necessity	Court-granted access	Must prove absolute necessity	Ceases if alternative access emerges
Easement by Prescription	Access via long-term use (20+ yrs)	Evidence of open, peaceful, continuous use	Time-consuming, evidentiary heavy
Mutual Agreement / Deed of Right of Way	Negotiated paid access	Registered right/ license	Costly, revocable (if license)
Partition Suit (Co-ownership)	Formalises access	Suit under civil law	Time-bound & depends on title clarity
Authority Intervention	Panchayat/ULB mandates access	Policy-based or welfare schemes	Varies by state, not automatic

Interesting Fact: In states like **Maharashtra** and **Tamil Nadu**, revenue or local authorities sometimes invoke **compulsory access provisions** for essential services.

5) Valuation: How to Treat Land Locked Land

5.1 Practical Valuation Logic

- **No Access = No (or severely limited) Highest & Best Use (HBU) → Steep discount** from market rate.
- **Only adjoining owners are realistic buyers → Marketability shrinks drastically**
- **Access possible (but not yet documented) → Apply conditional, risk-weighted value**

5.2 Deduction Matrix (Indicative – justify with evidence in each case)

Legal Status / Access Certainty	Typical Deduction vs. Comparable Land with Access	Rationale
No legal access at all	75% – 90%	No HBU, no mortgageability
Footpath / kutchra access only	40% – 60%	Non-motorable, limited utility
Strong case for easement (in court)	30% – 50%	Risk remains until decree
Registered easement/right of way	0% – 15%	Nearly normalised value
Temporary license / MoU access	10% – 25%	Revocability / term risk
Litigation pending with poor merits	60% – 80%	High uncertainty

Reference: *M. Avachat & Others Vs. The Collector, Nagpur, 1990 (Bombay 348)* – supports heavy deductions for land without road access.

6) Important Case Laws

1. Maneklal Mansukhbhai v. Hormusji Jamshedji Ginwalla

Held: Easement of necessity **cannot be claimed for convenience**; it must be **absolutely necessary**.

2. Mahadevappa v. Shivappa (2004)

Held: **Easement of necessity ceases** once **alternative access becomes available**.

3. M. Avachat & Ors. v. The Collector, Nagpur (1990)

Held: Land without access justifies significant value reduction.

7) Real-World Scenarios: Legal Challenge & Valuation Impact

#	Title	Scenario	Legal Issue	Valuation Impact	Valuer's Tip
1.	Urban Infill Trap – Delhi NCR	200 sq. yd plot in Gurugram ringed by built-up plots	No right of way; builder demands ₹10 lakh	Prevailing ₹1.2L/sq yd → 75% deduction , final ₹30k/sq yd	Show isolation via map & photos , advise easement
2	Inherited Rear Farmland – Maharashtra	Brother B's share has no road	Suit under Easements Act; 12 ft way granted	Pre-decree: -75%, Post-decree: -25%	Give provisional value pending final order
3	Village Foot Access – Punjab	3 ft kutchha path only	Panchayat acknowledges usage; not motorable	50% deduction	Classify motorable vs non-motorable separately
4	Coastal Resort Plot – Goa	Pedestrian path historically used	30-year easement license signed	Value up to 85–90% of market	Licenses help but note revocability/expiry
5	Builder Layout Fraud – Chennai	40 plots sold without roads actually executed	RERA & consumer court	80–90% deduction	Verify approved layout; add strong disclaimers

8) Where the Valuer Went Wrong (and why the Bank blames them)

Typical Valuer Errors

- Assuming verbal access = legal access
- No mention of “landlocked” status in the report
- No maps / no satellite imagery demonstrating road linkage
- No insistence on registered easement / ROW deed
- No depreciation in value despite access risk
- No caveat / disclaimer (bank assumes title is clean)

Why Banks Shift Liability to Valuers

Bank's Position	Legal/Operational Logic
“We relied on your report”	Valuer = Bank's eyes & ears
“You certified market value as if access existed”	Misstatement / omission = negligence
“We can't sell under SARFAESI”	Impaired security → loss → blame valuer
“You gave no caveat”	Bank presumes all okay unless warned

9) Valuer's Reporting Toolkit

A. Core Disclaimer (LLL Risk)

“The subject land appears to be landlocked, with no direct or documented access to any public road. Although the owner claims access through an adjacent parcel under his control, no registered easement/right-of-way documents were provided for verification.

Therefore, the marketability, development potential, and mortgageability of the subject property are severely restricted. The valuation has been conducted on a restricted-use basis and is subject to revision upon establishment of legally enforceable access.”

B. Conditional Valuation (If Litigation/Negotiation is Ongoing)

“Pending the outcome of litigation/registration of right-of-way, a provisional value has been assessed with a deduction of __% from comparable market value. Post regularisation, subject to documentary evidence, the value may be re-assessed.”

C. Mandatory Annexures

1. Cadastral/Khasra map or municipal plan **showing absence/presence of public road.**
2. Google Earth / satellite images **with marked path.**
3. Ownership/ title docs of the **strip proposed for access.**
4. **Litigation documents (if any).**
5. **Photographs** from all sides showing access constraints.

10) Due Diligence Checklist for Valuers (Print & Keep) Access Verification

- Is there direct frontage to a public road?
- If not, is there a registered easement (right-of-way deed)?
- Is it motorable or pedestrian-only?
- Width of access: Is it planning-compliant (e.g., 6m, 9m, 12m as per local byelaws)?

Document Scrutiny

- Site plan / mutation / khasra maps showing road linkage
- RERA-approved layout (if applicable)
- Any court orders or compromise decrees
- Any licenses (note tenure & revocability) Valuation Process
- Apply appropriate deduction (justify with case laws / market evidence)
- Provide “restricted-use” qualification
- Mention reassessment clause post-regularisation

Reporting

- Include **strong disclaimers**
- Attach visuals (photos/maps)
- Flag SARFAESI realisability risk
- Clearly state **litigation status & pendency**

11) Frequently Asked (Rapid Answers)

Q1. Is physical access enough?

No. It must be legal, documented, and enforceable.

Q2. Can banks lend on LLL?

They can, but shouldn't without deep discount & legal safeguards. Many reject such securities.

Q3. How much to reduce?

Often **up to 75%–90%** if no legal access. Use a **reasoned matrix**.

Q4. What if court later grants access?

Document **provisional value** now; reassess post order with reduced deduction.

Q5. Who bears litigation costs/time?

Owner/borrower. Valuer must simply **flag the risk** and **value accordingly**.

References (Primary Statutes & Cases)

Valuation Essentials – Land & Building (VOL-II): For Valuers & Engineer's

For: Professionals valuing for Banks, NBFCs, ARCs, Legal Forums

What's Inside:

- Bank-ready formats, RBI/IBBI/systemic expectations
- Residual method, profit method (hotels, hospitals, petrol pumps)
- Leased land/Trust land valuation (short tenures, institutional assets)
- Legal safeguards, disclaimers, objections & defenses
- How to respond when banks question your value
- Indian Easements Act, 1882 – Sec ons 52, 53, and Easement by Prescription
- Transfer of Property Act, 1882 – Sec on 44 (Transfer by one co-owner)
- Maneklal Mansukhbhai v. Hormusji Jamshedji Ginwalla (SC)
- Mahadevappa v. Shivappa (2004)
- M. Avachat & Others Vs. The Collector, Nagpur (1990) (Bombay 348)

