

## REAPING WHERE OTHERS HAVE SOWN

### Land Values Abroad and at Home

#### Great Expectations in Canada

A Canadian firm of real estate agents, Messrs. Shorthill & Hodgkins, recently advertised in the *Estates Gazette* a 500-acre industrial site in Hamilton for sale. The asking price was \$1,000 an acre. This land in Canada's third busiest port "will appreciate with development of the St. Lawrence Seaway," the agents declared. Propagandists for land-value taxation welcome such authoritative pronouncements for they do much to counter the specious claims advanced by opponents that the value of land is created by the land owner, on which false premise they base their arguments.

#### An American Estate Agent is Indiscreet

The announcement that work is to start on constructing the first "motorway" in Britain will have caused a flutter of pleasurable excitement among certain landowners for experience in the U.S.A. has shown that wherever similar roads have been built in that country, unearned wealth has been showered upon the owners of benefited lands.

In this connection the remarks of Mr. William Zeckendorf, president of the well-known firm of American estate agents Webb and Knapp, are very much in point. Recently discussing what would be the effects if Congressional approval were obtained for a Bill to modernise the national system of inter-state highways linking 90 per cent of the major cities, Mr. Zeckendorf is reported by the *St. Louis Post-Dispatch*\* to have said:—

"The greatest boom in real estate values ever to occur in the United States could be a practical certainty in the next 10 years. All that is needed to touch off natural forces for growth is an act of Congress which I hope will occur within the next few weeks . . . If such a network is authorised to be built with federal funds the economy of this country will get a four-way stretch and perhaps the greatest development we have ever seen. The first benefit would be real estate. The proof of this is the astonishing and spectacular rise in values in the few places where adequate highways have already been built. Modern highways draw into their area business, industry and new, uncrowded housing, more naturally than sugar draws flies.

#### High Rents for Fast Roads

"During a 12-year period residential property affected by the Bronx River Parkway in New York increased in value by 1,178 per cent compared with an increase for areas beyond the Parkway of 432 per cent. Similarly, properties affected by the Shore Parkway on Long Island increased 76 per cent against a normal average increase of 19 per cent.

"An analysis was made of more than 1,300 parcels of land sold along the gulf Freeway in Houston. In the first five years during construction, property values along the Freeway increased in value from \$20,000,000 to \$40,000,000. This was before the Freeway was in full use. In Buffalo when the Thruway plan was made public, companies announced immediately a \$25,000,000 investment in new plants . . . Land that sold for \$500 an acre now brings \$6,000."

Inevitably the new "motorway" will similarly enhance land values in Britain and unless land value legislation is

speedily introduced the landed interests will once again be the prime beneficiaries of public expenditure. Freeholders excepted, manufacturers and traders will find absorbed by increased rents the value of the economies which modern highways make possible.

#### Contentment in Cyprus

In Cyprus, according to *Peace News*, September 23, "already land values are soaring in the districts likely to be affected" by the decision to transfer the Middle East Army Headquarters to the island. Twelve million pounds are to be spent on the construction of barracks, offices, roads, depôts and airfields, and a large port-development scheme is to be undertaken in 1956. It would be interesting to learn how much of this "defence expenditure" will find its way from the pockets of British taxpayers into those of Cypriot landowners, but unfortunately, and for obvious reasons, such information is never revealed.

#### Uranium in Australia

Addressing a recent meeting in London of the Chartered Auctioneers' and Estate Agents' Institute on "Real Estate Practice in Australia," Mr. Ronald Collier, F.R.I.C.S., F.A.I., told this story: "When I was in London 15 months ago, solicitors near the Bank of England advised me that a client owned one rood of land in Northern Territory. No one in the U.K. had seen it, and how it came to be acquired I do not know. The size of the Northern Territory is, by the way, 54 million acres. Three years ago £30 was offered for the plot, which is at the rate of £120 per acre, but the solicitors had wisely advised against selling on the ground that the land must have at least that amount of nuisance value. It subsequently transpired that the land was located in Rum Jungle, the fabulous uranium field of the Northern Territory. The Commonwealth Government subsequently bought the uranium-bearing land, including this plot, at the rate of between £20,000 and £40,000 per acre."

What remarkable "foresight" on the part of the fortunate owner of this valuable plot! Presumably he is one landowner who would admit that the value of his holding is in no way due to any effort or expenditure on his part. The demand of the community for atomic power is entirely responsible for this handsome windfall.

#### One Hundred Pounds a Yard

"The prices of building sites continue to show an upward tendency, particularly those suitable for commercial development," according to a writer in the *Financial Times* recently. "Sites for business premises in the central trading positions of London and the big provincial cities are selling at very high prices, and several of the recent sales have reached the level of a £100 a square yard, and in some cases slightly more. Apart from the high prices obtained the number of sales has also shown some increase. Building land for house development has continued in good demand since the end of licensing. In and around London and the Home Counties prices have ranged from £1,000 to £1,250 an acre, but in some favoured areas have reached as much as £2,000 an acre." The market for industrial sites is "extremely lively."

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