



ed growth. Demolition and sealions (below left) changed that

cost difference from disaster funding. The city will eventually benefit from increased property tax values - imagine the difference in value of a hotel located next to a double deck freeway, and a hotel overlooking a park with views of San Francisco Bay.

But with California's convoluted tax system it will be many years before the city collects these taxes - and this will be a fraction of the private sector benefit. From a funding agency's perspective it would be nice to share in the windfall profits property owners accrue after construction (or deconstruction) of major transport projects. A system for this would go a long way to funding the rebuilding of our decaying urban infrastructure.

Looking back it's hard to believe tearing down the two freeways was controversial, however, without change cities become stagnant and die. The earthquake helped push San Francisco into the future. We hope other cities can get there without a natural disaster.

maintain their homes and tend their gardens. In the meantime, slum landlords see themselves rewarded by having their assessments - and thus taxes - lowered, when they let their buildings fall into disrepair. So, while the current system punishes the person who contributes to the wellbeing of the community, it gives a tax break to the ones who bring down whole neighbourhoods with their ignorance and neglect. This is obviously wrong.

By shifting the tax burden from improvements to land values, the city could reward people and businesses who invest in their communities while making it harder for speculators and slum landlords to hang on to property. Almost every single owner of a vacant lot or a derelict house would see his tax bill go up and would be encouraged to do something with the property or sell it to someone else. Taxing land at a higher rate than buildings - or not taxing buildings at all -

## First word

ACCORDING TO THE United Nations, in 2007, and for the first time in the world's history, the number of urban dwellers will equal the number of rural dwellers. The number is expected to rise to a staggering 5 billion by 2030. The city is becoming the prevalent setting of human life.

There have been times when cities have been beacons of culture. Rome in the First century for instance, or Florence with the 15th century Medicis, burgeoning New York in the 1880s, London in the swinging 60s - when life really bustled - at least for some.

But cities have always had their less salubrious sides too - their grimy pockets, their ghettos of poverty and backstreets of filth, places in need of rebirth, of regeneration. The city of the modern world is a tableau of contrasts - a jarring discord of fabulous opportunity, of wealth and comfort, for some, in the face - for others - of grinding social iniquity, relative poverty and unrelenting economic pressure.

This is the raw material of the urban regeneration movement.

For Londoners and visitors alike - whether rich or poor - the troubles of the capital today are in your face, and part of your life. The rush-hour Underground is crowded, with travellers packed as cattle for the slaughter may never be. Roads are so congested with cars that the Victorians with horse and carriage got about their business quicker. House prices today are so high that teachers, firemen and nurses can't live by where they're needed - and our children can't afford to live close to us in our failing years. It's in all our interests to put right the wrongs of urban life.

Urban regeneration, social and physical, is certainly a burning issue today. But our initiatives remain superficial. The underlying problem is the competition naturally arising from the use of the common resources and benefits of the city. How can we manage that competition, equitably, for everyone's benefit? Road congestion charging is an answer to one problem. That project will create a revenue stream which should help transform public transport in the city. But we need to build on that sort of thinking right across the board.

This supplementary issue of Land&Liberty focuses on some of the fundamental issues at play in urban regeneration. They are matters which our current approaches to regeneration fail to address. They centre on the critical interplay of our cities' development, and social and economic progress, with the phenomenon of land value. These questions require us to look critically at the manifestation of increasing land values, accruing in private hands, which arise directly as a consequence of broad social progress and specific public investment.

Inside this special edition there are suggestions for some fresh ways to make our cities better places for all citizens;