The Village of Arden
You Don't Own Your Land, But You Can Sell It.

By Mike Curtis 8-12-26

Prior to the founding of Arden Frank Stephens was part of a political campaign to win the little state of Delaware in 1896. They thought if they could get the state to adopt land value taxation as its only source of revenue, it would demonstrate its virtues, and the rest of the country would follow. According to the news papers, the land value tax candidates got less than three percent of the vote.

Arden Founded. In 1900, Frank Stephens, and his convert, Will Price, with a loan from Joseph Fels (of Naptha Soap), bought an idle 162 acre farm with the intention of starting a community. They thought they could demonstrate the benefits of collecting the rental value of land for public revenue. They were convinced by the thesis of Henry George, that private property in land was the root of exploitation, and the idle and underused land that resulted, was the cause of low wages, unemployment and a shortage of housing. When they started Arden in 1900, many people in America were working ten and twelve hours per day, six days per week, in mines and factories. Many lived in cramped unhealthy conditions.

In 1900, horses were very expensive and automobiles were not yet affordable. But, Arden was near the B&O Railroad station. Wilmington was six miles down the tracks and Center City Philadelphia was only 30 or 40 minutes north. So, the location was quite viable for a community.

Land value taxation, were it applied to the entire country, would create full employment, raise wages, and make housing affordable. That is because it would stop land hoarding and create a free-land opportunity for self sufficiency. A free land opportunity could not be offered in Arden with only 162 acres. Therefore, wages could not be raised, nor could the return to investments in buildings, machinery, and inventories. And consequently, land rents could not be lowered. What could be accomplished in the 162 acre Village was common ownership of the land, and exclusive ownership in the products of labor.

New Castle county paid for its roads and police etc, and the school district paid for education, with real-estate taxes levied on the value of land and buildings at the same rate. Because of the increase in population (sometimes enabled by public improvements), idle land often increased in

value faster than the real-estate taxes that were due. This encouraged land hoarding (speculation) and added to unemployment and a shortage of housing. Significant underuse of land is more common, and has the same effect to a lesser extent.

Arden's Land Is Owned In Common. By contrast, all the land in Arden is owned by all its residents in common — via the Trust. The buildings and other improvements are the absolute property of the leaseholders who built them or were assigned them by those who did. The individual leases require that the rental value of the land be paid each year, and in exchange, the trust pays all real-estate taxes levied by the county and school district. The land rent also pays for all the expenses of the Village. In principle, Village expenses are limited to the net land rent after real estate taxes are paid.

Although the value of lots vary because of size and location, by each leaseholder paying to the community the rental value of the land they hold, and the money being spent for public purpose, all residents, who by their presence, constitute a community, benefit equally from owning all the land in common.

Since the leaseholders have to pay the rental value of their land each year, whether they use it or not, the incentive is to fully use it or transfer it to someone who will. As long as the residents could live and work in the Village, the land in Arden would not add to the general shortage of jobs and housing.

Employment. Prior to the depression of the 1930s there were many people who earned their living in the Village. There were carpenters and stone masons, furniture makers, blacksmiths and silver smiths, weavers and garment makers, stain glass artists, printers (some made greeting cards), musicians, bakers, Inn keepers, grocers, a Post Master and a school. People who grew and sold vegetables. Many residents earned their living in what was clearly a thriving community. However, it was some time before the majority of leaseholders actually lived in the village as their primary residence,.

Land Is Bought And Sold. Over the decades the rental value of Arden's leasehold lands increased. In 1900 and for many years thereafter, Arden was in a sea of family farms. It had nothing but dirt roads and most people got their water from community pumps or the creeks on either side of town. Some people dug their own wells. Until 1925, there was a mortgage to be paid out of the land rents collected.

Now Arden has paved roads, water, sewer, gas, electric, and internet cables. It is in a sea of housing developments with several shopping centers just minutes away. I-95 connects it to Philadelphia, Wilmington and all points north and south. The rental value of the leased lands in Arden has increased until it is probably worth nearly a million dollars more each year than the county and school district real estate taxes paid by the Trustees. No reasonable expenditures could be made within the Village to that amount.

The leases are for 99 years, but they are renewable and transferable. So they are perpetual and no less secure than a deed. Arden's elected assessors take an oath in which they agree to assess the full rental value of the leasehold lands. Although they may have assessed the full rental value of the lands in the early days, they have never valued the lands at more than enough to pay the real-estate taxes, and provide for the needs of the Village. For at least a hundred years the leased lands have been bought and sold. The difference between Arden and other communities is that the public revenue needed to support the county, the school district, and the Village comes from the value of land only — a socially created value based on the benefits received.

The only reason land rent is higher in Arden than taxes are in the surrounding areas, is because the residents vote to spend more money for public purpose: Parks, the community center, trash collection, donations to the Fire Co. etc. As a result, Arden is a more valuable place to live.

How do people sell land they do not own? It is not like people who buy the Brooklyn Bridge falsely thinking the seller actually owns it. Suppose you have leased a parcel of land in Arden and you no longer want it (no house). Two other people each want to acquire the land from you. Last year the land rent paid to the Trustees was $75. The first person expects that amount will increase in the future, but also believes the land is worth $100 per year right now, and will increase at least as much as the land rent due the Trustees. He has $500 In the bank which pays 5% interest, so he has been enjoying an income of $25 per year from the bank. He offers to pay you $500 for the land.

The second person who also wants the land has money in the bank, and she believes that the rental value of the land will increase considerably faster than the amount being charged by the Trustees. In order to get the land, she offers $525. By doing so, she gets the land, and contributes to setting the market selling value of land.

Here we are in 2026, and it looks like the selling value of lots is approaching $200,000, depending on size and location. A major recession is expected in 2027, so leases will likely sell for much much less during the recession. Nonetheless, the land in Arden sells for as much, given the amenities, as it does anywhere else in the county. For all intents and purposes, the leased land in Arden is private property.

There may have been 148 original lots, possibly less. Many were split, and there are now 198. There are around 75 different sizes. The value of many lots is enhanced by their proximity to the parkland (wooded and open), which in addition to the rights-of-way, accounts for half the land in the Village. Harvey Road bisects the Village, and Marsh Road runs along its western side. Proximity to these roads, the only ones with harder surface in the early days, were once considered the most valuable locations in the Village. Now the traffic on these two through fares diminish the rental value of lots along them. Therefore, because of size and added or subtracted values, the lots have almost as many different rental values as there are lots.

Nonetheless, the primary value of each lot is the same. It stems from the legal right to build a house and live in it. It incorporates the value of external factors such as the paved roads, water, sewer, gas, and electric, access to free public education, police and fire protection, and proximity to jobs, shopping, and recreational opportunities. Each of Arden's lots is approximately the same distance from I-95 and the stores around Marsh and Silverside Roads. The difference in the value of one lot to another is measured by how much more people are willing to pay for a bigger yard, or a better view on the plus side, and how much less people are willing to pay because they have to live by the noise and other impositions of proximity to the thoroughfares.

What the Village of Arden can do (has already partly done) is share the uncollected rent equally among all resident leaseholders (owner occupied leaseholds). It starts with assessing the full rental value of each leasehold: What the most profitable house would rent for on each lot, minus the return on the investment in the building and other improvements, depreciation, maintenance, management, insurance, and adjustments for inflation. What is left is the rental value of land.

After the full rental value of all lots have been assessed (not buildings and other improvements), discount the value of every owner occupied lot by the exact same dollar amount until the desired total revenue is attained. In this way, all resident leaseholders (those residing on their leasehold) will share

in the unearned and uncollected rental value of land equally. I believe this is as close as Arden can come to the founders intension that the land of Arden will be held in common — become the common property of the residents, and all buildings and other improvements are treated as tax exempt private property.

Because the land is owned in common by all residents, the discount should not extend to leaseholds owned by investors (non-residents). Under this system investors will likely pay twice as much as owner occupied leaseholds. However, if they sell their land and house (improvements), they will receive from a buyer who intends to live on it, the same selling price as everyone who paid half as much land rent each year. Therefore, as long as they sell their land via the lease, no "regulatory taking" will have occurred.

Perhaps the owners of investment leaseholds would argue, they own the land, via the lease, because they bought it, and should not pay any more than resident leaseholders for similar parcels of land. They bought it from the previous lessee (not the Trust who owns it) because they expected it to be worth more, have a greater potential income than would have to be paid to the Trust each year.

Rented Housing. Today, Arden has more than 50 rental units in which their residents, may vote and participate as equal citizens, and think of themselves as owners of the land in common. However, they do not share in the uncollected rents that all leaseholders enjoy. While the leaseholders are now paying less than half of what the land is worth in the market place, the renters (sub-lessees), are paying the full rental value of the land in addition to the full value of the dwelling and other improvements they are renting. This contradicts the idea that all the residents own the land in common.

From 1954 until 2002 Arden was zoned single family detached dwellings. Only one house was allowed on each lot, and no apartments were allowed within the houses. There were already 19 extra little houses without a separate lot, and perhaps 30 apartments including the Craft-shop & Weave-shop when the zoning was enacted. Several apartments were added illegally after that. The law allowed those that were already here and were thought to have been here to stay. I know of no discussions in regard to the rights of renters during this period.

Starting in the 1970s the Trustees with the agreement of the Town Assembly refused to split any more lots. Therefore, there were no new dwelling units legally added for the next 50 years until 2007.

Renters Dividend. Any policy to share the surplus rents with a dividend to renters would enable the leaseholder to raise the rent by the amount of the dividend. Rent control would incentivize deferred maintenance until the housing was worth what they were allowed to charge. Whether some restraints could be put on the rents of attached apartments without encouraging deferred maintenance because the owner lives there too, is certainly an open question.

As of 2007, the county permitted all owner occupied leaseholds that did not already have an apartment (extra dwelling) to add one within their house. This extends the privilege to at least a hundred additional leaseholders. And those who rent the new apartments will not share in the uncollected rent.

In 2024 the county extended the privilege of building a detached dwelling of 800 S.F. or less to all owner occupant leaseholders with a half an acre or more, and do not already have an additional dwelling unit. That means over 30 additional leaseholders could add such a dwelling.

Because less than half the rental value of Arden's land is now collected and expected to be in the future, it would be a very big subsidy to those leaseholders that can and do add such a dwelling. And those who can and do not add a detached dwelling will likely pay another $800 more each year in additional land rent. Most importantly, it will add additional renters who in principle, are landowners in common, but enjoy none of the uncollected land rent.

Economic Diversity was present in the early days. There were many levels of artists and artisans. There were few uneducated former factory workers who came to homestead in Arden, but there were, from all accounts, a good diversity of incomes. Today, I know of no Minimum Wage workers living in Arden, and the people on the lower end of the scale are mostly the renters. As far back as the 1960s, there were people who grew up in Arden, said they wanted to live there, but could not afford to buy a house in Arden.

It seems very possible that Arden could retain its economic diversity while offering to split lots that already have two or more houses on them already. With the right financing, many of our renters could become leaseholders.

That way what are now rental houses could be bought. And since most of them are small, they could be purchased by lower income workers. Their rent could never be raised again. In cases where there is not 20,000 Square feet (10,000 for each house), the size of the house on the new lot could be restricted to its present size in the new lease. Therefore, there would be no further infringement on the zoning, and another family would get off the treadmill of rent. The fact that the house could not be enlarged would make the house more affordable.

Additional Houses. Arden could extend economic diversity and contribute its fair share to America's housing need. It could allow people with large lots of over 20,000 square feet or half an acre (21,780 square feet) to return 10,000 square feet (Arden's zoning requirement), if the land was suitable to create another lot. The new lease could restrict the size of the house to be affordable by lower-income workers. This would enable them to become homeowners. The Sherwood side of Arden was zoned for 6,500 square feet when the zoning was first enacted. It might be possible to have some of the new lots be that small, given the new houses would also be very small. That too would make them more affordable.

I believe that several large leaseholders find that very large lots are a burden. They require much maintenance and extra land rent. Being able to return land to the Trust would reduce the lawn care and the extra land rent. The Trust could pay for the surveys acquire the subdivisions, and establish water and sewer hook ups. The Trust could then sell the new lots with the house size restrictions, and use the money for capital improvements within the Village.

There might be large leaseholders who would like to return portions of their leasehold, and the Village would rather see the land used for neighborhood parks or playgrounds. That is also a possibility.

One last thought. For many years now Arden has had a vacant house registration fee (penalty for leaving a house vacant). Vacant houses are clearly a detriment to the community. However it was modeled after a city with taxes on land, buildings, and wages. It is difficult to administer, and although it has collected tens of thousands of dollars since it was enacted, the two houses that have been vacant for the longest time, decades, are still vacant eyesores. Assessing the full rental value of the land, and discounting each owner occupied leasehold by the same dollar amount would create a far greater incentive to put the land to use with someone living on it, and would not have to be administered.

Conclusion: While most people can see that democracy is the first requisite to attaining justice, the idea that land, the Earth itself, is our common opportunity, is way beyond the awareness of the vast majority of Americans. And so, generation after generation we struggle with unemployment, low wages, a shortage of affordable housing, and recessions.

In my opinion it is not only the majority of residents, but the majority of the people elected to lead and serve the Village during the last 50 plus years that had only the vaguest notion of the founding principles — principles that were somewhat obscured by the 19th century wording of the Deed of Trust and the Leases, and the lack of Georgist educational programs.

My conclusion is that Arden could only achieve the ideal of common ownership of land and exclusive ownership of buildings and other improvements by evolving into an owner occupied community — an evolution that could take many decades. A moment's reflection can see that if all the leases or even a majority of them were owned by investors, the volunteer sprit of Arden would be decimated. The renter would know that the more she volunteered, and the more Arden became a better place to live and socialize, the more she would have to pay in rent to live there.

Yet, in spite of this ideal, Arden now has a form of land rent for public revenue that is, by comparison, superior to any other public revenue system in the country.

Were this simple idea of collecting the rental value of land for public purpose expanded to the entire country: All taxes on wealth and income abolished; business in which there cannot reasonably be competition, like the roads, taken over by the government; and government granted monopolies abolished, we would have full employment, rising wages, affordable housing, an end to recessions, and no reason to inflate the money supply. []