

## SOARING PRICES FOR "SCARCE" LAND

# SUDDENLY -- IT'S NEWS!

### Speculators Cast Greedy Eyes On The Green Belts

**F**INGS ain't wot they used to be! As recently as the late fifties young men from Oxbridge, parading their sophisticated learning, used to sneer superciliously about our "obsession" with the land question and joke about our "Robinson Crusoe economics". (Mostly, we regret to say, they were Young Liberals.) They had been taught, and appeared to believe, that in a complex industrial society, land had been relegated to a position of minor significance. Ordinary people probably never gave the matter a moment's thought. Now, suddenly, it is news.

All Fleet Street and beyond has space for articles and reports about the high price and scarcity of land. The Daily Express, June 2, for instance carried the bold headline, *Land famine is acute, says builder*. Frederick Ellis, the paper's City editor, reported that Mr. Leo Meyer, chief of the £5 million Ideal Building group, had forecast a demand for at least 400,000 houses a year for many years to come, a third more than the target for this year. "If the Government wants to expand home building," Mr. Meyer is reported to have said, "it will have to release more land from the Green Belt and 'white' (agricultural) areas." This suggestion, Mr. Ellis commented, would start an uproar although in some parts of Surrey plots for a single house had doubled in price in recent years. As land gets dearer, so does the price of new houses.

Some startling land prices were given in the *Daily Telegraph* report, June 1, on the opening day of a public enquiry at Kingston into Surrey County Council's proposal to extend the Green Belt. Mr. Douglas Thompson, for the Southern Counties' Federation of Building Trades Employers had said that in 1952 when restrictions were removed, a reasonable price for an acre for housing development would have been £1,500. A builder would now have to pay £8,000 an acre. A 64-acre estate at Camberley sold for £25,000 in 1958. After passing through various hands, no building having taken place, it was sold recently for over £210,000. At Addlestone, six acres were bought for £7,500 in 1953. Three acres of adjoining land were offered this year at £18,000. At Weybridge, 2½ acres of building land went for £5,000 in 1958. An adjoining site of five acres had now been offered for sale at £40,000.

Mr. Vaughan Neal for the federation, said the builders had sympathy with the ideals of the Green Belt conception. They objected to the proposal to extend arbitrarily the belt's outer limits to the county boundaries, with the exception of a small section in the south. The plan ignored the implications of the present "bulge" in the number of school leavers. In a few years there would be a big number of marriages. If land prices became prohibitive, putting home-buying out of the reach of

young couples, social and personal problems would arise on a vast scale.

### HARD FACTS

**H**ARD FACTS for Home-Owners were presented by E. V. Francis in the *Daily Telegraph*, May 25th. A sub title summarised the position thus: *Rising land values drive the builders further out while inner areas decay.*

"Building costs have been stable over the past two years at about 3½ times the pre-war level, but land values have been rising fast . . ." This latter was the uncertain factor in home ownership. "The difficulty for most people is not the cost of a £2,500 house, but the distance they may have to travel from office or urban factory to get the cost of a site included in that figure. Even 25 miles out of London land costs £6,000 an acre or more, and the same applies in varying degrees to the new suburbs of the rapidly expanding provincial towns." Rising wages and salaries, plus the effects of rent control, and social prestige were among the principal reasons why demand for new small houses continues unabated.

The writer offered two observations. "There are limits beyond which people ought not to have to move to more distant suburbs at the cost of increased travel to work," he suggested. And "something ought to be done" to put the private builders on a more equal footing with the local authority in rebuilding 19th century urban housing.

Substitution of an incentive-rewarding rating system for the slum-producing penalties imposed at present would help to solve both problems. So would repeal of rent control. Together they would work wonders in no time at all.

### "SPECULATORS ARE CLAMOURING"

**T**HE *News Chronicle* version of the sorry saga was written by Tom Baistow and published on June 3. Headlines read: *Fantastic—£6,000 for just one tiny building plot: And as the prices rocket, the clamour starts to rape the green belt.*

"Never has this dear little tight island been so tight and so dear . . . In suburbs like Carshalton, Beckenham and Chislehurst, quarter acre plots are fetching £2,000 before a brick is laid.' An agent had 300 customers willing to pay up to £30,000 for a house in fashionable Hampstead but no land is left there. His last quarter acre plot sold for £10,000; in nearby Highgate a house plot, if obtainable, costs £8,000.

In the Birmingham suburb of Mosely, £8,500 was paid recently for three-quarters of an acre. A Guildford, Surrey, property firm said: "Six months ago builders wouldn't consider sites more than five miles from town. Now the demand from London commuters is so great they are willing to buy 20 miles from here." At Crawley, Sussex, plots

have doubled from £500 in two years. "On the Essex side, with land almost unobtainable in places like Ilford, commuters are pushing out along the line to Chelmsford. Last November, a quarter of an acre could be bought there for £1,000. Today it costs you £1,750."

"Astronomical prices" are being realised for land with planning permission to build flats and maisonettes—£30,000 for half an acre at Ilford, Essex; £86,500 for 2½ acres at Worthing, Sussex.

Exorbitant land prices are causing some of the biggest building firms to trim profit margins "to avoid the even costlier operation of disbanding complex building teams". Local authorities, now obliged to pay market value for the land they require, have also been hit.

"Builders and speculators are clamouring for the freeing of the green belt, which would make life—and profits—easy for them. But it is to be hoped that no one . . . will stand for this final rape."

### PLANNERS, BUILDERS ARE WORRIED

TREVOR PHILPOTT gave similar facts and figures in the *Sunday Times*, June 5. *Green Belt Is In Danger—Land Prices Still Soar* was his theme and title.

"From the outer suburbs right through the Green Belt and beyond, builders, estate agents and land speculators are indulging in a desperate scramble for every building site that becomes available." Some speculators believe that the Green Belt soon must burst. A builder said he did not mind waiting 20 years. "The land cost me £5,000; it will be worth £2 million to my son, if not to me." Several county planning officers are concerned lest the scarcity induces panic measures which will destroy the Green Belt concept.

Prices quoted by Mr. Philpott included £7,500 for a quarter of an acre at Richmond, Surrey, and £24,000 for 3 acres in Hertfordshire. "With the electrification of the Clacton line, values are rising fast in Colchester and even beyond."

"A trend like this naturally frightens even the big builders; the small ones just cannot live with it. A ten-acre site was once considered a minimum size for economic building development. Under present conditions this may mean an outlay of £100,000. 'Once if a site was under 10 acres, we wouldn't even go and look at it,' said one builder. 'Now we'll go if it's only two. Six months ago, my site costs, building between eight and ten houses to the acre, were £1,000 per unit. At recent sales, they have been £1,500 a unit. It's a terrific strain on the finances.'"

### CAMPAIGN TO CUT COSTS

WHILE parasitical title holders can demand ever more for their acres, builders (and others) strive constantly to reduce production costs and end prices. A notable instance was reported by the *City Press*, May 13. Although overall building costs have risen by 40 per cent since 1952, the Crouch Organisation have improved their efficiency by 50 per cent and, as a result, now build

houses cheaper today than ten years ago. They are said to have reduced the number of hours required to build their 1952 houses from 2,000 to 1,200. The degree of thought, effort and capital investment required to achieve this creditable reduction can be readily imagined. Yet to get, say, £8,000 for an acre of land bought for £1,000 requires only a little patient waiting.

With the fantastic price of land in mind it is instructive to glance at the advertisements in building trade journals. The following, taken at random, all tell the same story. "Speed, simplicity of erection and *low cost*" are among the advantages of Paramount plastic-faced insulating plasterboard; "British 'Visqueen' building sheet is *cheaper* than conventional over-site damp proofing materials"; "time, labour and *money-saving* Solarbro pelmets . . ."; "there is an Evo-Stik 'Impact' adhesive to shorten or *cheapen* or make more efficient some aspect of your production". One could continue indefinitely, through the whole vast range of building plant, machinery and materials.

Hundreds of firms, large and small, employing the results of research and modern production techniques are engaged in an unceasing struggle—which the land "owners" frustrate—to provide better, cheaper houses and other buildings. Many would redouble their efforts if protective tariffs were removed and competition intensified. That, however, is another story. In any event, free trade in building materials, like every other improvement in the arts of production, would quickly be reflected in the price of land. As tariff barriers came down, building land prices would rise in consequence.

Two company chairmen are worth quoting before we leave this subject.

Mr. A. T. Worboys, C.B.E., told the 60th A.G.M. of the London Brick Company on May 27th: "Only by increased production and efficiency has it been possible for us to hold our prices steady since 1957 but whether, in face of mounting costs and increased wages, this position can be maintained is a matter of great concern as we wish to avoid price increases in a time of heavy demand."

Sir Richard Costain, C.B.E., referring to housing, told his company's A.G.M. in London on June 9: "It is becoming increasingly difficult to acquire suitable land at reasonable prices to continue the programme indefinitely, and a very careful watch is being kept on the overall level of house purchases and on the demand for different classes of houses." \*

The time is ripe for a determined drive to try to enlist the support of the building and ancillary industries for the land value taxation policy. As reported elsewhere a start has been made. Readers can play their part by writing to, or calling on, firms in their area. Builders have to be shown that the Number One enemies are land speculation and a wrongful system of local and national taxation. Too many at present are chasing the wrong hare—green belt, and planning restrictions.