

THE CITY OF LONDON
RATEABLE VALUE AND LAND VALUE

A SITE WORTH £12,000,000 A YEAR

The Lord Mayor and Sheriffs were the principal guests on Tuesday at a luncheon given at the Guildhall (City Press report, 9th October) in connection with the Overseers Committee, whose chair Mr. A. C. Stanley-Stone is occupying for a second year. Mr. Stanley-Stone, addressing the gathering, said: "We have just concluded the quinquennial revaluation of every assessment in the City, which is undoubtedly a colossal undertaking, and one that throws an enormous amount of work upon the staff. We have considered and fixed 12,977 assessments, involving a total assessable value of, approximately, £6,219,000. We have increased the total assessment by about £380,000, as compared with the last re-valuation. I have seen it stated that it required considerable pluck, not to say cheek, for us to make this increase, and I have heard references to the direful fate that awaited our figures when they were overhauled by the Assessment Committee."

Mr. Stanley-Stone said that the City rates would be 10s. 4d. in the £ as compared with 6s. 8d. in 1917.

After criticizing the "orgy of expenditure of other people's money," and mentioning the million pounds that City ratepayers had to find for the education of other people's children, Mr. Stanley-Stone commented on the demand that expenses should be taken off the rates and put on the taxes. That was only shifting the burden from one shoulder to the other. The weight had still to be borne by the same man. "The fact is," he declared, "we have abrogated the only principle upon which we can carry on a business or a nation—that a man cannot get for his services or his work more than the product will fetch in the open market. Until we can get our rulers to go back to the sound principle of a fair day's work for a fair day's pay, we cannot mend the position."

We have since learned from Mr. Stanley-Stone that the gross and net annual rateable value of the City of London as finally approved by the Assessment Committee is: gross, £7,395,310; net, £6,213,156.

The difference between the gross and net figure is due to allowances for maintenance, repair and insurance. The rates are actually levied on the net rateable value.

Sir Vezey Strong, ex-Lord Mayor, whose death was reported in November last, declared at a meeting of the City Corporation on 12th June, 1913, that a rate of 3d. in the £ of the selling value of the land of the City would add £1,250,000 to the City's annual burdens. At that time the rate-revenue was £1,867,000. Accordingly, a Land Value Rate of 3d. would have produced £3,117,000, and by Sir Vezey Strong's calculation the aggregate land value was £249,360,000. This sum at 5 per cent is equivalent to an annual sum of £12,468,000, enjoyed or appropriated by the owners and privileged lessees of the land of the City, *out of which not a penny of rates is paid.*

Sir Vezey Strong was a valuer, auctioneer and land agent, and he spoke with some knowledge of property values.

Land and leases sell in the City at prices sometimes exceeding a capital sum of £5,000,000 per acre. The values now being privately appropriated are enormous. They are taken from the people without return. The landowners get more than a "fair day's wage," but never a day's work do they perform in exchange. Mr. Stanley-Stone tried to explain the causes of the industrial strife and the burden of taxation, and, we think, said more than he intended to say—we have abrogated the principle that a man *should not get* for his services or his work more than the product will fetch in the open market. What service, in fact, do the appropriators of more than £12,000,000 yearly perform? The answer would say to whom this vast sum, the true annual value of a square mile of land, rightfully belongs.

Knowing what is the result of practical assessment, separating land value from improvements in many large American cities, such as New York and Boston, we accept Sir Vezey Strong's estimate as being the minimum land value of the City of London. The so-called "Valuation" of annual rateable value is no guide to real value, and if it is only 6½ millions it certainly does not disprove an estimate of £12,000,000 annual value of the land alone.

A. W. M.