

THE PROPERTY BOOM

REPORTS IN recent issues of the *Scotsman* of property sales show how prices are rising. The "industry" of speculation in land values is flourishing.

Parkend Farm, of 175 acres, near Aberdour, was sold for £7,000, being £1,000 over the upset price. The assessed rental is £232 10s. but as farms in Scotland (together with farm house) are assessed on one-eighth of the rental, the price is in effect 240 years' purchase of the *net* assessment.

"Dene Holm" Hall, Biggar, with £80 assessed rental of the house and £34 10s. that of the 10 acres of ground (assessed at one-eighth) was sold for the upset price of £4,500, being 53 years' purchase of the rental assessment of the Hall plus the reduced assessment of the land.

Sales of a number of houses are reported, all carrying the liability of a perpetual feu-duty. The buyer takes over that liability so that the price paid for the property should be related not to the assessed rental but to the assessed rental *minus* the obligation to pay the yearly feu-duty. The price, thus considered, represents the net income derivable from the property, after payment of this fixed charge or burden, the feu-duty. The so-called "owner" in Scotland of landed property which is subject to a feu is in fact a vassal to the "superior" who is the recipient of the feu-duty. If after contract of the feu the land rises in value, it is the vassal who enters into enjoyment of that increase. He is then part owner of the land value, the rest of the land value being in possession of the "superior" in the shape of the feu-duty. When land value as such is assessed and taxed, nationally or locally (excluding, of course, the value of house or other structure on the site) a necessary provision will be to proportion the land value tax or rate between the superior and the vassal in accordance with the share of the actual land value which each enjoys, year by year.

Advertised is the sale of "an attractive modern villa" in Invergordon at an upset price of £1,400, assessed rental £22; feu-duty £1 2s. 4d.; the asked price is 67 years' purchase of the assessed rental *less* the feu-duty.

A main-door house at 3 Leven Terrace, Edinburgh, assessed rental £45, feu-duty £5 10s., upset price £725, sold for £975, equivalent to more than 24 years' purchase net of feu-duty.

A lower villa flat at 9 Plewlands Gardens, assessed rental £45, feu-duty £4 19s., upset price £1,000, sold for £1,070; years' purchase, more than 26.

A villa at 7 Ethel Terrace, Edinburgh, assessed rental £55, feu-duty £4, sold for the upset price of £1,500; years' purchase, nearly 30.

A semi-detached villa at 46 Pentland Terrace, Edinburgh, assessed rental £50, feu-duty £4 7s. 6d., upset price £1,250, sold for £1,625; years' purchase, 35.

A dwelling house in Edinburgh Road, Linlithgow, assessed rental £29, feu-duty £3 16s., upset price £750, sold for £910; years' purchase, 36.

The prices obtained for house property are the more remarkable that it is the

custom and practice in Scotland to assess houses on the full rental received; that is, with no deduction for repairs, etc., as in England. Even so, as it is obvious, the more rigid Scottish system with its valuations made once a year, has not kept pace with the upward swing in values that is now taking place; and by next year values may again have mounted, such is the pressure under artificial scarcity for housing accommodation.

It is on record that land agents are themselves astonished at the prices being realized and that the wildest dreams of vendors are being exceeded.

WHAT THEY SELL

A FURTHER EXAMPLE of the real estate agent's clear perception of the nature and cause of land values is afforded in *The Times* advertisement, 15th April, of land for sale in the Borough of Slough "important to investors and post-war developers." It is an estate of 87 acres, comprising a farm house and some farm buildings. The property is described as "in the eastern part of the highly important and rapidly expanding industrial town of Slough; the site is level with a frontage of 400 ft. to Langley High Street and other access and is ripe for immediate post-war building; it is town-planned for 12, 8 and 6 houses per acre; main sewers and other services available; excellent train service to London; motor bus services to London, Slough, Langley Station and elsewhere."

The real estate agent as propagandist for Land Value Taxation cannot be surpassed. What leaflet could better explain that land value is a public value and should be appropriated for the uses of the community?

Another advertisement in the same issue of *The Times* is that of 5,000 acres for sale in the north of Scotland. There is a residence on the estate, also 6 cottages and a home farm but the chief attraction is the "shooting" and the "fishing." The shooting, it is said, is capable of yielding 500 brace of grouse, snipe, woodcock, partridges, and blackgame. In the matter of fishing there are 1½ miles with 9 salmon pools including two well-known pools; the average basket is between 40 and 50 salmon a year and a few sea trout and grilse.

LAND FOR AERODROMES

IN THE House of Commons on 31st March Sir Archibald Sinclair (Air Minister) informed Mr R. R. Stokes that the total area of land bought in Britain by the Air Ministry since 31st December, 1938, was 58,223 acres. The total cost, inclusive of buildings existing on the land, was £3,760,433. He added that 10,400 acres of land were held on lease by the Ministry at an annual rental of £40,267.

The question was followed up on 14th April, Mr Stokes asking what had been the total rateable value of the 50,223 acres purchased and of the 10,000 acres taken on lease? Sir Archibald Sinclair replied, regretting that the desired information could not be provided without a considerable expenditure of time and effort, which would not be justified in present circumstances.

Is. THE STORY OF MY DICTATORSHIP. A new State based neither on Communism nor on Fascism. By Berens and Singer.

FRED L. CRILLY

WE REGRET to announce the death of Fred L. Crilly which occurred on 2nd April, at his residence in Streatham after a brief illness. He was aged 78 but in bodily vigour so robust and in spirit so alive that he was like a man in the prime of life, the only trouble being his eyesight which had grown weaker and weaker and had caused his retirement from active occupation. For many years he was the general secretary of the United Irish League, the organization of the Irish Parliamentary Party in Great Britain. His father was the secretary of the Financial Reform Association in Liverpool, where the family coming from Northern Ireland had settled. As a youth he had already embraced the Henry George philosophy, and among his dearest recollections was the intimate acquaintance with Henry George himself. In one of the obituary notices of Mr Crilly it was said that when the Irish question ceased to operate in England he devoted his energies to expounding the Henry George principle and policy. This is very much an understatement for throughout his long life and in all his political work, he gave to that movement a persistent and abounding devotion and it was through his influence that numberless opportunities were given to land-values lecturers on the platforms over which he had care. He was a member for many years of the United Committee for the Taxation of Land Values. In him we lose not only a colleague of high ability but a brilliant and warm-hearted missionary, who could speak with a peculiarly emotional eloquence when he had to persuade. And there was never wanting the literature to give and to spread, of which he carried his own large stock at home. The service took place at St Bartholomew's Catholic Church, Ellison Road, Norbury. Mr Crilly is survived by two sons and four daughters and to them we extend our sincere sympathy in their bereavement.

A.W.M.

HOLDING ITS annual meeting on 26th March (*East Anglian Daily Times* and *Evening Star Report*) the Ipswich Chamber of Commerce and Shipping, R. R. Stokes, M.P., President, adopted a resolution to the effect that the recommendations contained in the Uthwatt Report should be rejected in so far as the acquisition of development rights and the levy on site values were concerned. The grounds for the rejection are briefly as follows:—

That the position of a would-be private developer is extremely indefinite, that under the scheme the owner of the land would probably be in a position to obtain more than the agricultural value thereof, although he had already received his share of the global sum fixed for development rights, that the principles on which development leases are to be granted are not indicated and that the scheme will not and cannot achieve the stabilization of the value of land.

That the so-called levy on site values is not a real tax on site values but only a levy on future increases. The resolution, however, added that:—

With regard to the proposed alterations in existing laws for the acquisition of land by local authorities, it is considered that in the main these would be beneficial.