

homebuilders vote 4 to 1 that

LAND

is the most critical problem

Says MARTIN BARTLING, president of NAHB: "The average cost of raw land has at least quadrupled, the cost of development tripled. Here is a problem that will require all our ingenuity."

Says HHF Administrator NORMAN MASON: "The land problem is becoming critical. Premium prices for desirable homebuilding sites are driving up the cost of housing and forcing development into areas that often compound the problems of growth."

Says JULIAN ZIMMERMAN, FHA commissioner: "FHA is deeply concerned over the way land prices are shooting up. The average land cost component in our valuations has climbed from \$761 in 1946 to \$2,362 in 1959."

Says PHIL WILL, president of AIA: "We are making frightening mistakes in land use and we are guilty of a criminal waste of the land that God gave us."

Says MAX WEHRLY, executive director of the Urban Land Institute: "Inappropriate, unimaginative, and outmoded site development requirements of public regulation bodies have produced disastrous consequences—excessive costs, inefficient land use, stereotyped plans, and the destruction of natural amenities."

Says W. O. DUVALL, president of the US Savings & Loan League: "Land has been the main villain in housing for a long time. Its high

cost has become the No. 1 reason homes cost so much. Now we must work with the builders to educate landholders that the boom in land prices is over, and we must help the builders finance land acquisition and subdivision in a more orderly and therefore less expensive fashion."

Says B. B. BASS, president of the Mortgage Bankers' Assn: "Big speculators have been gobbling up land ahead, stifling competition, and putting the squeeze on builders."

Says NAT ROGG, NAHB economist: "Today's land situation is a killer for the builder. Land costs have climbed more than all other homebuilding costs combined."

Says United Nations Housing Adviser CHARLES ABRAMS: "The misuse of land is a worldwide problem and the failure to cope with it is a worldwide default. The US is lagging behind most countries in Europe in adopting a positive policy to correct it."

Said the economists and housing industry leaders at the HOUSE & HOME Round Table on inflation: "Steepest inflation of all has been the price inflation in land, but nobody is doing anything to stop it and we have no land policy designed to bring land onto the market when it is needed. The result has been a largely fictitious shortage of land for housing that has pushed prices far above today's values and is almost sure to end in a bust."

Ten years ago land was a bargain and builders were smart to buy land ahead. Hundreds of builders got rich, not because they built for less but because they bought land for less and cashed in on their land speculation.

Good timing is the key to speculative profits. There is a time to buy and a time not to buy. It's smart to buy ahead at the bottom of the market, before prices start up. But it is not smart to buy ahead at the top of the market, just before prices start tumbling down again. Suburban land is over-priced today. Just because land was a bargain in 1948 for \$500 an acre does not make it a bargain today at \$5,000.

Don't count on the "population explosion" to guarantee perpetual motion upwards in the price of land. From 1940-50 US population increased by 14%; from 1950-60 by some 20%. But don't forget that:

From 1810-20 population increased 33%. This did not sustain the land boom that busted in 1819;

From 1830-40 population increased 33%. This did not sustain the land boom that busted in 1837;

From 1850-60 population increased 36%. This did not sustain the land boom that busted in 1857;

From 1870-80 population increased 30%. This did not sustain the land boom that busted in 1873;

From 1890-1900 population increased 21%. This did not sustain the land boom that busted in 1893;

From 1920-30 population increased 16%. This did not sustain the farm land boom that busted in 1920, nor the suburban land boom that busted before 1929.

Population increased, yes. But land development increased faster, anticipating more demand than ever materialized, bringing more land into the market than the market was ready to take at the prices asked.

The 100-year graph shows that land prices don't always go up; land prices also fall down. "Land prices go up and go down in bigger and wilder swings than any other prices in our economy," says Nat Rogg, economist for NAHB. Suburban prices have been going up for 27 years now—longer and higher than they have ever gone up in all our history. They are now overdue for a fall. Famed Realty Economist Roy Wenzlick has been warning his high-paying clients for years that the boom could not last much longer. Just because he cried "Wolf! Wolf!"

too soon does not mean the wolf will never come.

And the longer the price break is delayed, the more serious it will be.

Good land may indeed be worth twice what it averaged in 1952; ie, the true value of suburban land may have risen ten times as fast as the 10% rise in the consumer-price index. Good land may even be worth three times what it averaged in 1952; ie, its true value may have risen nearly twice as much as stocks in Wall Street rose from their 1952 peak of \$107.25 to their present level around \$205.

But take a good long look, ahead before you let today's artificial and temporary land scarcity (see below) scare you into paying land prices you may soon have reason to regret.

Already farm prices outside the suburbs have leveled off and started to fall (see clipping, right). And don't forget that land prices in most central cities are lower today than they were in 1929!

Says Housing Economist Miles Colean: "Present land prices cannot be sustained unless we get a big new shot of inflation, because 1) cheap money did more than anything else to start land prices soaring and 2) today's 6% interest rate makes it much harder for homebuyers to absorb inflated costs (like today's land prices).

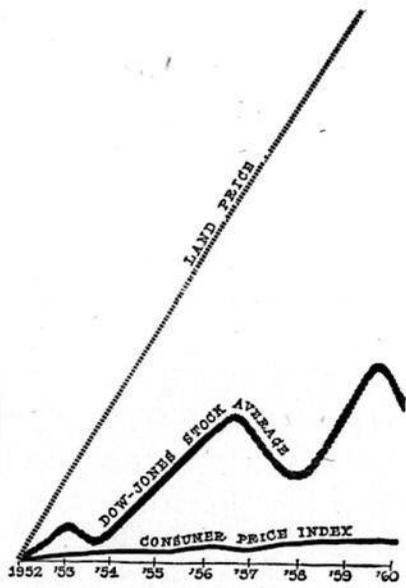
If you want to get better land for less, wait for the market to turn. Suburban land will sell for much less before it sells for much more.

Today's sky-high suburban land prices are predicated on an artificial and temporary scarcity—a scarcity created in the midst of plenty by holding off the market vastly underestimated miles and miles of land in anticipation that vastly overestimated future demands will drive prices still higher.

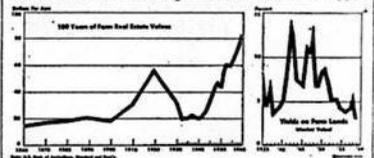
Today's fancy land prices can be kept high only as long as the illusion of scarcity can be preserved, as long as each buyer thinks the land he pays too much for today would cost more—and sell for more—tomorrow. But what will happen when the inevitable day comes when land prices can go no higher and speculators try to cash in on their paper profits? What will happen and who will get hurt when this land-price boom collapses—as every other land-price boom has collapsed?

Says Professor Fisher in his classic study of premature subdivision: "It takes nearly 30 years to produce a new generation that has to learn by pain and disappointment that while many fortunes have been made in real estate, many paupers likewise have arrived at their destination by the same route. That is one reason the price cycles in real estate are so long."

Says Roy Wenzlick unequivocally: "Land is not in short supply."



REAL ESTATE
Land Prices Reach a New High.. But the Return Has Dropped



Has Long Rise Come to a Halt?

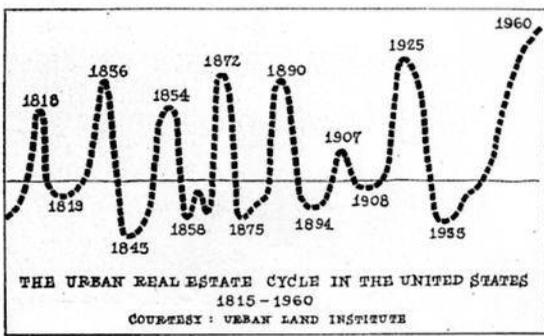
Slight dip in prices for farm land in Midwest and slackening of investor demand leads the experts to believe the 20-year price advance has run its course.

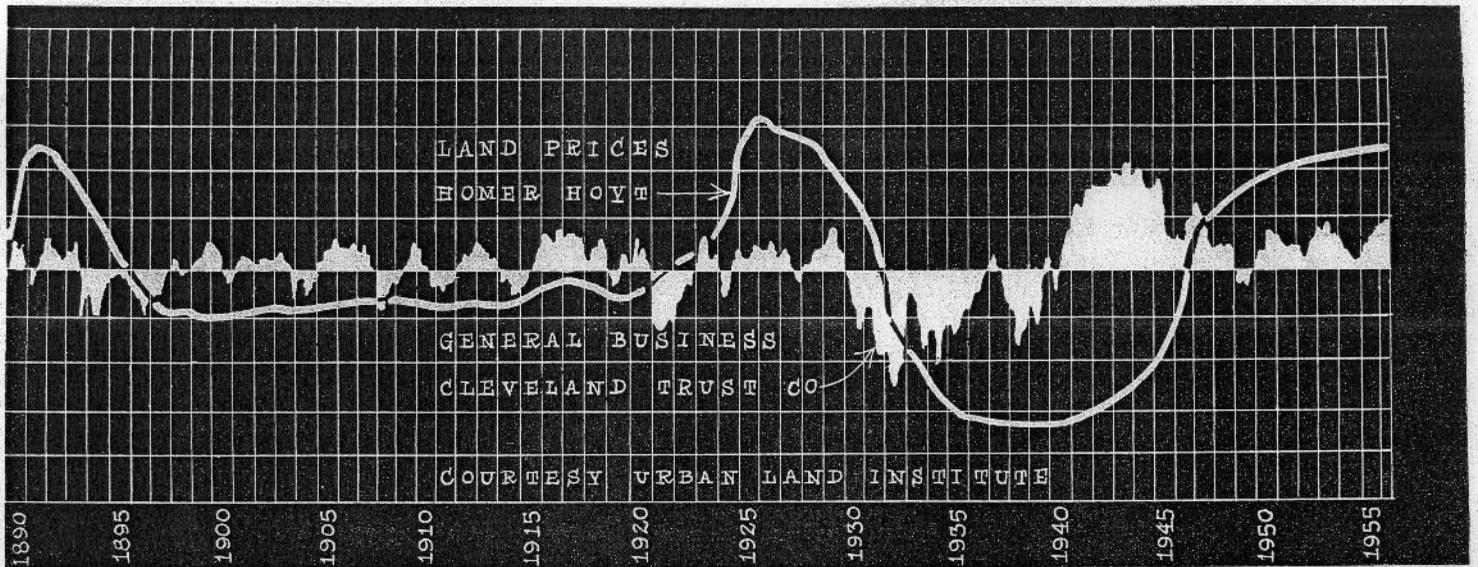
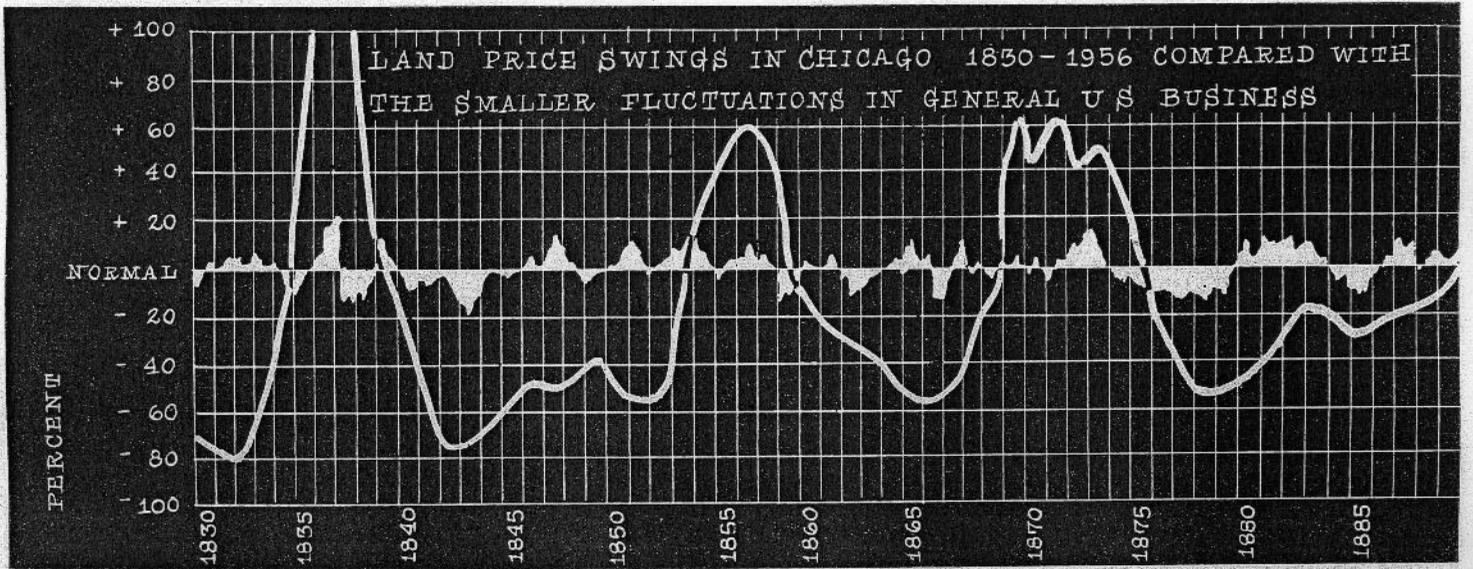
For 20 years, with only two brief lull periods, the price of open land has been going up in the U. S., making profits for investors, the farmer, and the city and country alike. Now, however, signs are appearing that the long climb is giving a cooling to a halt, an advance of such magnitude is coming back to land prices.

A report by various state agencies, compiled by the Urban Land Institute, says that in the Midwest, the average price of land being sold in 1958 was 10% below the price of land sold in 1957. In the South, prices fell 15% and in the West, they dropped 20%.

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... (text continues with detailed analysis of land price trends and market conditions) ...





Most of the land shortage talk you hear is nonsense: here are 7 big reasons why

The easiest-to-build-on big raw acreage of flat land just the right distance out in the right direction may be gone, but:

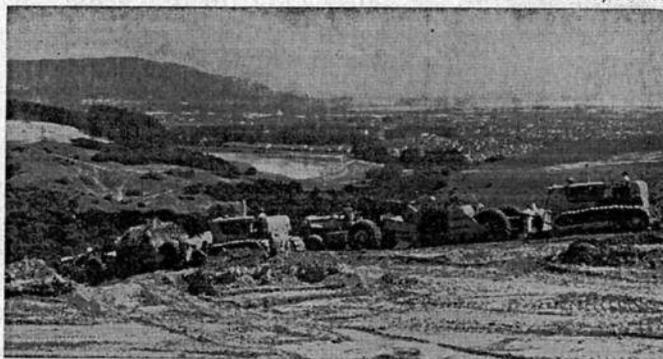
William A. Garnett, Fortune



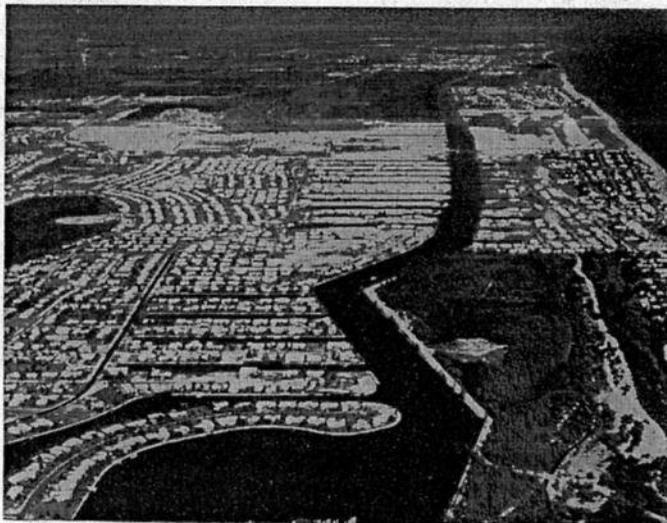
1. There are millions of acres of by-passed land closer to town than most of today's new tracts—more millions of acres of by-passed land than the housing industry will need for many, many years. Around booming San Jose, for example, where builders have scattered their tracts one-or-more-to-the-mile over 200 square miles of the finest fruit land in California, they have actually used only 12 square miles, leaving 188 still to go. (Turn to the front cover of this issue if you want to see for yourself some of the land that is being by-passed there.)

2. New earthmoving equipment makes it practical to use millions of acres of hillside land that could not be developed economically in the last big boom. These new machines are so efficient that grading, filling, and compacting are the only homebuilding costs that are lower today than in 1929. Says super-Realtor Bill Zeckendorf: "The bulldozer is the best invention we got out of the war." Hillside sites offer pleasanter living than the flat fields where most recent homes have been built. For more about using hillside land see *page 151*. For more about the new earthmoving machines see *page 160*.

Ray Johnson



Carroll Seghers, Black Star, Fortune



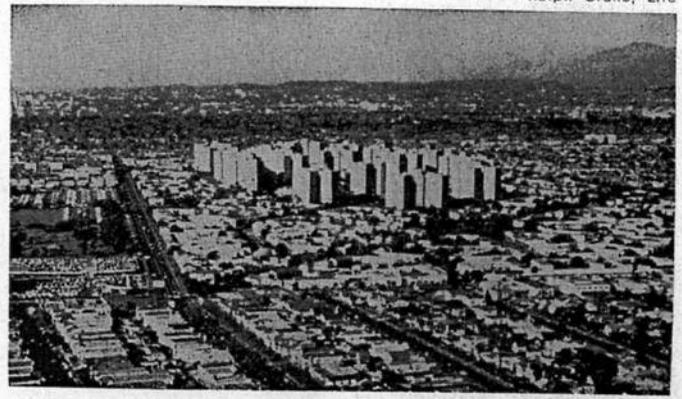
3. Millions of premium homesites can be reclaimed from under water with today's new and more durable dredges—more land than even the Dutch have empoldered with all their dikes. Hundreds of dredges are at work making new land right now; they are filling in the shallows of San Francisco Bay, where the water resources board says 158,000 acres of tidelands can be reclaimed; they are draining the mango swamps along the Indian River, where Miami Beach (see photo, left) itself was an uninhabitable snake-island not so long ago; they are filling in the Louisiana bayous, where Murchison and Wynne have bought 32,000 swamp acres to add 175,000 new homesites to New Orleans; they are working in the Jersey meadows, in Jamaica Bay out beyond Brooklyn, along the shores of Oahu, in Tampa Bay, along Lake Erie and a hundred other lakes (see *page 164b*).

4. There are millions of vacant lots in existing neighborhoods and developments (nearly 13 million vacant lots of record in 1955, according to the US Census of Governments). That is almost as many vacant lots as all the houses built from 1950 to 1960. When the last land boom collapsed Professor Fisher found that "in most urban communities the number of lots is nearly twice as great as the number in use."



Ralph Crane, Life

5. Cities can and do grow upward whenever their growth outward is checked by high land prices. Scarcity breeds substitution, and the easiest substitute for cheap land on the outskirts is to add more floors over close-in land. One big apartment building (like the 1,570 units planned for the Dodgers' abandoned ballpark in Brooklyn) can house as many families as two square miles of suburban sprawl. Right now, half the new homes being built around New York and Los Angeles (see photo, right) are apartments; and more and more single-family houses are being built split-level or two-story in order to get more living space on less land.



Gordon Sommers



6. Cities can also grow back inwards. Decentralization has deflated downtown land prices and made the most expensive land a bargain compared with outlying sites whose asking prices have multiplied. Downtown is starting to rebuild—and when downtown rebuilds it still has the primary advantage of location that made it downtown in the first place. Most of downtown is underused today. For example, Victor Gruen reports that in Fort Worth (see photo left) "the underused or derelict land reservoir was big enough to provide space for a belt highway, parking garages for 60,000 cars, green belts, a 300% increase in office space, 80% more hotel space, and new civic, cultural, and convention centers . . . Fort Worth is not a special case."



The land price, land economics, and land tax sections of this issue were researched and written in collaboration with America's No. 1 housing economist, Miles L. Colean, and two of America's foremost land economists—Professor Ernest M. Fisher of Columbia University and Professor M. Mason Gaffney of the University of Missouri. Much of the field research was done by Grady Clay.

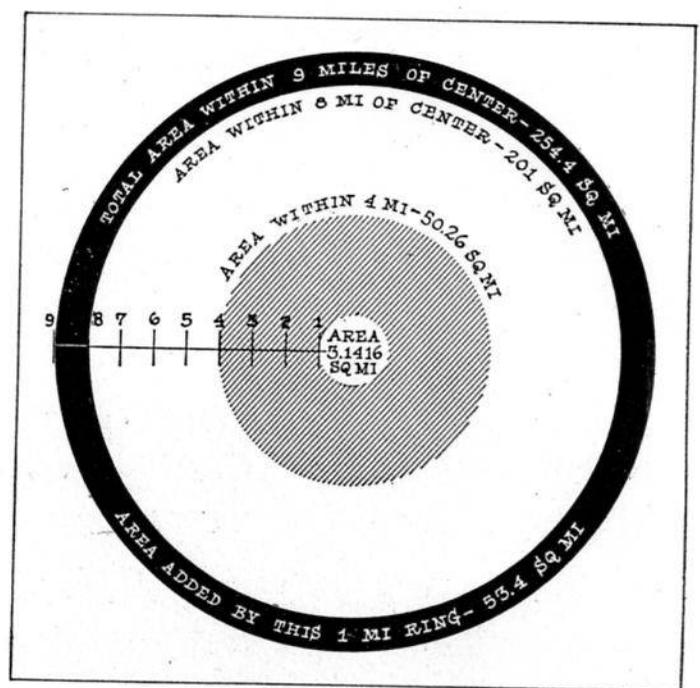
GAFFNEY



FISHER

7. New highways from downtown are making millions of acres easier and quicker to reach than land much closer in was right after the war. With today's bridges and expressways it takes only a little longer to drive from San Francisco across the Golden Gate to the wide-open spaces beyond San Anselmo than it took to drive through rush-hour traffic to the Cow Palace near the city line in 1946. It takes only a little longer to drive out the expressway from Manhattan 30 miles to Oyster Bay than it took to drive through traffic 13 miles to Queens Village inside the city limits in 1930. When new roads increase the easy-to-reach radius of a city from eight miles to nine miles, that one-mile extension adds more easy-to-reach square miles than all the land within four miles of downtown! It adds 17 times as many square miles as all the land within one mile of the center.

More specifically, that one-mile extension adds enough easy-to-reach land to house nearly 200,000 more people at a density of two families per acre, or 400,000 more people at the usual tract density of four families per acre, or 2,000,000 more people at row-house density!



There is more than enough land in and around all our cities to meet all our homebuilding needs for years to come—more than enough land to let an urban population of more than 200 million get more use and enjoyment of the land than most urbanites and suburbanites get today.

If you don't believe there is still plenty of land left, just go up in an airplane and see for yourself—or take a good look at the next six pages of aerial pictures.

Unless land inflation is corrected soon, the consequences could be very serious

Many of America's biggest panics and depressions were touched off by over-speculation in land and a bust in land prices that carried hundreds of banks and other lending institutions down with it.

The panic of 1836 came with the collapse of the land boom along the new canals. The panic of 1857 came with the collapse of the land boom along the new railroads; so did the panic of 1873. And the 80% drop in land prices that started late in the Twenties played a bigger part in the bank failures of 1932 and 1933 than the 89% fall in the price of stocks from the 1929 peak.

A land bust in the Sixties could be even more serious if nothing is done quickly to check the inflation, because this land boom is blowing up to such monstrous size. Paper prices for land now total close to half a trillion dollars—nearly twice the national debt, more than six times the federal tax revenue, nearly twice today's price of all listed stocks, more than twice the resources of all our commercial banks.

If this bubble can be deflated quickly and now, little harm will be done. The speculators will lose their unearned paper profits, but that is about all.

But

If we postpone the correction until much more of the land has been sold and covered with buildings mortgaged at prices that cannot be sustained, the credit structure of the country will be deeply involved, as it was before 1932.

So it is high time everyone recognized the need of thinking out coherent land policies that will put a firm land price foundation under our prosperity. No economy can be sound and stable as long as its biggest asset is careening up and down on a \$500-billion roller coaster.

For 350 years our only land policy has been to give the public domain away free or almost free to anyone who would take it and then let him make as much money out of it as he could. This may have been all very well for a frontier nation with nearly two billion acres of wilderness to tame. But a highly industrialized and urbanized nation like America today needs a more positive policy to bring some order into the confusion our past lack of land policy is creating.

Today the misuse and overpricing of land add up to a national problem and a national danger of the utmost seriousness, but nobody is talking about it, nobody is thinking about it, nobody is worrying about it, and nobody is looking for even a short-term answer, let alone a long-term solution.

In fact, to quote the report of the HOUSE & HOME Round Table on money and inflation (H&H, Jan), nobody even seems to know the problem exists except the homebuilders it is helping to price out of the market.

Letting this land-price inflation price America's biggest industry out of the market is bad enough by itself, for a cutback in homebuilding throws more men out of work than a like cutback in autos, or steel, or oil. But . . .

The misuse and underuse of land and the evils of uncontrolled land speculation are urgent problems all over the world.

In this country the most direct and immediate dollar loser from these abuses is the housing industry, so the housing industry has the biggest stake in their correction, the biggest reason to study the problem in depth, the most to gain by promoting the adoption of sound planning and taxation policies to encourage better land use.

So the next 18 pages will give you a quick rundown on the land problem at home and abroad, reviewing the development of land policy over the years and reporting some of the solutions that are being suggested and tried today.

For so great a problem there is no one, there is no quick, there is no easy solution.

Part of the answer is better planning; part of the answer is better zoning; part of the answer (in special cases) is government acquisition; part of the answer is broader ownership; part of the answer is a complete overhaul of the tax system, local, state, and national.

No one answer will avail alone. But HOUSE & HOME agrees with the rising chorus of expert opinion that the first point of attack should be to ease the too-heavy tax burden on houses and other improvements, multiply the too-easy tax load on unimproved land, and make the unearned increment in land prices provide much more of the tax money needed to provide the highways, streets, water, sewers, and schools without which unimproved land would be neither livable nor saleable.

Land paid all the costs of government in England until fairly recent times

There was no private ownership of land in England in the days of bad King John and Magna Charta. Every acre of England belonged to the king, which was the medieval way of saying all land belonged to the public domain. It was public or "royal" property.

That's why we call it "real estate"—the old spelling of regal or royal; and that's why land can never be your "personal" property. (*Did you think it was called real because all other property is unreal or imaginary?*)

That's why in English law there is no such word as "landowner," the word is "landholder," which means a man who holds the land but does not own it. (*That's where our word "freeholder" comes from.*)

That's why we use the same word "title" to mean a title to land and a title of nobility. The king granted both titles, and usually a title to land went with a title of nobility: for example, the title Earl of Sussex carried with it title to all the land in Sussex, which the earl then parceled out on similar terms to lesser lords.

That's why the constitution of New York state still spells out clearly (Section I, Paragraph 10) that "The people of the state possess the original and ultimate property in and to all lands within the jurisdiction of the state."

In medieval times the king granted title to portions of his royal domain, but he did not grant it for nothing, nor did he grant it for keeps. He granted title in return for a big yearly rent called feudal dues—a rent so big that the revenue from land alone met all but a small part of the budget. This yearly rent was much too high to be paid in money in an economy where coin was scarce and paper currency unknown, so the rent was paid in kind. For example, the Earl of Sussex paid his rent 1) by taking on all the local costs of government, like preserving law and order in his county and maintaining the highways and 2) by assuming his full share of the national defense budget and sending so many thousand fully equipped archers, men-at-arms, and knights to fight for the king when needed, paying all their expenses in the field for up to 40 days a year. In addition, each lord paid a small amount of cash money each year to retain his lands, and made extra cash payments upon occasion. When the lord died, his oldest son had the right to succeed to the title when he came of age, but only upon making a substantial extra payment to renew the lease, so to speak. Until the heir was 21, the king took over the land and most of its income. If the lord died leaving only a daughter, the king took back the lands and granted them to someone else (usually for a sizeable consideration), but the new owner had to marry the dead lord's daughter as part of the deal. About a quarter of the land was held by the church which was expected to use its income from the land to support whatever scanty social services were then available, like almshouses, pesthouses, and a few schools. Population was sparse—less than 3,000,000 where 40,000,000 live today—so most of the land was vacant and any villager could use it for grazing. This vacant land was known as the commons, because it was for the common use of all the people. The king paid his own expenses and the expenses of his court with the income from the lands he kept for himself.

In brief, practically all the costs of

government were met by the medieval equivalent of a very heavy tax on land. This was true as late as 1600, when all the money for local government and 81.5% of the traceable money for the national budget came from land (including all the money Queen Elizabeth I got by taking back the lands of such big holders as the Duke of Norfolk and the Earl of Arundel and granting their lands—for a price—to someone else).

But all this was changed after the civil war that cost King Charles I his head and thereafter made parliament supreme. Says Dr Gilbert Slater in the report of the 1913 Land Enquiry Committee: "After 1660 power was monopolized by the big landlords." Parliament could best be described as a landholders' convention. Only great landholders sat in the House of Lords; only landholders could be elected to the House of Commons, and only landholders could vote for Members of Parliament.

So guess what!

For the next 150 years this convention of landholders voted bigger and better tax relief for land and bigger and better property rights for landholders, relieving them of all feudal dues and passing some 4,000 "enclosure acts" to let big landlords fence in as private property, almost free for nothing, the common lands that had always belonged to everybody. The Duke of Sutherland grabbed off 1,358,546 acres, the Duke of Buccleuch 459,108, the Earl of Breadalbane 438,358, the Duke of Devonshire 196,665, the Marquess of Lansdowne 142,916, etc. (This fencing-in of the commons is one reason so many Englishmen came to America seeking new lands in the 17th and 18th centuries.)

In 1600 almost all the cost of government—local and national—was paid by taxes (or ground rent, if you prefer) on land. By 1800 rural land, as land, was completely tax exempt in England. It is still tax exempt today. Only the income or rent is taxable; if there is no income or rent there is no tax; idle land and unused property pays nothing at all.

Land speculation and land taxation, are hot political issues in England again today

"The good Lord has belatedly remembered the Labor Party and given them a prize rallying cry," *TIME's* London Bureau cabled.

The president of the Royal Institute of British Architects, Sir Basil Spence, helped the good Lord give Labor the issue. He opened the Institute's convention with a blistering attack on land speculators for "making our precious land a gambling casino, cornering the limited supply of building land, and holding the community up to ransom." Said he: "The money that should be going into better architecture and higher standards is being taken by people who have contributed nothing to the building process. This speculation has grown to the dimensions of a public scandal and threatens to make good planning prohibitively expensive."

Labor Leader Hugh Gaitskell snapped up the issue the very next day, alleging "a colossal scandal" and "a shocking and outrageous rise in the cost of land for building, all for the benefit of land speculators . . . a very ugly and unwholesome situation."

"People are beginning to realize what is happening and are getting angry about it," Gaitskell continued in a later speech. "There is a powerful case for the local authorities acquiring the freeholds in the land which is to be developed. There is also much to be said for other fiscal measures, such as a tax on site values, a tax on capital gains, or the imposition of a development charge."

Next the London *Times* reported that the Tory government is at work on "plans to discourage land speculation," and Liberal MP Donald Wade made it a three-party uproar by demanding "a modified form of site-value taxation. Speculators are deliberately holding back land for development, and land is changing hands at increasing prices without any building taking place."

Land taxes were the hottest political issue in England 50 years ago, when Winston Churchill made his famous Edinburgh speech reprinted on page 126. The Liberal Party won the bitter election of 1910 on a land-tax platform, but the big landholders in the House of Lords defied the popular mandate and stalled the reform—even though the king threatened to create enough new landless peers to give land reform a majority.

Then came World War 1 and land reform was forgotten. The Liberals lost their party identity in a coalition government with the Conservatives, who were anti-land tax. After the war the Labor Party took the Liberals' place as the second big party, and Labor wanted Socialism with government ownership instead of land-tax reform with private ownership.

Australia and New Zealand are untaxing improvements to tax land values only

"Undeniably impressive" is H.H.F. Administrator Norman Mason's comment on the great tax-reform experiment in Australia, New Zealand, South Africa, and western Canada as reported by the International Research Committee on Real Estate Taxation. This 50-page printed-and-illustrated report by Research Director H. Bronson Cowan says (Harpers, \$3), among other things:

"Site-value taxation (ie, exempting improvements from taxation and taxing only the unimproved value of the land) reduces taxes on the majority of homes.

"Site-value taxation reduces taxes where improvement values are high and so benefits all well improved properties.

"Site-value taxation aids the improvement of central business areas.

"Slums and blighted areas are among the first to improve when a municipality adopts site-value taxation. The removal of taxes from improvements encourages the renovation of old buildings and the erection of new ones. The increased taxes on land values reduce speculation in slum properties. Thus new and powerful forces commence to operate with results that effect a noticeable improvement in such areas So many new buildings have sprung up among the old ones that former slum and blighted areas would scarcely be considered slums today by American and British standards. Pop-

ulation densities (in slum areas) are declining."

The report quotes the town clerk of Sydney, Australia as saying: "The removal of rates [taxes] on buildings encouraged their improvement as well as the erection of many fine new structures. Something in the nature of a transformation took place The major benefits since this tax came into force include a great expansion in residential, apartment, and industrial building"

The report also quotes the opinion of the Chamber of Commerce of Johannesburg (South Africa), where land is taxed four times as heavily as improvements, that: "this system has had a great deal to do with the development of Johannesburg into the premier city of the South African subcontinent It discourages sites being held vacant or undeveloped and encourages the owner to construct a better building."

The conclusions of the International Research Committee are summed up as follows by Lord Douglas of Barloch, chairman of the British section:

"One of the outstanding lessons of this study is that where local taxes are based on site values a constant pressure is exerted on owners of land to develop its productive capacity and, on the other hand, the development of land is not discouraged by attracting taxation on the improvements. This is so far admitted that it is sometimes said that taxation on site values will lead to overdevelopment. This is, however, a fallacy; the demand for building is not unlimited; buildings will simply be placed in those situations in which there is the greatest demand for them. In any case systems of town planning and control of land use are in operation everywhere, and the danger is not that building will not be controlled but that it will be stifled by controls."

Here is how site-value taxation spread

The state of Queensland exempted houses and other improvements from local taxation by state law in 1890; only the unimproved value of the land is taxed. In Brisbane a £500 lot pays a local tax of £47 a year, or 9.4%. In addition, there is a graduated state tax on land holdings, scaling up to an additional 3%.

The state of New South Wales followed Queensland's lead in 1906, but on a local option basis. Since then every local government but four has voted to exempt all improvements and tax only unimproved land values. As in Queensland, there is a graduated state tax on larger land holdings.

The state of Victoria followed with enabling legislation in



1920. Half the municipalities in greater Melbourne have now voted to tax only land; so have 13 scattered towns. (The pace of homebuilding in those Melbourne suburbs that tax only land is much faster than in the suburbs where homes are taxed too.)

Western Australia began letting local governments shift their whole tax burden to land in 1902, and this system is now widely used. In addition, there is a graduated state tax on land, with a 50% surcharge for absentee owners. Result: it now costs about 9% a year to hold undeveloped land.

The capital district of Canberra (corresponding to our District of Columbia) and the territory of Northern Australia both retain ownership of all land, but rent it out on 99-year leases.

South Australia gave municipalities power to adopt site-value taxation in 1893, but under severe restrictions that have hindered its general adoption.

New Zealand began exempting houses and other improvements from taxation on a local option basis in 1896. This plan has now been adopted by 75 of the 125 counties, 118 of the 146 boroughs, and 12 of the 20 independent town districts.

All cities in Natal and the Transvaal in South Africa either exempt improvements from any local taxation or at least tax land much more heavily. In Johannesburg, for example, the tax rate on land is four times the tax rate on improvements.

Unimproved land differs in three ways from any other kind of private property

1. Unimproved land is the only kind of private property that the owner did nothing to create. He just found it ready-made (or bought it from someone who found it ready-made).
2. Unimproved land is the only kind of private property whose value grows, not because of anything the owner does, but because of what thousands of other people do. Said the great Victorian economist John Stuart Mill: "Landlords grow rich in their sleep." Suburban land would command only a small fraction of today's price if the city had grown up somewhere else.
3. Unimproved land is the only kind of private property anyone can own for years without doing anything or assuming any responsibility to maintain and protect his investment (other than paying a tax which is usually small and is always deductible).

If you invest your money in a building, your investment will crumble and decay within 20 years without constant upkeep.

If you invest your money in machinery, it will be obsolete within 20 years.

If you invest your money in stocks they will soon be worthless unless the company is well managed year in and year out.

If you write a bestseller book, your copyright and its renewals cannot run longer than 56 years. If you perfect a great invention, your patent (which is not renewable) can run only 17 years. After that you have no more legal claim to your own brainchild than anyone else.

But unimproved land, which was there for a million years before the Pilgrims landed, will still be there a million years after you are dead, regardless of what you do or do not do about it.

The moral foundation for private property rests on our belief that in a free society every man owns himself and therefore is entitled to own whatever he himself creates. This foundation is very shaky indeed under the private ownership of unimproved land (unless, of course, the owner performs at least some of the essential functions of the land developer, who is surely worthy of his hire). That is why moralists and law givers from Moses to Jefferson and Lincoln have questioned any man's right to hold more land than he can use.

By definition, unimproved land is land whose owner has done nothing to earn a profit. So it is a strange paradox that our laws not only give private ownership of land all the protection they give the private ownership of other property; they go further than that to give the ownership of unimproved land the most favorable possible tax treatment and greater permanence-without-effort-than any other form of private property.

Land speculation gets a better tax break than any other kind of business activity

Ours is a tax-activated, tax-accelerated, tax-directed, tax-dominated economy. Every business decision must be checked and rechecked against its tax consequences. Tax exemption is the No. 1 reason 5¾% FHA mortgages cannot compete with 4% municipal bonds; 52% tax-deductibility is why corporations can afford 8% interest easier than homebuyers can afford 4%. Tax allowances for depreciation make apartments a tempting investment even if they lose money. And many builders, alas!, find it much more important to get a good tax adviser than to get a good architect!

Almost everything is overtaxed. Incomes are overtaxed beyond the point of diminishing return. Corporation profits are so overtaxed that small business is in big trouble and many a big business must depend on accelerated depreciation. Good homes are overtaxed. Homebuilding is overtaxed; nearly 600 hidden taxes inflate construction costs, and some tax experts say all these taxes add up to one-third the cost of building!

But land as land is hardly taxed at all (see page 138).

Under our tax system, said FORTUNE ten years ago, it is no longer possible for anyone to get rich by hard work. The income tax has killed that great American dream that brought millions of eager workers to our shores and inspired the conquest of a continent. The harder a man works today the more of his earnings the Government takes. From the hardest and smartest workers the Government takes up to 91% of what they earn.

But our tax system—local, state, and national—gives land speculation so many special breaks that land speculation has been by far the easiest way to get rich.* So since World War 2 land speculation has made more millionaires than any other form of business or investment.

Said the first Marshall Field, who made most of his \$100 million fortune in land speculation: "Land is not just a good way to make money; it is not just the best way to make money; it is the only way to make money." If that was true before today's big taxes on ordinary income, it is twice as true today.

Today's taxes harness the profit motive ^(backwards) backwards; they abet speculation, but penalize development

Today's taxes often make it more profitable to misuse and underuse land than to develop it and use it properly.

They penalize land development, land improvement, and homebuilding by 1) multiplying the local taxes the owner must pay as soon as new houses are built on his land or existing buildings are improved, and by 2) taxing away most of the profit from land development and homebuilding at ordinary income tax rates.

But they subsidize land speculation by 1) undertaxing the land as long as it is left idle or underused, and 2) taxing the profits of land speculation less than half as heavily as the profits of land development and homebuilding are taxed.

"The only cure for land speculation is to eliminate the extraordinarily favorable tax treatment now accorded the land speculator," says Professor John Henry Denton, in charge of real estate studies at the University of Arizona. "No justification for this can be found in economic theory. Unlike speculation in commodity futures or common stocks, land speculation does not support a market or provide a stimulus to production. In fact, it has just the opposite effect. It destroys the marketability of large areas of land by pricing them out of the reach of immediate users. It deprives our communities of many facilities needed for good living (such as parks and playgrounds) by driving the price of land beyond what communities can afford. It limits competition by holding a large part of the land supply off the current market. It channels capital funds away from productive investment into sterile adventures and may be responsible for the present day dearth of private risk capital.

"But our tax system grants this nonproductive and destructive activity the most favorable tax treatment of all.

"There is no way to outlaw land speculation in a free economy, but . . . the principle of public intervention to raise the yields on desirable uses of capital and lower them on undesirable uses is well established by our countless subsidies and tax preferences. The capital gains tax is in itself one of those preferences, but its application to the profits and recouped expenses of buying and selling vacant land is clearly in support of a most undesirable economic activity. Preferential taxation should be reserved for activities that aid the growth and development of a free enterprise system and not for those that are destructive of it."

Says Professor Fisher: "The plain fact is that our present system of real estate taxation, like the whole system of local government finance of which it is the chief part, is obsolete, inadequate, and unsuited to present-day political, social, and economic conditions.

"The need to re-examine and overhaul this whole complex is urgent and imperative, not only for the sake of real estate and housing, but also and a fortiori to save our local governments from bankruptcy—if possible."

Here is how our tax system aids and abets land speculation and suburban sprawl

Underassessment makes it cheap and easy for speculators to hold underused land for years.

Farms and acreage were assessed at only 20.2% of market value in 1957, the census of governments showed. They were assessed further below the market than any other real estate. (Vacant lots were assessed at 22.7%; non-farm homes at 31.5%; business properties at 40.8%.)

Underassessment must be even worse today than in 1957, for assessments have lagged far behind soaring suburban land prices. In New York's booming Westchester County, for example, assessments rose only 10% while land prices doubled and tripled.

Here are some not-too-untypical examples of underassessment:

Outside Salt Lake, NAHB Past President Alan Brockbank bid \$7,000 an acre for a farm assessed at \$300 an acre.

Westhampton, Long Island (and many other New York State villages), tries to assess land at 10% of market value as long as it is idle. (If a house is built on the land, the land assessment is tripled, in addition to the house assessment.)

In Contra Costa County, Calif., a farmer sold three one-acre lots for \$10,000 each while he was litigating an assessment increase to \$350 an acre!

In San Francisco, a lot on Telegraph Hill assessed at \$3,800 sold last November for \$60,000.

In Truro (and other Massachusetts towns) a big percentage of the land is not even registered. Nobody knows who owns it, so it cannot be assessed or taxed at all.

Land speculation profits are taxed not more than half as heavily as ordinary income, with a maximum rate of 25%; ie, they are taxed as capital gains instead of as ordinary income.

Said Professor Gaffney in the 1958 Year Book of the US Department of Agriculture: "To qualify for capital gains treatment, the speculator must establish that he is not 'in the real-estate business,' but is a passive 'investor,' neither improving land for sale nor soliciting buyers. Or he may establish that he is 'using the land in his trade or business' (other than real estate).

"Should he lose on one sale he can offset the loss against other capital gains. Better yet, if he establishes that he is using the land in his trade or business, he can offset losses against ordinary income, even though any gains would not be taxed as such.

"Still better, if it is his residence that he sells, and he puts the proceeds into a new residence within the year, the entire gain is tax free—and with a little effort a commuter may learn to 'reside' over a considerable investment.

"Best of all, one who buys land years ahead of his own needs never pays a tax on the rise of value so long as he does not sell—something

many large corporations, with huge reserves 'for expansion,' have little expectation of doing. Wilbur Steger, writing in the National Tax Journal for September 1957, estimates that 90% of all capital gains were thus left tax free from 1901 to 1949.

"The result of all this is a virtual scorched-earth policy for many lands around cities. Why risk any improvement or overt sales effort that might land you 'in the real-estate business' and thus disqualify your increments from 'capital gains' treatment?"

Most states forbid local governments to tax land more heavily than they tax improvements.

Exception is Pennsylvania, whose graded property-tax law lets second- and third-class cities levy all their realty taxes on land if they prefer, provided they do not try to get more money from land taxes alone than the tax limit set for land and improvements combined. No third-class city has yet availed itself of this chance, but Pittsburgh and Scranton, the two second-class cities, have taxed land twice as heavily as improvements for more than forty years and seem pleased with the results. Said Pittsburgh's Mayor David Lawrence (now Governor Lawrence): "There is no doubt in my mind that the graded tax law has been a good thing for Pittsburgh. It has discouraged the holding of vacant land for speculation and provides an incentive for building improvements."

Land carries a much smaller share of the realty tax load and a very much smaller share of the total tax load than ever before.

Fifty years ago land carried two-thirds of the realty tax load; homes and other improvements carried only one-third. Today the proportions are almost exactly reversed. Improvements carry two-thirds of the realty tax load; land carries only one-third.

Fifty years ago land carried nearly half the total tax load—state, national, and local. That was before the income tax, the inheritance tax, the corporation tax, the gasoline tax, the taxi-ride tax, and most of the other nuisance taxes were piled on. Today land—which is one-third of our total national wealth—carries less than 5% of the total tax load.

Even the small tax carried by land is fully deductible from state and federal income taxes (and from state and federal corporation taxes). So a land speculator can offset his land taxes against his ordinary income. This is another way of saying a rich land speculator in the 75% bracket can deduct 75% of his land tax from his income tax, thereby making the federal government reimburse him for 75% of his tax. Says Professor Denton (*see page 000*): "One of the simplest tax law changes that should be made immediately would require that interest and taxes on vacant real estate should be capitalized and should not be deductible from the taxpayer's ordinary income. This would recognize the obvious economic fact that the expense of carrying a nonproductive investment over a period of years are, in fact, part of the investment itself."

Cities subsidize slums by undertaxation, penalize improvements by overtaxation

Most cities are generating new slums faster than they can salvage and rebuild their old slums. Urban decay and blight are spreading into new areas faster than all the billions we are spending for urban redevelopment and public housing can salvage existing slums.

This is bound to happen as long as our urban tax system subsidizes slums by undertaxation and discourages improvements by overtaxation. Overuse of land is easy to stop by zoning, but in a free enterprise economy like ours the only way to stop underuse is to put the profit motive to work and make it more profitable to improve a property than to let it decay.

Says Housing Administrator Norman Mason: "There is a close relationship between our prevailing real estate tax system and our problems of slums, blight, and urban renewal. This question of taxes—tax advantages and tax disadvantages—is inextricably intertwined with the problem of community development." And Mason goes on to quote Professor Frederick G. Reuss of Goucher College that: "By overtaxing good housing we first take away much of the incentive to keep values up; but once an area is blighted we reassess it at a low value and thus pay a premium for poor upkeep."

More than 50 years ago Lloyd George warned the British Parliament that low-rent (public) housing bills "will never be effective until you tackle the taxation of land values." And about the same time Theodore Roosevelt said: "The burden of municipal taxation should be so shifted as to put the weight of taxation upon the unearned rise in the land value, rather than upon the improvements."

Heavy taxation on good new city apartments is one of the two biggest reasons for not building them today (the other reason is too-high land prices). Says the ACTION report on rental housing: "Among the costs which determine rent, real estate taxes are among the most important." In FHA apartments around New York City local taxes take four times as big a bite out of each rent dollar as the landlord's profit.

But low taxation on run-down old buildings and slums is one of the biggest reasons why blight is spreading. Said the HOUSE & HOME Round Table on money and inflation:

"Heavier land taxes would make slumlords improve their property to get enough added income to pay their added taxes."

Echoed the HOUSE & HOME-ACTION-Pittsburgh Round Table:

"One big reason slums are so profitable and slum land prices are so high is that slumlords pay such small taxes per unit. They pay such small taxes because their buildings are so nearly worthless that they carry a very low appraisal; the worse the building the lower the appraisal and the smaller the tax. The average slum unit in Pittsburgh is taxed only \$50 a year—less than one-sixth of what the city has to spend for police, fire, schools, health, and other services in the slum areas (where the cost of municipal services always runs higher per capita than in better neighborhoods).

"Don't buy slum property for redevelopment without deflating its bootleg value—even though the federal government stands ready to subsidize a big write-down.

"There is no more excuse for asking federal taxpayers to buy up slums at prices based on the outrageous profits of overcrowding, undermaintenance, filth, and misery than for asking them to buy up a red-light district at a price reflecting the profits of prostitution. "If you increase the tax load on land and lighten the tax load on improvements, you could, at one stroke,

"1. Help deflate the bootleg value of slum property by making the slumlords pay more taxes and so make less profits;

"2. Help harness the profit motive to slum improvement, for you would, in effect, be giving partial tax exemption to any money spent modernizing or rebuilding the slums."

New York City subsidizes its worst slums by assessing the valuable land under fit-only-for-demolition buildings at almost exactly the same land-to-buildings ratio as the Manhattan average (37% land in twelve redevelopment areas, vs 40.6% average).

Says the Tax Policy Committee of the Citizens' Housing and Planning Council of New York Inc: "Any long range program for increasing and improving housing should have as one of its primary objectives the reduction of land costs. . . . The idea of exempting all improvements from taxation has much to commend it." And the Panuch report on *Building a Better New York* sums it all up in three sentences:

"The seemingly unstoppable spread of slums has confronted the great cities of nation with chronic financial crisis. . . . The \$2 billion public housing program has not made any appreciable dent in the number of slum dwellings. . . . No amount of code enforcement . . . will be able to keep pace with slum formation until and unless the profit is taken out of slums by taxation."

Speculators are subsidized by our system of public improvements for private profit

Suburban land would have little value if someone did not spend millions of dollars to build roads and highways and make it accessible, water and sewer lines to make it habitable, and schools and other community facilities to make it livable.

These essential improvements cost so much money that land speculation would be much less profitable and much less attractive if the speculators had to pay for them. The big profit in land speculation comes when the speculator can take the gains and get the bill paid by someone else—other tax payers and/or future owners.

In 1937 the National Resources Committee urged a study of the increment tax on real estate, "to see whether such a tax would make possible the financing of public improvements more nearly through tax revenue derived from the increased values which these improvements create, and whether such a tax would aid in combating speculation in land. Or the same result could be achieved by a vigorous system of betterment assessments coupled with detriment payments to landowners whose property was depreciated by the improvement (such as farmers whose farm is cut in two halves by a freeway). The Erie Canal, which multiplied land values in upstate New York was financed by a special tax on the land that benefited.

Most obvious example of public improvements that rebound to the land speculators' private profit is the new network of thruways and federal highways. Land values near interchanges along their routes have soared, but their entire cost has been paid by tolls and/or increased gasoline taxes; the landowners who got the windfall pay not a penny. On the contrary, many of them were directly enriched by selling their land for the right of way for far more than it could otherwise have brought.

Less obvious but equally important is the way acreage sellers escape paying more than a small part of the cost of building the new schools without which their acreage would not be worth much for homes. Most of the money for these schools is raised by taxes on houses, for under our local tax system the taxes on houses add up to many times as much as the taxes on raw land. So the owners of existing homes, who get little or no benefit from new houses on the edge of town, pay most of the taxes to provide the schools and other community facilities needed to make the speculators' land salable at a big profit!

Most of the homebuilders' community facilities problems would be eased if raw land were taxed more heavily, so that more of the cost of improved facilities would be paid by the landowners whose land prices are multiplied by the improvements.

"The only way land price inflation can be prevented is to tax land more heavily"

So said the consensus of the topflight economists, mortgage lenders, realtors, homebuilders, and manufacturers at the HOUSE & HOME Round Table on tight money and inflation (H&H, Jan). And they went on to say:

"A substantial part of the local tax burden now carried by improvements (like houses) should be shifted to the land itself.

"Taxes are the only important costs a land speculator must pay, so taxes are the only brake on the price of land, which reflects the capitalized margin between the rent the land can be expected to earn and the tax burden it can expect to carry. The bigger the land tax the smaller this margin will be and the less chance of big profits in land speculation. [In much of Australia and New Zealand improvements are not taxed at all; almost the whole cost of the local government is paid by taxes on land alone. *See page 132*]

"Taxing land more heavily would make the unearned increment in suburban land values pay the cost of schools and other community improvements needed to convert raw land into housing.

"Taxing land more heavily would let homebuilders offer better homes for less money.

"Taxing land more heavily would reduce the taxes on good homes by increasing the taxes on vacant and underused land.

"And incidentally taxing land more heavily would cut the cost of highway extension by cutting the land costs for the right of way.

"The steepest price inflation of all has been the price inflation in land, but . . . We have no land policy designed to bring the land needed for our population growth on the market when it is needed. On the contrary, we make it easy [by undertaxation] for land speculators to hold their land off the market in anticipation of still higher prices later."

Twenty-three years ago the report of the National Resources Committee pointed out that taxes on improvements discourage building by reducing the profits the building can earn, whereas taxes on land stimulate building by decreasing the price the builder has to pay for the land he builds on. Its report continued:

"State and local authorities should consider reducing the tax rate on buildings and increasing the rates on land, in order to lower the tax burden on homeowners and stimulate the rehabilitation of blighted areas and slums."

The best of our land planning is now very good indeed

The year 1960 may well mark a turning point in American land planning.

Until now, when visiting Europeans asked to see our best planned towns, they were taken to three communities inspired by famous planners Clarence Stein and Henry Wright: Radburn, N. J., Chatham Village in Pittsburgh, and Baldwin Hills in Los Angeles. All are at least 20 years old and, according to most critics of US homebuilding, nothing newer has been worth seeing.

But right now, and for the first time since these great experiments of the 1920s and 1930s, dozens of new towns and subdivisions are being built that not only use the principles taught by Stein and Wright, but are designed to solve new problems in land use that did not exist 30 years ago.

Communities like Laguna Niguel near Los Angeles, Greenhaven in Sacramento, Holly Hills in Portland, and University City in San Diego are being built with the open green parks, varied types of housing, and visual privacy that make Radburn a fine place to live even today. These 1960 new towns are being built with fresh street patterns that preserve the character of the land, break big neighborhoods into small neighborhoods, keep the auto in its place, and provide safety for children.

What is the reason for this sharp increase in the number of well planned communities being built? The reason is simple:

The advanced towns of 30 years ago were built only because there were a few far-seeing men who were willing

to back them financially to set a good example for American housing.

But the best of today's communities are being built to high standards of land use because builders and land developers have recognized that, with good planning, they can *manufacture* the prime requirement for success in today's competitive market—a good location.

Moreover, builders and developers are commissioning planners because they have learned that good land planning — far from requiring unrealistic development costs—can save money on earthmoving and street paving and utilities at the same time it produces a better looking and more salable community. And builders and developers are commissioning planners to help them create value that will last. Says Banker Clinton Loucks of Syracuse: "The better the land plan, the better the chance a builder has to get mortgage money. . . . The better the plan, the better the long-term value."

Today's new communities are better because they provide varied housing for a cross-section of the population.

Up to now, many experts feel, we have been building too many houses for the much-publicized "average family" and not enough housing for the hundreds of combinations of richer or poorer, younger or older, whose requirements are not "average."

AIA President Phil Will has said: "Today, all pressures seem to force builders into putting up whole com-

munities of the same kind of single-family, detached houses . . . This is patently silly for 90% of our population . . . I don't care how you curve the streets, when you've got 500 houses in a subdivision . . . with uniform down payments, you know you are going to attract only a certain kind of buyer" (H&H, June).

Recently, a committee of housing specialists, appointed by the Royal Architectural Institute of Canada, traveled throughout their country trying to find out what was good and bad about Canadian housing. Their findings probably would not have been far different had they been studying US housing. And their report ("The Design of the Residential Environment") points out that "No repetitive pattern of housing development can be expected to meet even a good part of the residents' proper choices through the years . . . To correspond with the variety of households, there must be a wide range of dwelling types." The committee found (as has been discovered elsewhere) that only one-third of all families are "typical"—ie, parents with dependent children living at home.

Obviously, in the design of a well balanced community, there must be a preponderance of one-family houses. But there should also be some row houses, some patio town houses, some garden apartments, and (when they make sense) some high-rise apartments. All of the best new communities include this better balance of housing. These new communities are evidence that row housing can be handsome and can blend in with

single-family houses, and that when row-houses are renamed "patio town houses" they sell well. (Many builders have resisted row housing because they have assumed it must look like the worst housing in our older cities.)

Today's new communities are better because they provide green space for all the residents to look at and to use.

"The climax of a neighborhood," says the Canadian report, "is well planned open space." Radburn, Chatham Village, and Baldwin Hills are fine places to live today because of their open, park-like environment.

Despite today's high land costs, builders are dedicating green belt parks and recreation areas to municipalities. Open areas are provided to give the uncrowded feeling that neighborhoods 50 years ago achieved from vacant lots and the custom many families had of buying "the lot next door." Builders are finding new ways to finance recreation facilities, and new ways to work with cities, counties, and states in setting up quasi-public recreation districts.

These open green spaces are all the more pleasant and usable because, in the best planned communities, the land planning keeps the auto in its place. Says the Canadian report: "We do not intermingle picnic parks with rifle ranges; but that could hardly be more lethal than to tangle city ways for wheels with those for feet. [We must] deal more efficiently with the car and more graciously with space for living."

Many critics who have made invidious comparisons between European and US land planning have failed to realize that even the best European land plans cannot be applied in the US because of the automobile. Any land plan for the US must take into account the dominance of the auto in the American way of life. The best new land plans do this: but they also, with carefully planned street layouts and house siting, isolate the auto from the green space and from the paths children use on their way to school.

Today's communities are better because they overcome the public's greatest criticism of housing—monotony.

When AIA's Phil Will refers to the "slums" we are creating, he is speaking of "monotonous sameness . . . which imposes its own pattern and rigidly dictates a way of life for the inhabitants."

When the Canadian research team reports that "many buyers have misgivings about the character of their housing," they mean that people find their housing monotonous. Says the report: "The intensity of dismay is evident in statements made on behalf of hundreds of housewives." The report quoted from several of the groups interviewed.

Said the National Council of Women: "Monotonous, boring, dull, rubber-stamp similarity are some of the terms used to describe developments where the same (or very nearly identical) house is repeated over and over . . ."

Said the Victoria Council of Women:

"To create the best and most useful environment, greater attention should be given to scientific and aesthetic planning . . . There [need] not have been the development in some areas of monotonous rows of similar houses."

Said the University Women's Club of Ottawa: "These places [built in 1954] looked like slums almost before they were occupied . . . ugly, unimaginative, the same plan used for every exposure . . ."

Today's best new communities are not monotonous because instead of being rows of look-alike houses on look-alike streets, they fit Phil Will's definition of a well balanced community (H&H, June):

"It must begin with an overall concept. It must provide for a wide range of income levels. It must provide for a wide variety of human interests and ways of life. So it needs a variety of housing types—single-family, multi-family, town and court-type houses—mixed together in a thoughtful pattern. It needs all the amenities like parks, stores, squares with fountains, playgrounds, courts, and plazas. And it must take its plan, its form, its being from basic human facts—the root of all good design."

On the following pages you will find 13 rules for good land planning; rules based on the best new work of some of the country's best land planners; rules that will help you make better use of land, help you create communities that will be better places for family living for many years to come.

1. Site each house to save the best trees

That is a good beginning in planning of any piece of land, small or large.

Nothing beautifies a neighborhood more than trees, which is why people buy wooded lots first and cheerfully pay more for them. Nothing has made more people angry at more builders than avoidable destruction of trees.

"More trees have been destroyed in recent years by building operations than killed by disease," says NAHB's *Home Builders Manual for Land Development*. Many fine trees are destroyed by builders who think it is cheaper to build on completely cleared land—which is seldom true (see p 155). Many fine trees are destroyed by careless bulldozer operators in the course of clearing brush and excavating. To save trees, careful developers send an architect or landscape architect to the site to help stake out the house, mark trees to be taken out and/or saved.

2. Vary your setbacks for better looking streets

The greatest sales asset of the huge Sterling Forest community is its rolling, heavily wooded, unspoiled land (lower photo, opposite). To help preserve this natural beauty, each house is sited by the architect or land planner—not just to provide variations along streetscapes

by varying setbacks; but to screen houses from street, to give each house maximum privacy and best view, to save trees, and to require a minimum of bulldozing or blasting. Large lots (averaging over 100'x150') make this siting easier.

Robert Dowling, president of City Investing Co, which owns the land, hopes to make Sterling Forest "the country's best planned community." To attract visitors, he built 125 acres of landscaped gardens and a music center, plans other cultural features.

3. Put all your wiring underground

The worst eyesore in most flat, treeless subdivisions is a string of tall power poles draped with wires.

So in areas where it is economically practical (eg, in areas where soil conditions do not make trenching costs

prohibitive) the best new land plans call for underground wiring.

Getting your wiring underground is a matter of convincing the utility that it should be done. In some areas like Chicago the utility makes no charge to

the builder if the houses meet requirements of siting and equipment (H&H, Apr). Other utilities say they charge anywhere from a moderate \$200 (in an area of sandy farm land) to a prohibitive \$900 per house.

4. Let your plan follow the nature of the land

In developing land, it is always better—as well as cheaper—to work with nature, not against it.

That rule has been followed carefully in the development of 2,200-acre Marin Bay subdivision, 15 miles north of San Francisco (see photos). The contours determined the master plan: streets run parallel with and along the tops of ridges and the bottoms of valleys. The ridge tops are graded to create level, usable plateau areas without hillside scarring. Sidehill contour streets are kept to a minimum, con-

finied if possible to non-wooded areas so that later the planted slopes will blend with the hillsides. Streets are sited to create views over the water or over natural lakes, wooded areas, or a golf course. Developer: Latipac-Perini Co.

5. Divide a big plan into smaller neighborhoods

In his first Levittown on Long Island, Builder Bill Levitt learned that people do not want to live in a big, sprawling town: they prefer to be identified with a smaller, more intimate neighborhood.

So, in his next two Levittowns (in New Jersey and Pennsylvania) he divided the total development into groups of 800 to 1,200 houses separated by major collector streets (shown at left). Each neighborhood has its own name, and each has a centrally located school and swimming pool (see plan, left).

Levitt builds and gives to the town grade and high schools and pools; donates land for churches.

6. Dedicate some open space for common use

The subdivision shown in photo and plan refutes the common notion that a developer cannot afford to give away valuable land for green-belt parks.

Bayberry subdivision in Syracuse,

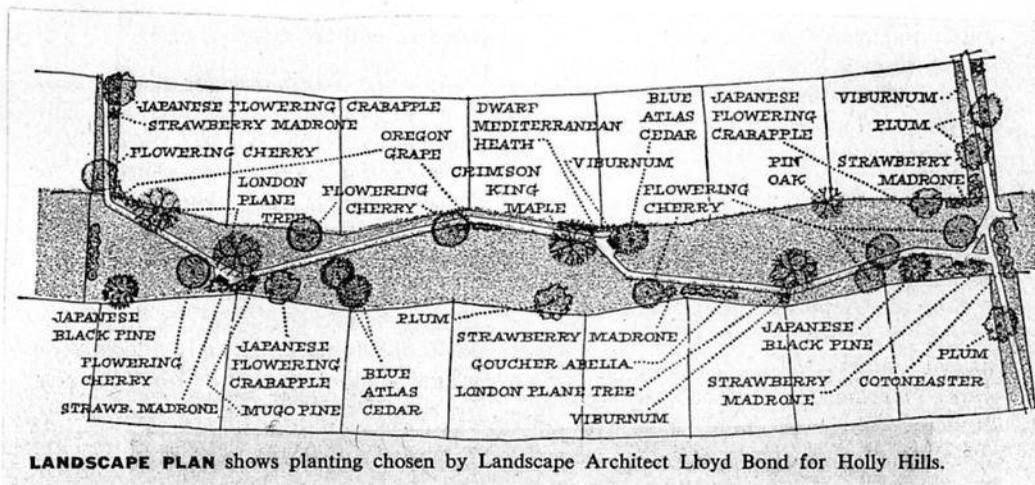
laid out by famous planners Mayer, Whittlesey & Glass for Builders Howard Berman and Joseph Prisant, has proved so popular that sales are running far ahead of construction of the

\$18,000 to \$23,000 houses. Says S&L official Ben Glowacki: "Open land like this makes a community desirable from both the buyer's and lender's points of view. We like it very much."

7. Beautify your open space with landscaping

Almost any open space can be made more beautiful and more usable if it is skillfully planted according to a well thought-out plan.

In the new Holly Hills subdivision, Portland, Ore. (see rendering *p 164*), the green belts were once just cleared farm land. The landscape architect used native trees and shrubs which he selected to be attractive and to be hardy enough so that children or dogs could not easily destroy them. These green belts have automatic sprinklers, photo-electrically controlled lights, underground wiring.



8. Make a long term plan for recreation areas

Particularly in larger subdivisions, some parks and recreation facilities need not be developed for several years. But these facilities should be planned, and a system set up for financing them, at the early stages of development.

Here is a three-step program used by Perl-Mack Construction Co in developing recreation areas in its 1,800-acre Northglenn subdivision in Denver.

Step 1: A detailed plan of all recreation facilities and equipment was drawn up by Perl-Mack's land planners (Harman, O'Donnell & Henninger). Their proposal included a schedule of dates by which each new

section of recreation land would be needed, and the costs of each.

Step 2: To finance the plan, a recreation district was set up, with authority to issue bonds. Northglenn Metropolitan Recreation District, a quasi-municipal corporation, owns the recreation land and facilities, has taxing power of up to four mils yearly. Last spring the District asked Northglenn homeowners to approve a \$150,000 bond issue, only \$25,000 of which would be issued in 1960 (to pay for a swimming pool).

Step 3: Owners were sold on the

overall plan. Northglenn homeowners approved the \$150,000 bond issue three-to-one. The vote was so favorable, Perl-Mack feels, only because homeowners had been sold on the bond issue by a monthly newspaper which explained the recreation plan, its advantages, and the financing system.

The success of this plan shows the importance of commissioning an experienced land planner. Perl-Mack's planners conceived the plan and wrote the 30-page recreation study, worked out the details of the financing, and worked closely with the builders on every phase of the operation.

9. Put the automobile in its place

Separation of cars and people is a mark of today's good land planning.

This problem which is most acute in the US because of the role of the auto in American family life, is difficult to solve. But it has been solved in the plan shown in model form above and again in plan at right (this plan won second prize out of 4,000 entries in the Mastic Tile land-planning competition).

In this cluster plan, family life turns away from the streets (shown as dotted lines on plan at right) and inwards to the large, "Radburn-type" green park in the center of each cluster. Garages provide a barrier between side-yard gardens and street traffic.



PLAN shows layout of streets (dotted lines), and how park spaces interconnect.

10. Don't settle for old-fashioned street plans

These three plans show some of the fresh ideas that planners are developing to create better family living. Conventional curvilinear street patterns are being modified into patterns like these, as well as other new layouts like long and short cul-de-sacs and loops (see plan opposite), and micro-neighborhoods (see p 164).

The round-lot plan above, perhaps the most unorthodox of any, is an

imaginative way to site houses with minimum disturbance to the land. It was conceived for Castle Pines, a 900-acre site with fine trees and a striking view of the Rockies. When the planners tentatively laid out conventional curvilinear streets, it was clear to them that this layout would destroy much of the character of this site. An interior park with perimeter lots was next studied and discarded. Since the de-

velopers wanted bridle trails and other common park land, the planners suggested that all land should be placed in a state park and recreation district, with a fire and water district to provide a mil levy to pay for upkeep. The state accepted the idea. Then Planner Bob O'Donnell worked out clusters of 17,000 sq ft circular lots and 20' approach streets, all located to leave a maximum of land untouched.

11. Plan so children can walk to school safely

One of the biggest assets of a well-planned green-belt community is its safe pedestrian paths between houses, schools and other community facilities.

The plan above shows how the park areas in Greenhaven are all linked by

underpasses or pedestrian bridges so children need never cross a street.

Because Sacramento is renowned for its parks and encourages builders to include them in their plans, Greenhaven's developers were able to get

the city to accept dedication and continuous maintenance of the open space in this development. The cost of land used in this way, say the developers, "is recouped by simplification of street design, engineering, and improvements."

12. Use several types of housing to avoid monotony

When you do, you also avoid the commonest criticism of US housing: too many subdivisions have only single-family houses, appeal to a single age and economic group.

The subdivision plan above is designed to include four different kinds of housing. It won the grand prize in Mastic Tile's land-planning competition, and the jury—headed by MIT Dean Pietro Belluschi—points out that the plan provides for "... a community of varied texture in which many tastes

and modes of living can be happily achieved. It solves the problem of internal traffic while maintaining peace and serenity for the grouped houses."

Designed for a 160-acre tract, this plan has 614 units—3.83 per acre. Sixty-eight percent of the units are one-family houses, 32% row houses. The planners also developed a typical grid-iron plan for comparative purposes, computed that the plan above would produce a builder's profit of \$1,020,000 (vs \$903,000 for the grid plan) and

a return of 160% (vs 141%) on land-cost investment. The main reasons for this bigger profit: the micro-neighborhood plan has more housing units (614 vs 544) and fewer streets (25 acres vs 37.5 acres). This plan has 32 acres of parks (vs none in the grid development) but single-family house lots are smaller (65'x120' vs 75'x120').

FOUR HOUSE TYPES (right) are suggested for use in land plan above. Row houses and apartments will give variety to the subdivision, which is mostly single-family houses.

13. Tie your plan in with a master plan

This rule is responsible for one of the best planned new towns in the country.

The "new town" is the result of close cooperation between a team of land developers and a city planning department. The city is San Diego and the developers are Irvin Kahn, Carlos Tavares and Norman Smith (who are also homebuilders). The new town is University City, to be the home of a new branch of the University of California. In another ten years the new community, with the university as a hub, may have a population of 100,000.

Its first 22 model houses, built by the developers (though other builders have already bought lots) will be open next month when the first few hun-

dred students will also start classes. Some 2,000 students are expected in five years and eventually there may be 25,000 students and a staff of 8,600 on the 1,100 acre campus (shown in plan opposite).

University City will be more than a college town. It will be a balanced

community of research labs (General Atomics, with a \$10,000,000 campus-like establishment, is already located in the area), light industrial plants, hospitals, churches, schools, theatres, hotels, and a wide variety of shops and service facilities. In addition to single-family houses, the developers will also build garden and high-rise apartments like those shown in sketches above.

This variety of housing is intended to attract a cross-section of population.

When the city and the university began talking about a San Diego campus four years ago on city-owned land ten miles north of downtown, they soon got together with the Kahn-Tavares-Smith group which owned some 4,500 acres of adjoining land. All three groups worked closely together, but the master plan opposite is largely the work of the San Diego planning department. Approved by the City Council, it will be carried out as shown here.