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TOKYO Land price crash

Land prices across the nation have dropped for the sixth consecutive year, reports the *Yomiuri Shimbun* daily newspaper. They have fallen by as much as 62% in big cities since the all-time highs of 1991. Commercial zones outpace residential areas in the downward spiral.

Residential land prices declined an average of 1.6% last year, according to the National Land Agency annual survey. Commercial land declined another 7.8% from a year earlier, adding to the preceding year's 9.8% year-on-year drop. Agency officials noted that price differentials between popular and less popular commercial lots in the Tokyo metropolitan region have been widening, which means the possibility of prices of less attractive commercial lots declining further.

Such a situation could become a vicious cycle and exacerbate the already complicated disposal of non-performing real estate-secured debts. Overall, the nation's average land prices have fallen as much as 62% from the all-time highs of 1991, and have reverted back to 1986 or 1987 price levels.

In a joint letter to Prime Minister Ryutaro Hashimoto, the Federation of Economic Organizations and three other leading economic groups called on the government to revise existing laws or enact new laws to help urban redevelopment and accelerate land transactions. They said extremely low land liquidation levels have been adversely affecting the national economy and people's livelihood.

TAIPEI Vacant housing

The property boom of the late 1980s has left a legacy of homelessness in Taiwan. There are an estimated 870,000 vacant residential units, even

though annual construction is outpacing the increase in the number of households. The recession has flattened the market for white collar jobs, and wages have been slow to catch up to property prices which remain beyond the range of many people's incomes.

The government attempted to buoy the housing market in 1995 by arranging preferential mortgage rates for first-time buyers, but it fears the risks of a further bout of property speculation.

EDINBURGH Crofters' victory

The islanders of Eigg off the west coast of Scotland have finally buried their history of exploitation by landlords. The island that was bought by Olympic bobsleigh champion Keith Schellenberg in 1975 for £270,000 has now been bought for £1.5m by a new trust.

The Isle of Eigg Heritage Trust appealed for money when the latest owner, German artist Maruma, decided to sell the island of 7,400 acres. The 63 residents appealed for help to buy the land and keep it off the market to prevent their acres being repeatedly sold from beneath them to absentee landlords.

PARIS Champagne acres

What's in a name? The growers of bubbly wine in the Champagne region of France know that their investment in a brand name enables them to bump the price of their bubbly above comparable quality wines from other countries. The French are able to hold up their prices by using the system of *appellation controle* to ensure that only wine from that region could carry the name "champagne". Who gets the benefit? According to British economist John Kay, writing in

the Financial Times (London: April 4): "There is only a limited amount of wine-growing land in the Champagne region. The returns bubbled back to the scarce factor, and the value of Champagne vineyards now far exceeds that of land of equivalent quality on the wrong side of the border".

NEWQUAY Migration tax

High-income migrants from other parts of Britain are driving up prices in Cornwall beyond the reach of local residents. Many people in this county rely on seasonal tourist employment. Full time wages are 23% below the UK average. Now the officials of one local council are floating the idea of imposing a "migration tax" on the purchase price of a house, with the revenue going towards providing affordable housing for local residents.

The idea has been criticised by Kelvin MacDonald, director of the National Housing and Town Planning Council, who says: "One of the difficulties is finding land for affordable housing, and I don't see how an immigration tax would overcome that problem."

BERLIN Property Crash

Berlin's banks face huge losses as a result of the collapse in property prices. The market boomed when the wall came down and investors thought they could make fortunes out of reconstructing the city. Now the one bank has admitted it had lost more than DM100m (£38m) after a 50% fall in prices since 1994. Commercial rents did soar after the Berlin Wall was dismantled. This drove many shops and restaurants out of business and forced firms to re-locate out of the centre. Today the centre is awash with vacant office space

in new buildings. Derelict sites now blight locations that were formerly thriving. Financial institutions are being told that if they can hold out until the end of the century, a new boom will come to their rescue.

GUERNSEY Inheritance rights

Two British property speculators who moved to Monte Carlo as tax exiles plan to take the British government to the European Court in their fight to decide how they may bequeath an island in the channel islands to their heirs.

Under the feudal law which still operates within the jurisdiction of Sark, primogeniture is still the rule and applies to the island of Brecqhou, where the brothers David and Frederick Barclay have built a fort. Under the Sark law the brothers are deemed to own the island jointly and on their deaths it would automatically pass over to the oldest son.

They bought the island for £2.33m. Frederick wants his daughter to share in the legacy. David states: "Sark's primogeniture is completely against sex equality because daughters are excluded, and against equal rights because only the first son benefits. It is also against our democratic and human rights".

WASHINGTON Whitewater

President Bill Clinton's former partner in the Whitewater land speculation deal in Arkansas has been sentenced to three years in prison. The sentence was reduced by a judge after the fraud conviction when James McDougal handed over documents which are said to "independently corroborate substantial portions of his testimony". The documents are said to embarrass the President, who claims that he was not guilty of any wrong doing.