

Parks and Nature Reserves, not Vacant Lots, Bring Nature

By Frederick Subere-Albawy

In my neighbourhood, which has been around for over fifty years, I see many vacant blocks of land. There's one just around the corner, and another closer to the shopping centre. There is a very big empty block right across the road, directly in front of a bus stop, large enough for an apartment building and shops. There's even a block of land that has been subdivided into three plots, in which a developer would normally build three units. Only the back lot is built upon, and the front is vacant. In many cases, these vacant lots are filled with litter and weeds.

Vacant lots are the most visible evidence of how land values, which are created by community activity, are collected and speculated upon by private owners who did nothing to earn these rents and create no benefits for society.

When the owner of a block of land is entitled to land rents, now and in the future (an increase, in fact, in land rents due to increased economic activity in the community), they will speculate on their land. Land will be left vacant in the expectation it can be sold in the future at a higher price. Far from a benefit to our society, this is a cost to all, as land resources lie idle even when there is demand for locations on which to build homes and businesses. What is the point?

It's not freedom. The driving force behind land speculation is the government granted licence that guarantee owners of nature unearned rents. When land that is in high demand is left out of use, this restricts the freedom of others to live, work and trade.

Sometimes, it is said vacant lots bring nature to the city. In a place nearly completely built up, when owners leave lots vacant, they provide space for plant life to thrive, or so the argument goes. But to claim there are environmental benefits in vacant urban land is a fallacy.

Ecosystems

Speculators keep their land vacant specifically because it has value in the future. Any habitats and ecosystems that develop on vacant lots will be destroyed when, in order to realise this future value, the property is cleared and built upon. In addition, since vacant lots are isolated enclaves in otherwise built-up areas, there is no continuity, so continuous and complete ecosystems (like in nature) cannot develop.

On the other hand, natural unsettled lands are like that because they are of little to no use to humans. Pristine lands are usually far from cities, farms, mines and so on. The only exception is where bushland reserves and national parks have been set aside by law, but suburban bushland reserves only make up a small proportion of land in Australia in its natural state. Land in its pristine state already contains complete ecosystems, which are not destined to be cleared. Land in pristine condition will remain so unless the land required for human activity increases, a phenomenon known as urban sprawl.

Urban sprawl

Since speculators keep land vacant specifically because of its value, vacant land typically has a higher than average land value. This valuable land kept out of use means a greater amount of less attractive land must be used to accommodate homes and businesses that could not use the land left vacant. The result is the clearing and destruction of wildlife habitat in increased distances travelled, especially by car, resulting in increased pollution. A loss for the environment on two counts.

Loss of neighbourhood amenity

But vacant lots in prime locations don't just have environmental impacts. They degrade neighbourhood amenity as well. There is an opportunity cost to leaving land vacant, as each

empty block means a community facility - a school, park or community centre - is not built, or is built in a different location.

Vacant blocks are a void, resulting in longer trips, increasing the distance between origin and destination, without creating extra origins or destinations. This is especially a problem in areas with walkability and commercial activity, as a good walking experience depends on human activity to provide pedestrian interest. Vacant lots create a vacuum, with nothing to interest passers-by (or potential passers-by, as an area with more vacant blocks will see less pedestrian use).

Even worse, vacant lots are a haven for unsightly litter and dumping, acting as both a blight to the attractiveness of any neighbourhood, and a burden to any ecosystems that happen to develop.

Affording a home and starting a business

Vacant lots also contribute to difficulty buying affordable housing. A three bedroom home in a decent suburb in Perth simply cannot be had for less than \$400 000 (more for a single family home in a good location). Vacant land is land that could be used to provide housing, and when this land is not built upon housing supply is lower and prices higher. This is why the median house price in Perth is \$549 000 and why nearly ten thousand West Australians are homeless.

It also becomes more difficult to start a business when potential commercial sites (the most lucrative sites, since these see the most price appreciation) are kept out of use. The option of self-employment is mostly ruled out, resulting in more workers competing for less jobs. This means lower wages and greater income inequality.

Urban parks and reserves

However, there is still a need for open space and nature in our cities and suburbs, for recreation and to absorb pollution. But allowing speculators to leave lots vacant is not the way to do so.

It's a matter of responsibilities and incentives really. A land speculator is under no responsibility for, and gains no profit from, promoting nature and providing community amenity, as all they must do to gain is hold the land and sell it at a higher price in the future. In fact, to build a park on a vacant block would add to the cost of and build community resistance to (as the community comes to appreciate its amenity) clearing and developing that land, reducing its value and potential sale price. So, to maximise their gains, speculators will keep their land vacant not only of buildings but also vacant of nature, to reduce the costs of future development.

Instead, land that is intended for use as a reserve, providing nature and amenity to the area, should be made a park, maintained by a local government, government department or non-governmental organisation. It will be their responsibility to maintain this land, and provide facilities to benefit the community. Indeed, governments will be incentivised to provide high-quality parks and reserves, if the tax base is the rent of the land around.

Vacant land and a good park are different: parks increase land values, while vacant lots decrease land values. Think of all the real estate listings that promote a property's proximity to a park because they increase the appeal and selling prices of homes. Imagine a listing promoting the vacant lot next door as a positive feature. Have you ever seen this? I thought not. Although there would be ads promoting the vacant lot itself as having developmental potential, this does not translate to the lot benefiting the community as a whole.

If the rent of land is collected by the community, the parks that are provided will increase the rent collected. More parks and better parks mean higher land values and greater rents. Governments will be incentivised to provide more and better parks, and these parks will pay for themselves.