

## DENMARK

## The Land Valuation and the Use of Maps

The first assessment of the capital value of the land in Denmark was made in 1904, following the Act of 1903, which revised the whole system of real estate taxation, and incidentally provided for the repeal of the historic "hard-corn" assessment of the comparative natural fertility of agricultural lands. The valuation of 1904, and that of 1909, ascertained only the composite value of the land, with buildings and improvements included; but in 1916, and at each periodic valuation since then, a separate assessment has also been made of the value of the land apart from improvements. This separate assessment was the outcome of the agitation for land value taxation, and came into existence before any tax or rate was actually levied on unimproved land values. Earlier, in 1911, there had been trial valuations of several typical urban and rural districts to test the case for land value taxation.

The year 1922 saw the enactment of a small national tax levied from 1924 onwards at a uniform rate (equivalent to one-third of a penny in the pound) on the unimproved value of all land in town and country. The new tax made it obligatory to assess land value separately, previous valuations of the kind having been more in the nature of an experiment. The results of the periodic valuations in 1924 and 1927 have been reported in these columns. Future valuations will be made every fifth year.

In March, 1926, an Act was passed transferring a certain amount of local taxation to the unimproved value of the land, urban and rural—strictly limited in the towns, but more generously applied in the country districts. Taxation on buildings and improvements (at a lower rate than on land value) and local income taxes were unfortunately allowed to remain: removal of these burdens is a matter for remedial legislation. Meantime, the rate of land value taxation in Copenhagen, for example (adding national and local together), is now 0.9 per cent—about 2½d. in the £ of capital value, and it averages 1.9 per cent (4½d. in the £) in the country districts.

With each succeeding valuation more and more accuracy and expedition is attained, and more and more it is seen how essential is the aid of publicity whereby common opinion can compare and approve the results. The systematic methods adopted find their expression in the Land Value Map of Copenhagen, recently published in book form in 60 sheets, one of which is here printed by way of illustration. The map took shape as the result of the decision arrived at by the district valuers (chairmen of assessment committees) of the metropolis at their joint conference on 21st March, 1923, the work having been initiated by the Central Valuation Board. The experience gained from the 1920 valuation gave practical direction, enabling the map to be compiled for the 1924 valuation, and again for the valuation of 1927, and its effectiveness was fully demonstrated on both occasions. The book of maps, which anyone can now purchase, gives a brief explanation of the methods involved; a fuller description of the system is contained in a departmental publication addressed to the valuers in the provincial towns advising them to follow the same plan.

Mr K. J. Kristensen, who in his official capacity at the Valuation Board is chiefly responsible for the idea of the land value maps and for their preparation, writes informally on the subject in the latest number of *Grundskyld*, journal of the Danish Henry George Union. The map, he says, gives details as to the

"street-prices" for every street, and indicates the average value in crowns per square metre of land of standard depth fronting on the street or any section of it. In the older part of Copenhagen this standard depth is taken at 20 metres; elsewhere in the metropolis, and including the Frederiksberg municipality, the standard depth is 30 metres. The separate sites are all assessed in relation to this street-price, while use is made of prescribed tables to compute the average value per square metre of sites that are greater or less in depth than the standard or normal depth. Corner sites are given a special addition for their position, and that addition also stands in a certain relation to the street-price. Every landholder can, therefore, discover the value at which his ground ought to be assessed, taking the street-price as the basis, and see at the same time whether due consideration has been given to special conditions if such exist. If he finds that there is disparity in the assessments, he can get the valuation authorities to investigate the matter and have the mistake rectified. Even more important is the opportunity given to judge whether the level of values recorded in different neighbourhoods has been correctly measured. The map shows very clearly what relation there is between the value of one street and that of another; and it is for landholders and others conversant with real estate to assure themselves from a study of the map that the valuation observes a proper relationship, besides fixing assessments that are in agreement with the reasonable market value. The street-prices are not determined without thorough investigation of all the facts as to prices and rentals that are available to the valuers. Great pains are taken, especially in respect to the centre of the town, where values on main streets and side streets differ so considerably. Mr Kristensen describes how in practice the values are fixed, one of the aids being the particulars of all sales and transactions in land that must be supplied to the Valuation Board.

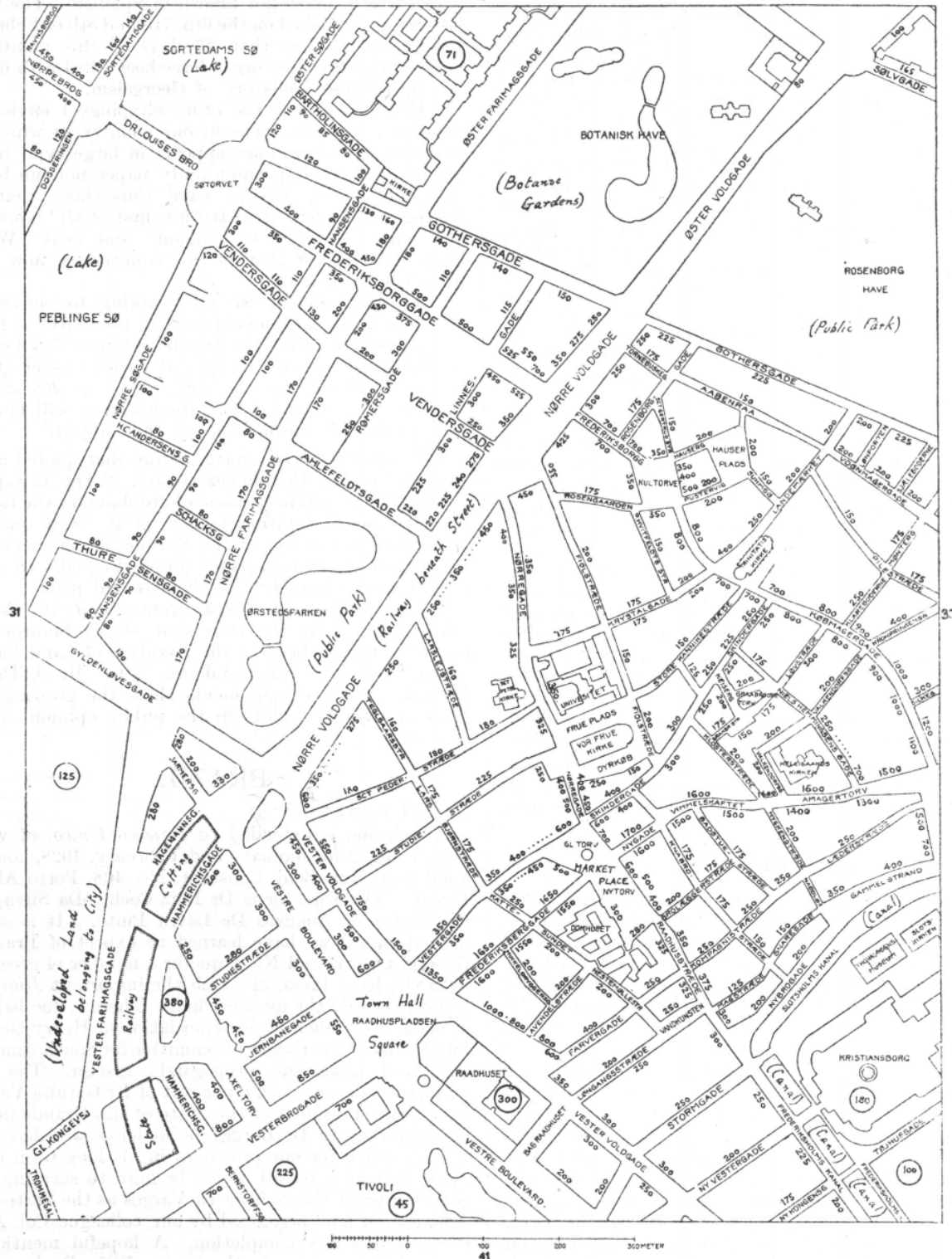
Mr Kristensen's conclusion is that the maps present results that must be proved by the judgment of informed opinion, and it is vital that the valuation should be submitted to that test. It is of the greatest importance that the citizens should have every facility by examining the street-prices to control the valuation in the making. It is of equal importance to those in charge of the work that they are able to reap the benefit of the guidance they can get from intelligent criticism and discussion. In that way the assessments will assuredly come into line with the generally accepted idea of the relation between the value of one piece of land and the value of another.

## AN ILLUSTRATION OF THE MAP

The sheet printed on the next page shows a part of the central district of Copenhagen.

The highest values are recorded on the main shopping thoroughfare, a continuation of streets leading from the Town Hall Square eastwards through *Frederiksberg Gadé* (Frederiksberg Street), and turning north-west at the edge of the map. The course of pedestrian traffic often causes one side of the street to be more valuable than the other. To repeat the example given in our issue of last month (and to correct a mistake made) the highest "street-price" is 1,700 crowns, which means that land fronting the street at that point, and if it has the standard depth of 20 metres, is worth 1,700 crowns (£94) per square metre—approximately £79 a square yard. If the frontage is 10 metres, the area of the site is 200 square metres, and the value of the site is 340,000 crowns—equivalent to £18,880. If the actual depth is less or more than 20 metres, the average value is correspondingly higher or lower and is worked

A SECTION OF THE COPENHAGEN LAND VALUE MAP



out from the valuation table provided. For example, if the depth is 12 metres, the average value of the site is 129 per cent of the street-price (in this case 1,700 crowns), so making 2,193 crowns per square metre. If that site has a frontage of 10 metres, its area is 120 square metres, and its value is 263,160 crowns—equivalent to £14,620. It is noticeable how very valuable the land is on the main streets, and how suddenly the value drops but a few steps away. Where a figure appears within a circle, it states the average value in crowns per square metre of the whole area. A case in point is the Tivoli Gardens and another is the

undeveloped land on the left of the map, the site of the old railway station and now city property. The Tivoli Gardens are exceptional in providing an interesting illustration of the terms on which public lands may be held when in private occupancy. The company that runs this famous pleasure resort owns all the buildings and improvements. The land here occupied belongs to the city and is leased to the company indefinitely, subject to payment of an annual rental which is revisable and corresponds to the market value of the land as periodically assessed by the valuation authorities.

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