

Respectability for the Prophets of Goodge Street

By PETER RHODES

THE EDITORIAL in the fourth anniversary issue of the *London Property Letter* notes how the critical comments which greeted that publication's appearance and which became almost a weekly feature in the columns of *The Guardian* and *New Statesman* now seem to have subsided.

The purpose of the *Property Letter* has always been to stimulate activity and investment in the property field, often by dramatising the lush rewards that can be made by its knowledgeable readers. Not surprisingly, in the last days of the wilting Conservative Government, the *Property Letter's* audacious vivacity and promise of golden bounties infuriated the social conscience of those nearest to the passions and indignations of luckless home seekers and unfortunate but necessary victims of rent de-control. The faceless moguls of the property world, spurred on by goading literature, were seen by many people as abominations resulting from a sick body politic. To the horror of its critics the *Property Letter* flourished. Now, however, as its editor points out, the journal has obtained a certain respectability.

Why the change of heart? Possibly, the editor explains, "former critics must feel that since the Labour Government came in and settled the property world's hash, it no longer presents a threat to public morality. Onward and upward with the banners, let leaseholders be freed and freeholders be crowned, etc!"

If the immediate prospects which faced the Prophets at this time last year somewhat dampened their spirits, the passing of the Land Commission Act has for the moment left them non-plussed. While they confidently believe that the new betterment levy will tend to be passed on to the ultimate purchaser of land, they have tended to slide away from the former lush pastures of virgin British soil to more sober dealings in houses for owner occupation and the risky venture in undeveloped distant lands.

Up in Holland Park, the changing face of W.11 may be temporarily slowing down, but the market in solid brick in the right place is firm enough. Older, pre-1900 residences in the Notting Hill area are now enjoying a mini-boom, triggered off by changing tastes and by increasingly difficult commuter journeys to the fringe areas of detached and semi-detached country—not to mention local authority improvement grants.

A roomy house in fair condition in Queensdale Road has changed hands at £11,250, while a slightly smaller

version "near the posher end" fetched £13,250. These prices for plain-faced Victoriana must encourage the Prophets who have watched one property stick at £15,750 last year, only to be sold recently for £16,250. As they say, "four years ago you might have picked up something similar but in bad condition for about £5,000—£7,000 freehold." Opportunities exist for converting small mews workshops back into high-class residential units, and re-development possibilities are not ruled out when a couple of re-built houses with three bedrooms can sell for £16,000.

Further afield the *Property Letter's* agents show rugged determination to leave no dust bowl unexploited. With three and a half sheep to the acre in some areas, Western Australia has enjoyed an economic growth rate of 33 per cent in the past five years. Population is 340,000 up on 1947 figures and climbing rapidly, with multi-million dollar investments in mining—copper, lead, gold, talc and asbestos. Seven big consortia of foreign mining interests have started working to exploit these reserves and more than \$2,600 million worth of ore have already been sold to Japan. Modern fertilising processes are rapidly raising the productive potential of what were eighteen million acres of "sandy plain." Desirable stocks of well-located virgin land worth looking at are estimated to last only about eight years at the present rate of expansion. One U.K. syndicate has a stake that should quadruple in value within about twelve years, in spite of high servicing costs. As the Prophets declare, "the growing yield potential must over a period of years lead to an equivalent increase in the capital value of land." As yet Western Australia has not adopted site taxation to a very great degree. However, pressure is mounting in Perth for local property tax reform.

With articles on Islington and the Algarve, and promises of reviews on Cyprus and the latest crisis in Malta, the Prophets' future seems assured. Their agents' hawk-like eyes are forever skimming the minutes of the planning authorities' meetings, alighting here and there on some gem of prospective road improvement, motorway extension or future river crossing. As the Editor says: "There is plenty of life in the old business yet."

The Goodge Street soothsayers fill a real need in the property world, which would be a duller place without their turn of phrase. It is a pity that their reports of activity will be somewhat curtailed by the Rent Act, the Land Commission Act and the Leasehold Reform Bill, for all these measures demonstrate a sickness in land to which piecemeal legislation is no remedy. Until the essential difference between profits in land and profits in buildings is firmly grasped by politicians, and cogently expressed in a land-value taxation measure, the developers who are interested in development as opposed to pure speculation will suffer with the rest. What sagas might be told if site values were assessed? What hidden gems of potential would greet the Prophets' eyes and send them reaching for their quills? History is in making. Let us hope the Prophets will be there!