



The Build-up of Land Values

A NEW tube line or electrification scheme has never yet failed to boost property prices pretty dramatically along the route," says the *London Property Letter* in their October issue. From this observation, the *Property Letter* propounds the "pseudo-scientific law" that "rapid transit equals rapid house-price increases." This is true, with the qualification that since bricks and mortar deteriorate, it is site or land prices which rise—and we would hardly call the law a "pseudo" one.

The *Property Letter* goes on to give the interesting example that the new Victoria Line is reputed to have added £34 million to property values along one stretch from Highbury Corner north-east to Walthamstow.

The same thing is now happening along the Victoria line's extension south of the river, in Stockwell and Vauxhall (forecast by the *Property Letter* some months ago).

Now comes the news that Environmental Minister, Mr. Peter Walker, plans to spend £52 million on two new transport schemes in and around London—an extension of the underground line to be known as The Fleet Line, and the electrification of British Rail's Eastern Region Suburban services out of Kings Cross. This will affect Welwyn Garden City, Hitchin, Baldock and Royston. The property-value implications of these projects are dealt with in the article.

Along the north-west part of the Fleet Line, property values in West Hampstead are likely to be enhanced. An added attraction is that this area has been declared a council improvement area which means that "the Council will be able to spend money on improving the amenities of the area as well

as encouraging owners and landlords to improve their properties . . . which in turn should mean that property prices will surge ahead." Other areas also have favourable mention.

There is no certainty that the Southern extension of the Fleet Line will get the go-ahead but if it does it cannot fail to have an effect upon Lewisham and New Cross.

This is all good advice for property investors and speculators and with the law as it is, who can blame them? However, when political consideration has been given to the expenditure of public money in this fashion with its bonus for land owners, the best that politicians have been able to come up with has been a development charge. In fact Mr. Willey, when he launched the Land Commission Act, said at a press conference that some of the increased land values then taking place along the new Victoria Line would be collected for the public benefit by the development charge. How well this failed is history.

However, the destination of increases in land values is not a question that should be dealt with in isolation for it is part of the larger problem—that of our whole system of land tenure. If we take care of the whole, the parts will look after themselves.

"Soaring Land Values" in Foulness

The not unexpected speculation in land values following (and preceding) the Government's decision to site London's third airport at Foulness is causing concern to Essex County Council. They fear that developers will spoil the environment.

Ald. Gerald Curtis, chairman of the county's planning committee, has said that his committee has stopped some speculators already and that it will go on refusing planning permission for any scheme infringing its aims, reports the *Daily Telegraph*, September 6.

"Land and property values," he said, "are soaring and the pressure is on. But we will fight to the last ditch to preserve the north-east of the county as it is now."

A local builder has protested that he is not a speculator although he is in business to make money. "I have an option on a 29 acre site which belongs to two elderly sisters, and, if I get planning permission they will get a fair price for the land."

The builder has applied for planning permission for a £1,500,000 scheme to build about 150 homes.

The withholding of planning permission is hardly a weapon against land speculation—for planning permission is what speculation in land is all about these days. With an airport at Foulness, there will be a legitimate demand for increased land use.

The Essex County Council may also have a legitimate aim in seeking to preserve the character and amenities of the area. The two aims could be better reconciled if the rewards to developers were confined to the interest upon their capital expenditure on development, and land values accrued to the community.