

## RIGHT METHODS OF VALUATION.

### The Land Value Map and its Uses

In another column we review the progress of the land value legislation in Denmark especially with reference to the urban areas.

Odense sets a good example to other Danish provincial towns not only in having applied the Land Value Tax Act as far as it could, but also in the way the latest periodic valuation of the town was carried out. In *Grundskyld* of May, Mr P. A. Kruuse, the Chairman of the local valuation board or assessment committee, has an illuminating article on the subject. Incidentally, he pays a tribute to Dr J. J. Pikler of Budapest, and Mr K. J. Kristensen of the Central Valuation Board in Copenhagen—the former for an inspiration he gave, and the latter for having contributed so much to the study of the principles of valuation and their application. Mr Kruuse himself deserves all credit as a pioneer in his own field. On his own responsibility he decided to employ the most rational and the really democratic method, which requires full publicity and the invaluable, if not the indispensable, help of informed local opinion. He prepared and used a land value map of the town, and his experiment has led to such happy results as to justify its universal adoption. Mr Kruuse first describes how from necessary tests and examples frontage values were determined for all the streets, and what rules were applied to work out from these units the value of each plot of land. These rules have been established by the Central Valuation Board in Copenhagen, and resemble those that are the foundation of the Somers system of valuation as practised in the United States. Similarly the way in which public attention was drawn to the valuation by Mr Kruuse and his assistants resembles the "community assessments" which are another feature of the Somers system and are explained in the recently published work "The Science and Practice of Urban Land Valuation," by W. W. Pollock and K. W. H. Scholz.

"All the streets and our roads in our valuation area," writes Mr Kruuse, "had been provisionally valued during the course of the summer of 1926. I had heard Dr Pikler's address at the International Conference in Copenhagen, where he strongly recommended that landowners themselves should be encouraged as far as possible to take part in the valuation. I had all the street frontage values displayed on a map, which gave us a splendid survey of the position and permitted comparisons to be made between one street and another. When this work was completed the map was deposited for public inspection at the office of the Assessment Committee, after I had made sure that the Central Valuation Board raised no objection. In a communication to the Press of the town, I invited landowners especially to come to the office and give us their criticisms. This method of procedure was of the greatest service, for although the great majority had quite misunderstood my communication to the Press, and one after another asked the question, 'Is it here we are told how much tax we have to pay?' many showed a real understanding of the question and helped me with much useful information. Here, also, I would like to say how much I was indebted to the assistance Mr K. J. Kristensen gave me. After the land value map had thus been shown, I was invited by the local association of landowners to address them on the subject. This I did. Of course, there was a good deal of criticism of the high assessments, but it was easy to meet these objections by consulting the Valuation Acts. The thing most to be remarked about this meeting was that a number of landowners declared that the land values were probably

all right, but that the building values had been put too low. This criticism applied especially to the central sites, where we had assessed buildings at the lowest value we were warranted in doing. The making of the valuation was finished in December (1926), and then came the time for objections and appeals, which were not unduly large and most of them were trivial—in any event, mistakes cannot be altogether avoided in such work. My experience is that valuation of town land can be carried out well and reliably if the valuers do their work with understanding and free from bias; but it also can be wholly bungled where these features are absent. I am convinced that this important matter cannot in the long run be left exclusively in the hands of the valuation authorities as at present constituted, but they must be assisted by impartial and well-informed opinion."