

## WHITSTABLE SURVEY DIGEST

- 1) *Place.* Whitstable, seaside town in Kent; population 20,000; mixed development, domestic, industrial and commercial. Opportunities for future development.
- 2) *Sponsors of Survey.* The Rating and Valuation Association, Secretary Frank Othick; founded in 1882; non-government body. Professional membership 3,000 drawn from valuers in central and local government, rating officers, rating surveyors in private practice and clerks of valuation panels.
- 3) *The Object.* To create a valuation list on site valuation methods, which could be put side by side with the orthodox valuation list, the list to be tied to land value maps. The exercise would show the practicability and results of raising local revenues from site values instead of from the composite values of buildings and land taken together in their existing condition.
- 4) *Staff.* In charge of the valuation was MR. HECTOR WILKS of Mark Wilks and Co., a firm of professional valuers. He was assisted by part-time professional workers. In the field work he was assisted by volunteer workers, both professional and amateur.
- 5) *Time.* The valuation was completed in eight months.
- 6) *Definition.* The definition of land value was that contained in the London County Council's Bill of 1938-9.
- 7) *Basis of Valuation.* All land was valued at its annual rental value. Where rental evidence was not available this was arrived at by taking four per cent of the capital value.
- 8) *Land Values.* The basis of valuation was market value, having regard for the optimum permissible use as laid down by the town plan. No land was valued for a higher use than that permitted, irrespective of its potential.
- 9) *Area covered.* The whole of the town of Whitstable. Agricultural land was included: no land was exempted.
- 10) *The results.* Present valuation list £724,100: site valuation list £642,250. Present rate 11s. 0d. in the pound: site-value rate 12s. 5d. in the pound.
- 11) *Cost of the method.* "The field work involved in valuing site only is very much less than valuing site plus improvements. . . ."
- 12) *Relative difficulties.* "In Whitstable perhaps 99% of sites were valued without difficulty."

## WHITSTABLE

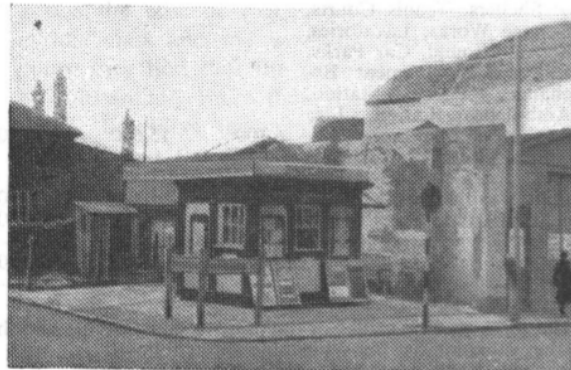
# Implications of the Valuation Figures

THE FIRST THING to be emphasised, and it cannot be emphasised too strongly, is that although under site-value rating certain classes of properties will bear a smaller rate liability as a class, it does not mean that all hereditaments in that class will necessarily benefit or that they will benefit to the same extent. The same applies, of course to the groups which show a greater total rate liability. For example, the golf course in Chestfield Road is assessed at £375 at present but at £39,000 on site-value. However, the Seasalter golf course is assessed at only £158 compared with £140 under the present system. It is dangerous to generalise!

As is well known, under the site-value rating system well-developed sites would tend to pay less. A good example is Courts, a five-storey building in the High Street, where, under site-value rating, the rateable value is £392 as against £1,055 at present. For the shop next door, however, where development is comparatively poor, the rateable value would be increased from £238 to £304. Both these properties will have been included in the total of one class.

### The Same Total From Different Pockets

It has been argued that the effect on ratepayers of site-value rating will not be very different from that under our present system. It is true of course that for a particular type or class of property the site-value rate could work out (as it did in Whitstable) at nearly the same as the present rate. But that is not the point. What is overlooked in this argument is the shift of incidence among individual ratepayers. The total may show little change, but the shift of incidence as between one individual property and another could be very great indeed. In other words, Smith, Jones and Brown may, under the present system, pay respectively £30, £20 and £10, totalling £60. Under site-value rating, Smith might pay £10, Jones £20 and Brown £30. Thus, although the total is



Kiosk—Present rates: £16  
Site-Value Method: £50



Car Park Present rates—£19

Site Value method—£245

### REDUCTIONS AND INCREASES (GROUPS)

Property or Land Group	Rateable Value		Net Reduction
	Present	Site Value Method	
	£	£	£
Houses	342,850	180,200	162,650
Bungalows	179,050	90,200	88,850
Flats and Maisonettes	14,200	5,100	9,100
Shops, Hotels, Public Houses, Banks, Cinemas and Offices	75,300	55,400	19,900
Factories, Workshops, Filling Stations and Garages	48,800	22,500	26,300
Schools and Playing Fields	13,300	12,700	600
Hospitals and Homes	2,150	1,650	500
	<u>£675,650</u>	<u>£367,750</u>	<u>£307,900</u>

Property or Land Group	Rateable Value		Net Increase
	Present	Site Value Method	
	£	£	£
Scheduled Land *			
Future Schools	—	10,900	10,900
Future Industry	—	6,550	6,550
Future Residential Development (including all small vacant plots)	500	81,150	80,650
Public Open Spaces (including beach huts)	1,950	26,550	24,600
Churches, Church Halls, Cemetery, Land earmarked for Church, Clubs and Institutes	3,300	10,800	7,500
Allotments, Nurseries, Orchards	—	6,700	6,700
Caravan Sites and Holiday Camps	13,800	41,000	27,200
Golf Courses	500	39,300	38,800
Public Shelters, Tennis Courts, Sewage Works, Lavatories, Sports Ground, Car Parks, Library, Employment Exchange, Police Station, Ambulance Station, Fire Station, Public Baths	6,100	15,600	9,500
Post Office, Electric Sub-stations (not included in public utilities adjustment)	500	1,400	900
Agricultural Land	—	14,500	14,500
	<u>£26,650</u>	<u>£254,450</u>	<u>£227,800</u>

The total rateable values in the present valuation list and the site value valuation list for Whitstable are as follows:—

	£
Present	724,100
Site value	642,250

\* Town Development Plan.

the same under both systems, there is a significant switch in incidence.

Under the heading "Scheduled Land" it must be pointed out that the land for future schools is not necessarily in the hands of the local authority. The value put upon it is the price that the Council would have to pay if it acquired the land in the open market. Where the land is required for a specialist purpose, such as for a school or an open space, the purchase price will be based upon hypothetical alternative use.

It is claimed that there would be a number of exemptions from rates, as there are today; churches, charities, etc. Whether or not such exemptions can be justified, the fact is that if they are allowed, the rateable value for Whitstable under site-value rating could well be lower than the figure of £642,000. On the other hand, many people are of the opinion that the valuer has been unnecessarily cautious in taking a four per cent conversion of capital value to annual value. A figure of six, or even five per cent would outweigh the adjustments which politicians might feel it necessary to make in connection with exemptions etc.

Space in this issue does not permit a further analysis but we hope to make a more detailed examination later.

## THE ORIGIN OF LAND TAX IN GREAT BRITAIN

(From The Report)

ORIGINALLY Danegeld was a form of protection paid to ward off Viking attack and pillage, but between A.D. 1012 and 1051 a tax known as "heregeld" (army tax) was levied for the protection of the country by special troops and this tax is often confused with the earlier payments.

After the Norman conquest this form of tax became an important source of revenue. The Domesday Survey was instituted in 1086. For 150 years after the Norman conquest this form of tax provided one hundred per cent of the revenue.

For the next 150 years ...	95 per cent.
For the next century (until Richard III) ...	90 per cent.
Until Mary I ...	75 per cent.
Until the Restoration ...	50 per cent.
Until Anne ...	25 per cent.
Until mid-19th century ...	4 per cent.

(Henry II had suspended collection but this was revived under Richard I.) Thus, until the beginning of the 18th century, this form of taxation was a major element in national revenue.