

## Domain speculation and the internet sharks

“The internet got invented and all the land is being bought up. In 10 years’ time any word you can think of will be taken: all the real estate will be gone. If one day someone wants to build a skyscraper on it, you’ve made a fortune. The analogy [to what I do] is real estate”, says Neil Stanley, an internet domain name trader. “Whenever I register or buy a domain name, the first thing I do is park it”, Stanley told the *Observer*. “Anyone who then types in that name will see the web page and, if they click on an ad, it generates money. I registered noworryloans.co.uk last autumn and it probably earns £10 a week on its own. My whole portfolio is bringing in hundreds of pounds every week without me touching it, and some people are creaming in thousands. My conviction is that this is going to become mainstream because it’s so easy.”



But Stanley is not one of the big boys. Kevin Ham, dubbed by the *Observer* “the most powerful dotcom mogul you’ve never heard of”, reportedly creams off \$70m a year from some 300,000 stockpiled domains. “He even struck a deal with the government of Cameroon so that when users mistakenly type ‘.cm’ instead of ‘.com’, he gets a slice of the cake.”

Feeding off this speculation is a new breed of on-line domain auction houses. Stanley uses Sedo, which claims to be ‘the leading global marketplace for buying and selling domain names and websites’. It boasts half a million members trading domains in 21 languages. Sedo recently sold vodka.com for £3m. (See “Claiming the virtual domain”, *L&L* 1220)

## Global Land Tool Network

The Global Land Tool Network is an international initiative facilitated by UN-Habitat. It aims to alleviate poverty and contribute to the Millennium Development Goals through land reform, improved land management and security of tenure.

GLTN is developing a set of “pro poor land tools”. These are being designed to help implement policies which create societies with “sustainable equal access to land and land use”. GLTN will soon publish its fifth of six new global land tools – for ‘land value capture’ – developed with project partner, the Earth Rights Institute.

## Work from Home Day

15<sup>th</sup> May will be UK National Work from Home Day. Millions are expected to take part in the event, now in its third year. Organisers Work Wise UK are a not-for-profit initiative encouraging the adoption of ‘smarter’ working practices – such as flexible, remote and mobile working, and working from home. Major sponsors include telecommunications giant BT.

The initiative “hopes to give half the working population, some 14 million people, the opportunity to work smarter by 2011. The emphasis will be upon making the UK more competitive in the face of growing economies in Asia, enabling a second industrial revolution to make the UK one of the most progressive economies in the world.”

Such changes in our patterns of life and work will have significant social implications. The longer-term consequences for our social geography, and its expression in the land market, are likely to be profound.

## Clyde Robert Cameron (1913-2008)

Clyde Robert Cameron AO, radical land and tax reformer and the most powerful figure in the South Australian labour movement in the 1940s, has died. Cameron was a member of the Australian House of Representatives for 31 years from 1949 to 1980, a Cabinet minister in the Whitlam government and a leading figure in the Australian labour movement for forty years. Cameron was the last surviving member of the 1949-51 parliament.

## Whither Grosvenor’s medieval wisdom?

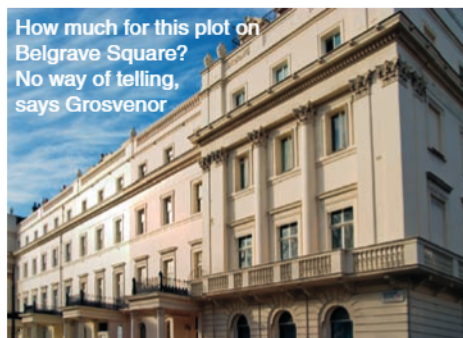
There is little that you can teach the stewards of the Grosvenor estates, but a puzzle emerged when one of its experts was asked about land value taxation.

The scene was the IEA’s 24<sup>th</sup> annual *The State of the Economy* conference in London. David Triggs, Executive Chairman of the Henry George Foundation, wanted to know what the effect would be on the Grosvenor estate if taxes were removed from its buildings and placed on the value of its land, which includes 300 acres of the most valuable real estate in Central London.

You would think that the professionals who administer the estate would at least be able to assess the value of that land. After all, their archives reach back to the 17<sup>th</sup> century. The current owner, the Duke of Westminster, is the wealthiest British-born resident of the UK. Grosvenor estates has offices in 15 cities around the world managing \$8.3b of assets in 40 countries.

Answering the question, Grosvenor’s Research Director, Dr Richard Barkham, said that property was already heavily taxed, but isolating land values for special treatment was a challenging proposition. “It’s not always clear what the land element is. There’s a practical problem of identifying land values by and large. The land market is much thinner than the commercial property market,” he claimed.

The problems with valuing land came thick and fast. Dr. Barkham declared that land values were more volatile than the property market in general, “so if you based taxation on land values you will end up with a much more



volatile base”. Besides, claimed Dr. Barkham, a land value-based tax would deter output.

Although he conceded that the property market was a leading indicator that gave six to nine months warning of what was happening in the economy, “the data is relatively poor, which makes academic econometricians sniffy about it”.

Perhaps it’s to be expected that those with greatest interest in the status quo might be least well prepared to unlock this puzzle.

*Conference organiser Marketforce Communications specialises in business communication and, in particular, helping organisations become known as ‘thought leaders’.*

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