

## Professorial Endorsement

**R**ATING of site values and income tax on property were discussed by Professor Philip H. White, of the University of British Columbia, when he addressed the annual conference of the Royal Institution of Chartered Surveyors at Leicester. According to the *Municipal Journal*, July 14, he said that if occupation rather than ownership were taxed and the basis of assessment was annual value attributable to existing use only, there was little chance of taxes exceeding current revenue; and owners could always avoid payment by leaving property vacant. In such cases redevelopment assumed no urgency. But if the basis of assessment were site value, taking into account potential as well as existing use, and the legal liability were placed on the owner rather than the occupier, then the situation would be reversed. As site values increased with improving prospects of redevelopment, then taxes would increase with a diminution in the net returns from current existing use. In this situation there would be a positive financial incentive to end existing use as soon as possible.

## Crossing Swords With A Valuer

**F**OUR articles on land value rating have appeared in recent issues of the Rating and Valuation Association's journal — two contributed by Mr. V. H. Blundell, and two by critics. One of these, Mr. T. G. Young, A.R.V.A., has practical first hand experience of the system under review for he is town valuer of Umtali, Southern Rhodesia. Part of Mr. Blundell's subsequently published comments were as follows: "Mr. Young has my sincere sympathy for having to perform the 'impossible' task of apportioning land and improvements. If I were a valuer in Southern Rhodesia I, too, would strenuously object to the system of rating sites and properties separately, but the answer to that particular headache is to cut out the valuing of buildings and improvements and simply to confine the valuation and rating to the sites alone.

"In asserting that site value rating was designed for developing practically virgin land, Mr. Young is completely wrong and, as a consequence, his subsequent arguments have no point. When the sceptic challenges the practicability of the rating of site values, one is entitled to point to the evidence of other countries. The rating of site values is not designed exclusively for industrial, undeveloped, or predominantly agricultural countries (supposing such classifications could be so rigidly applied): it is a system based on principles of moral justice and

economic common sense, which has universal application and universal merits. So far as this system is concerned, the economic development of a country is as irrelevant as its climate. Nor, for that matter, is it the object of site value rating to force the 'right' type of development in any given location. What is the right type of development anyway? Surely what Mr. Young is objecting to here is not the system of rating but the system of *town planning*. Whether planners are competent to decide on what use should be made of land, whether their decisions prove to be good or bad, whether they cause hardship, or whether they should be making such decisions at all, is beside the point. I can see nothing wrong in shopping areas, residential areas and office areas being 'mixed up'. Under site value rating the normal processes of supply and demand would decide the best use of land: no one would be forced to go anywhere, but each land user would be obliged to pay according to the value of the site he occupied irrespective of the use to which it was put."

In the same issue was a letter from Mr. W. E. Fox, a Fellow of the Rating and Valuation Association and Member of the United Committee also dealing with Mr. Young's article.

## Building Society Movement Alerted

**T**HE *Building Societies Gazette* last month contained two letters advocating the taxation of land values as the means of bringing down house prices. Both were from Mr. V. H. Blundell, United Committee secretary and were prompted by the widely noticed article which Mr. W. A. Greene, Chairman of the Waltham Abbey Building Society had contributed to the June issue. One appeared in the correspondence columns; the other was quoted in full by Mr. Greene, to whom it had been addressed, in a further article. The latter went on to quote from the August 1960 *House & Home* supplement which Mr. Blundell had sent him and which he had read with much interest and, apparently, much approval to judge from his concluding paragraphs as follows:—

"The correspondence columns of the *Gazette* are available for readers to ventilate their views on a theme that is deserving of serious thought. Land — the oldest asset in the world — is front page news today here and elsewhere. According to the special supplement of *House & Home* previously referred to 'This is our land — millions of miles of it — but the home-builders vote 4 to 1 that land is the most critical problem.' If that is true of America, that vast country, it is true even more so of this tightly packed island home of ours.

"This is a problem, the solution of which, I believe, in part lies within the competence of the building society movement, whose every-day activities have to do with land and what is built on it. We are not