

ENVIRONMENT Department supremo Michael Heseltine appears to think that only local authorities are guilty of hoarding land.

The Tory Minister has ordered an enquiry to find out how much land is "locked up in the filing cabinets of bureaucracy."¹

His Labour predecessor, Peter Shore, also tried to find out. The results, if any, are unpublished.

But Mr. Heseltine has no doubt about the importance of releasing idle land. "If you want to stimulate enterprise, you must release land," he said after meeting the councillors who are charged with reviving Liverpool's inner city.

The problem, declared Mr. Heseltine, was two-fold:

- Holding on to land for some ill-defined future purpose retarded growth and employment; and
- Local authorities were shielded from the market pressures and disciplines which would compel them to put their resources to use.

Which is why he is considering establishing a register of publicly-held land.

ELEVEN days later Mr Heseltine elaborated his views.² Speaking at the RICS/TI/ME Conservation Awards Ceremony in London, he declared:

"Everyone recognises that land itself is an asset which we cannot allow to go unused. Unless we make better use of it in our towns and cities we shall be unable to resist the continuous pressures and encroachment on our countryside, on the green belts and on our natural heritage."

It was "unacceptable" that acres of useable and available land remained empty and neglected — "locked away from the community." And he added, emphatically:

"I want to unlock these valuable assets."

He was not impressed with the argument that some land was "awaiting development." He said:



● Michael Heseltine

Hoarders!

"This almost amounts to land hoarding — and all too often it is the public sector which is doing the hoarding. We must find out just how much land is in this condition. Authorities should make it known exactly how much unused land they hold and why it is not being properly developed.

"If enterprise is to flourish, the availability of suitable land is, I believe, one of the key ingredients in the recipe for creating wealth."

THE Civic Trust was not impressed by the Minister's rhetoric.

A register was a fine idea, they announced, "but it would be anomalous if the register exposed public authorities but not private owners — the details of *all* vacant land should be brought to light."³

Mr Heseltine believes that the free market would solve chronic problems like those associated with the inner city. He chooses to ignore the fact that land is privately hoarded — many owners are immune to market pressures. Selling land to the private sector under the present tax system will merely encourage speculators to hoard land as an investment for future capital gains as well as a hedge against current inflation. The Richard Ellis Property Investment Report (1979) states:

"In times of relative economic decline, property investments are attractive both for security and for the prospects of real growth.... With inflation being the predominant factor, Funds would be ill-advised to exit from the property investment market at the present time."

IT IS laudable that Mr. Heseltine wants land switched into the hands of those who can use it. But how can he be sure that they will use it?

What is to stop a speculator simply building up his land banks for the capital gains he can safely expect in five years time?

He has two options. One is to impose obligations and/or bureaucratic controls on people who buy publicly-owned land. But this would be unacceptable to the Thatcher philosophy.

Alternatively, instead of buying land (which would tie up resources just when they were most needed for capital investment), those who acquired land could pay its annual rental value to the community in the form of a tax. Possessory rights under contractual terms would safeguard their investments.

Rental levels would be determined by the market (which is consistent with the Thatcher philosophy), and would enable many people — not just the Big Operators — to secure the space they need to generate self-employment: a recipe for success in the derelict inner cities of Britain.

And the obligation to meet the annual rental payments would be the guarantee that the land was being put to its best economic use, rather than being taken over by a new batch of land hoarders....

REFERENCES

1. J. Lewis, 'Heseltine says land is locked in filing cabinets', *The Guardian*, 30.6.79.
2. DoE Press Notice 284, 10.7.79.
3. *Civic Trust News*, July/August 1979, p. 1.