

to ascertain the fair rental value or price, by the year; and to multiply that by the number of years purchase which the existing demand for land will bear in the given situation at the time. The ratio between the rental and the sale value of land, in England, varies from twenty to forty years; that is, a parcel of land the fair rental value of which is one hundred pounds, is worth, in common cases, from two thousand to four thousand pounds. In England a very large proportion of the lands are rented out by the fee simple owners; and therefore, it may not be difficult there, in this mode, to make an estimate of the fee simple value of any estate; either from the rent of itself; or, by analogy, from the rent of other similar estates in its immediate vicinity. But here, more than nine-tenths of the actual occupants and cultivators are also the owners of the fee simple; and, hence resort cannot be so readily had, here as in England, to the rental for the purpose of computing the fee simple value. But here, as in England, it appears, that so far as the rent or annual price can be ascertained, the ratio between the rental and the sale value ranges very wide; perhaps from fifteen to thirty-five years purchase.

In the case now under consideration, it appears, that the land actually sold for something more than twenty-six years purchase, and was valued, by the commissioners, at more than twenty-nine years purchase. This mode of estimating the value of property, by so many years purchase, has been applied not only to life estates and terms for years in land; but to annuities, terms for years, and life interests of all kinds. *Rees' Cyclo. v. Valuations of Lands*; 1 *Price Obser.* 38, 200; 2 *Sparks' Franklin*, 326. (z) In all cases there is a * material difference, in amount, between the annual legal interest of the purchase money of an estate, and its **279** annual rents and profits. In a case, which not long since passed before this Court, some lands in Prince George's County were estimated to be worth no more than four per cent. per annum, on the gross value, thus reckoning the fee simple value at about twenty-five years purchase. *Addison v. Bowie*, 2 *Bland*, 613. In this instance, the annual legal interest, on the whole purchase money, would amount to \$2,235, when the net amount of the annual rent was no more than \$1,400. It seems to have been admitted in this case, that before the sale, the widow could be entitled to no more than one-third of the rent: and, accordingly, of the rent

(z) "Whatever a farm will sell for fixes its value as merchandise; but by no means is it a fair measure of its value as permanent farming capital. The true value of land, and also of any permanent improvements to land, I would estimate in the following manner: ascertain as nearly as possible the average clear and permanent incomes, and the land is worth as much money as would securely yield that amount of income in the form of interest; which may be considered as worth six per cent."—*Ruffin on Calcareous Manures*, ch. 18.