

and dignity, which respected nature?

The answers are authoritatively provided by a study for the Royal Fine Arts Commission,* which concluded that the price of land was at the root of the problem.

When land is sold for the maximum price, "it has the effect of depressing the building budget to achieve an attractive price. This makes for cost cutting"

The price of land is ignored by another critic of house-builders, Environment Minister Nicholas Ridley, who repeatedly claims that part of the housing problem is the poor design of structures. He does not discuss the reasons why builders cram the maximum number of units onto a site at the lowest possible unit cost. The explanation, however, is offered by the Royal Fine Art Commission study:

"Shortage of land leads house-builders to trim 'inessentials' in order to produce affordable houses. Relaxation of green belt and countryside constraints would, according to the House-builders Federation and the Building Societies Association, make housing less a seller's market, reduce the cost of housing, and leave more room for manoeuvre for better design."

But even this study chickens out of a full-blooded attack on the land market *per se*; its strictures are limited to public landowners:

"Government land disposal policies for public held sites are geared entirely to maximum financial return with seemingly no attention to design quality."

Not surprisingly, therefore, the recommendations for action are limited to what the public sector can do: "The Commission should lobby the government for a mechanism that would

BALTIMORE DREAM

THE Royal Fine Art Commission survey discovered one solution in Baltimore, the US city frequently quoted by British government ministers as a success story of urban revitalization.

"The chairman of the developing agency, Walter Sondheim, is emphatic that architectural and overall environmental quality would have been greatly inferior if his board had not been able to accept lower initial price on land while reserving for its paymaster (the City of Baltimore) an equity in the commercial success of each development."

Sondheim argues strongly that a "highest upfront price" requirement leads to developers over-bidding and then cutting on quality.

In Britain, urban development corporations - bureaucratic devices created by the government to unlock land tied up in dis-

use for years, even decades - may not be able to adopt the Baltimore option.

"UDCs either believe they are bound to accept the highest bid for land irrespective of design quality or doubt whether they have discretion to take a lower price."

The desperation to obtain land is evidence of a malfunctioning market - one in which the landowner is able to exact a monopoly price, and thereby distort rational decision-making.

Landowners can impose conditions. New York's Battery Park City is cited as "not in general inspiring," but "the imposition on all developers and their architects of a unifying pattern of two-storey colonnades with uniform cornice line above them does much to bring human scale and 'liveability' to the development".

Restrictive covenants on land affects the price. Some public landowners might forego part of the value of the land to satisfy royal aesthetes; but private sector owners will not do so.

For as even Prince Charles conceded, in his film, as Duke of Cornwall his large landholding has to be run as a business.

There is a solution to an erratic supply of land at uncompetitively high prices: a high tax on the annual rental value of all land. That would clear out the bottlenecks in the market and smooth out the price.

But Prince Charles would not be free to advocate this general solution: for in Britain, taxation is the prerogative of commoners, ever since their lordships sought to block Members of Parliament from introducing a tax on land values in 1909!

allow public bodies selling land to take a smaller initial payment and an equity in the developer's future performance. This would, it is argued, put a premium on quality - and durable commercial value - instead of what is often a penalty."

The report draws on the Baltimore model for this solution (see story above). What does it amount to? Landowners are invited to defray part of their rental income, which reduces the start-up capital costs of a development.

In other words, land prices are so high that they kill investment in the aesthetic nuances of architecture, a conclusion which is highlighted by the examples of fine architecture selected by

Prince Charles. They are derived from periods in history which were not dislocated by property speculation; or from people - principally patrons of the arts who acquired their money from the ownership of vast estates - who could afford to indulge their artistic whims.

These facts seem to be lost on the prince, who as the Duke of Cornwall has at his command tens of thousands of acres.

But even if he was aware of the disruptive effect of the land market on architecture and aesthetic values, Prince Charles could not discuss the matter, for he would find himself challenging the most powerful people in the land - his fellow landowners!

* Tony Aldous, *Inner City Urban Regeneration and Good Design*, London: HMSO, £4.