

# THE MANCHESTER CITY COUNCIL

## AND THE

### RATING OF LAND VALUES

#### MEMORANDUM BY A. W. MADSEN

The Manchester City Council has adopted during the present year three Resolutions dealing with Land Value Rating as follows:—

Resolution I.—Adopted February 18th:

That in the opinion of this Council the first step towards a reform of the system of local rating is that rates should be levied on land on an assessment based on its full capital value irrespective of the use to which the land is being put and as to whether it is in use or not.

This was moved by Mr. Walter Davies, seconded by Mr. J. E. Hutchinson, and supported by Mr. Mellor, Mr. George Jennison, and Mr. Jagger.

Resolution II.—Adopted March 17th:

That in order to spread the burden of the city's expenses more equitably the Finance Committee be requested to report on the feasibility of levying the city rate on a minimum basis of five per centum of the capital value of each parcel of land within the city boundary with a view to obtaining Parliamentary powers to levy the rates on that minimum.

This was moved by Mr. George Jennison, and seconded by Mr. Massey.

Resolution III.—Adopted October 6th and again on October 27th:

That, in the Council's Parliamentary Bill, a clause be included to secure power to levy rates on five per centum of the capital value of all the land in the city whether used or not.

This was moved on October 6th by Mr. George Jennison, and seconded by Mr. M. E. Mitchell. On October 27th Sir Edward Holt moved the deletion of the clause from the Bill, and the motion was defeated by a large majority. The clause was defended by Mr. George Jennison and other speakers.

#### Resolution I.—Municipal Action in 1920

Resolution I. emanated from the Cardiff City Council by which it was adopted on October 29th, 1919, with a rider: "That the Town Clerk be instructed to enter into communication with county and municipal authorities throughout the country with a view to joint action to secure the necessary amendments of the present law to enable this resolution to be carried into effect." The result of these communications was that the Resolution was endorsed a short time after by the City or Borough Councils of Battersea, Bermondsey, Bradford, Camberwell, Cleethorpes, Coventry, Crewe, Darlington, Deptford, Dover, Ealing, East Ham, Glyncorrwg, Grimsby, Hull, Islington, Leigh, Manchester, Merthyr, Poplar, St. Pancras, Salford, Swansea, Warrington, West Bromwich, Woolwich and Worcester; and by the County Councils of Glamorgan, the Isle of Wight, and Pembroke.

The same or a similar resolution has been adopted by a number of Scottish Burghs, including Inverness and

Leven. The Glasgow City Council has a special committee in session to consider proposals for the rating of land values. The Salford Council on January 7th appointed a Committee to report on the area and ownership of vacant land and the steps to be taken to levy rates on such land. Other resolutions advocating the rating of land values have been adopted during the year by the Councils of Southwark, Lambeth, Worsley, Denbigh and Coulsdon. The Bradford City Council has decided to promote a Bill for power to rate land values.

On April 23rd and 24th a Conference of local authorities held in the Shoreditch Town Hall, and presided over by the Mayor of Stepney, adopted a resolution in favour of rating all land at its selling value. The Conference represented 90 local authorities in Scotland, Wales, Northumberland, Devonshire and several large centres.

At a National Land Value Rating Conference held in Glasgow on September 18th, a resolution was carried *nem. con.* declaring that rates should be levied on the value of land whether it is used or not, and that all houses, buildings, machinery and other improvements should be excluded from assessment. Delegates attended this Conference representing, among other local authorities, the Town Councils of Glasgow, Dundee, Inverness, Kilmarnock, Dunfermline, Rothesay, Salford, Hackney and Shoreditch.

On November 9th the Worcester City Council instructed the Finance Committee to apply for the particulars of the 1909 Land Valuation with respect to Worcester, and if necessary to offer to pay the cost of the clerical work involved.

#### Resolution II.—Its Meaning

Resolution II. is reminiscent of the recommendation made by the Royal Commission on the Housing of the Working Classes in 1885: That land available for building in the neighbourhood of towns should be rated at say 4 per cent. of its selling value. Resolution II. may be read as proposing very much the same plan, namely, that land should be rated at a percentage of its selling value, where that percentage is more than the existing "rateable value." The Resolution, so read, would rate properties on the present "rateable value" of the composite subject, or on 5 per cent. of the selling value of the land, whichever was greater.

The word "minimum" in the Resolution makes for that interpretation, but a contradiction is involved in the subsequent words: "of each parcel of land." If *each* "parcel" of land is to be rated on a minimum basis of 5 per cent. of selling value, there cannot be any distinctions. Every "parcel" of land must be rated on that basis as a "minimum"; but there is no instruction as to what the maximum should be or is likely to be in any given case where rateable value exceeds 5 per cent. of the selling value of the land. The Resolution is not at all clear.

Conversation with several of the Councillors revealed much conflict of opinion on the meaning of Resolution II. and on the practical steps that should be based on it.

The idea was expressed that it was desirable meantime to embark upon quite a partial reform—namely, to empower the City Council to levy its rates on any property on 5 per cent. of the selling value of the land where the overseers reported that, with respect to such property, 5 per cent. of selling value of the land exceeded the "rateable value." There were those that held that both Resolution II. and Resolution III. bore that interpretation, and they wished that such should be the interpretation, so that the Council might avoid the "expense and trouble" of making a complete new valuation of the whole of the land within the City boundary. But it is difficult to read into words a meaning that is not there. If that was the intention it should have been expressed instead of being left to inference. Experience shows that in the drafting of Resolutions conflicting interpretations should not be possible.

There are serious objections to putting such arbitrary powers in the hands of overseers. They would have to instruct their valuers to make a valuation of such properties as, in the opinion of the overseers, had a "rateable value" less than 5 per cent. of the selling value of the land. How could overseers be equipped for such a purpose; are they to pick and choose at random? The valuations of land value would have to be subject to agreement in the event of appeal. And it would only be after such valuations were made, and the figures taken into account of the general assessment, that the City Council would be able to know what was the aggregate assessment on which the rates for the year could be struck.

The matter of deciding whether properties are so undeveloped or are in such a state of non-use as to have a "rateable value" much less than 5 per cent. of the land value, may be considered simple. It may be said that the cases are obvious and easily isolated—vacant land, accommodation land, etc. It is not so. If the examination was thoroughly undertaken it would be found that there are many other cases where "rateable value" is less than 5 per cent. of the selling value of the land; for example: out-of-date buildings on valuable land; and exceptionally valuable sites in the heart of the city covered by premises that are usually owned by the occupier. Such premises not being let to a tenant and there being no other tenanted properties of the same nature to serve as a guide, it is not easy to decide what rent they would command. Yet assessors must make some kind of estimate and their practice is to assume what annual sum a tenant would pay, not for the premises, but for the profits made on the premises, subject to goodwill and numerous other factors. The assessed rent in such cases does scant justice to the true value of the land and buildings either separately or taken together. Therefore, to be fair to the owners of all the properties in the city without exception, and to be true to the principle at stake, a universal valuation of the whole of the land in the city is imperative.

Even if that universal valuation were made, there would be other difficulties to surmount. The Council would require to investigate the figures for every property and, after painstaking calculations of the difference between "rateable value" and 5 per cent. of land value, arrive at the aggregate city assessment for the year made up of every unit of rateable value (where that exceeded 5 per cent. of capital land value) plus every unit of 5 per cent. of land value where that exceeded "rateable value." Upon that aggregate the rates would be struck and then it is apparent that a recognisable rule of rating would be broken: viz., that every property should be taxed on the same basis as the aggregate assessment of which the property makes a unit. How could the objection be met that it was incongruous to have as aggregate assessment the total "rateable value" of some properties plus the

total of 5 per cent. of the land value of the rest of the properties and yet rate individual properties either on land value alone or on "rateable value" alone?

Resolution II. seemed to have a further meaning to one of the Councillors, who agreed, after consideration, that a new and complete valuation of the land would be necessary. He read the word "minimum" to mean that the aggregate assessment of Manchester should be taken as at least 5 per cent. of the selling value of all the land of Manchester. To that "minimum" he would add any excess of "rateable value" wherever an excess appeared in individual cases over 5 per cent. of land value but as to the total figure of that excess he could make no estimate.

Assuming such a proposal were adopted, what would happen? Wherever land was utilised or improved there, at once, the rating basis would change from land value to "rateable value"—which could only give the public a distorted view of the nature of the change proposed. The basis of rating on the several properties would be constantly changing—from land value to "rateable value" as improvements were erected; from "rateable value" to land value as the improvements depreciated or as the surrounding land rose in value.

### Reference to the Finance Committee

When Resolution II. was adopted by the Manchester Council on March 17th, it and Resolution I. were referred to the Finance Committee. The Finance Committee has since reported and, according to the MANCHESTER GUARDIAN of November 1st, it declared that "the Manchester Council's scheme of March 17th (Resolution II.) is feasible and would be the means of raising a considerable additional revenue. At the present stage, however, the Committee is not in a position to estimate the amount of such additional revenue, nor can it give any estimate of the cost of making a valuation of the whole of the land in the city, which would have to be done before the new basis of valuation could be established. The Council will be invited to adopt resolutions." This report leaves in doubt the interpretation placed on Resolution II., but it is satisfactory in so far as a complete valuation is declared to be necessary.

### Resolution III.—The Parliamentary Bill

The important distinction between the adoption of Resolution III. and the adoption of the previous resolutions is that Resolution III. provides a formula for actual incorporation in a Bill to Parliament. Resolution III. cannot be regarded as the same in principle as Resolution II. There is no mention in it of any "minimum." It required that rates (not a "rate" but "rates") be levied on 5 per cent. of the capital value of *all the land* in the city whether used or not. This is the Resolution twice adopted by the Council in connection with its Parliamentary Bill and any clause or clauses included in the Bill must come within the terms of Resolution III.

Some interpretation is however necessary. The term "land" in legal phraseology means land with everything upon it. The words "whether used or not" indicate the economic meaning of the term land—that is "land" as if unimproved and the value of land means the value attaching to each piece of land assuming that the improvements thereon had not been made.

Resolution III. does not say that rates should be levied exclusively on land value nor that the "rateable value" assessment should be abandoned. By its silence in respect to "rateable value" the Resolution leaves that basis still in operation and in effect calls for an additional assessment of 5 per cent. of the land

value of each separately rateable hereditament in Manchester. The majority of the Councillors consulted in the matter agree that such is the meaning of Resolution III.

Proposals for the adoption of this additional assessment could not very well be incorporated in one clause. A number of clauses are necessary to provide for all requirements in the circumstances, and a rough draft of the Bill could be made on these lines:—

1. Instruction to the Council to levy rates in respect of each property on an assessment made up of "rateable value" plus 5 per cent. of land value.

2. Provision for the payment of the rates under the new circumstances—occupier paying not more than he would have paid under preceding circumstances; where (because the ratio of land value to "rateable value" in any given case was higher than the average ratio) the rates on any property would be greater than heretofore, the excess to be chargeable to the owner of the fee simple with power on his part to recover from other interests in the land their due share of that excess; definition of "interests in land" for the purposes of this section.

3. Definition of Land Value—amending and simplifying that given in Finance (1909-10) Act, 1910.

4. Provision for Valuation Department to make a new and complete valuation in Manchester—but of the land value only, without regard to composite value.

5. Provision for allocating land value among any separately rateable hereditaments standing on one piece of land.

6, 7, 8, 9 and 10. Provisions for periodical re-valuation; publishing the valuation; appeals against the valuation; empowering valuers to get any required information; making the rates a first charge on the property rated.

A provision might also be included in the Bill for the City Council to pay for the cost of the revised valuation of the land. As to what the cost is likely to be, it is difficult to make an estimate. The original Valuation of the whole country for the purposes of the Finance (1909-10) Act, 1910, has been estimated by the Chief Valuer to have cost £2,017,034 (see Cmd. 556, p. 45), which worked out at 3s. 9½d. per hereditament and 8½d. per acre. The cost, however, was considerably enhanced (1) by many difficulties which had to be surmounted before the valuations could be made, (2) by the employment of the valuers on other work than valuation, (3) by the compilation of the many details required under the Act, (4) and by the need for the valuation of all improvements. The proposed revised valuation would be made with the help of all the data already collected and it would not be necessary to value anything but the value of the land alone. It is doubtful, therefore, whether a revised valuation would cost half as much as the original valuation of the land as on April 30th, 1909. The cost in fact is not likely to exceed 2s. per hereditament, and as there are roughly 184,000 separate hereditaments in Manchester, the inclusive cost of a new land valuation in Manchester is not likely to exceed £18,400. It should be borne in mind that the valuation of the land alone is a thing which can be quickly and easily done. The universal experience of valuers all over the world, where separate assessment is made, is that the real difficulty and the greater part of the expense are incurred in the valuation of buildings and improvements.

### Resolution III. means a Differential Rate on Land Value

At first sight, the interpretation placed on Resolution III. in this Memorandum looks like taxing the value of

land twice. It is necessary to dispose of that suggestion. Proposals hitherto made for some beginning with the rating of land values have asked for a distinct and separate rate on the value of land, leaving the rest of the rate-revenue to be obtained by (*reduced*) rates levied on the old "rateable value" basis. So Glasgow, for example, in its Parliamentary Bill of 1905, proposed a land value rate of 2s. in the £ upon 4 per cent. of the value of land, the rest of the rate-revenue to be obtained by rates on "rateable value." So the Minority of the Departmental Committee on Local Taxation (1912) proposed that at least 10 per cent. of local rate-revenue be obtained by rates levied on land value, the remaining 90 per cent. to be obtained by means of the rating method previously in force. So Sydney, N.S.W. (before all its rates were levied on land value), had a rate of 1s. 9d. on the annual value of land and buildings and a rate 1½d. in the £ upon the (capital) value of land alone.

There is no question of "taxing twice" in regard to any of these proposals. No doubt "rateable value" (particularly of fully improved properties rightly assessed according to law) may be said to comprise land value and improvement value. A rate levied on these properties on that basis is a rate levied partly on the value of the land attached to such properties. Hence the idea of "taxing twice" when there is superimposed a rate levied on the value of land alone. But the idea that double taxation is effected is mistaken, since what is achieved is a lower rate on improvements than on land value and a separate rate on land value is a means of achieving that desirable end. The error as to "taxing twice" is further made clear if we suppose that all the rates were imposed on land value exclusively and rates on "rateable value" (or on improvements) were abolished. In these circumstances land value would be taxed only "once" and yet the land value attached to every subject would contribute either the same as before or more, as is explained in a later paragraph. It is interesting to notice that this suggestion as to "double taxation" was discussed and met in the Separate Report (on Urban Site Value Rating) of the Royal Commission on Local Taxation, 1901.

The Manchester proposal, as it is interpreted in this Memorandum, does not call for a distinct or specific rate levied on land value as such. But it effects precisely the same purpose by means of an additional assessment of land value, the rates—that is all the rates—being made upon a combined assessment of "rateable value" plus 5 per cent. of the selling value of all land. The basis of assessment being thus enlarged, the amount of the rates in the £ (for a given revenue) is correspondingly reduced. The result is to reduce materially the taxation of buildings and improvements and to levy correspondingly increased rates on the value of all land in the city whether the land is used or not.

### Financial Effects of the Proposal

The economic effects of rating the value of all land and of relieving improvements from taxation are recognised to be beneficial, but it is beyond the scope of this Memorandum to discuss them. Of more immediate interest to civic administrators is some prediction of the financial effects of the change. The whole question revolves around the probable figure of the additional assessment of the land value of Manchester which has to be added to the total "rateable value" for the purpose of arriving at the new aggregate assessment of the city.

The present "rateable value" of Manchester is approximately £5,000,000, from which in 1920-21 (by a rate of about 16s. in the £) a revenue of approximately £4,000,000 will be obtained. Various estimates of the aggregate of the selling value of each piece of land in Manchester have been made and the figures have been

based upon the known aggregate of the selling value of land in a large number of cities in Australia, Canada, the United States, and elsewhere. There is a close relation between land value and population within a given area. One may justly compare the land value of New York City which is £174 per head of population; or of Boston, U.S.A., having a land value of £194 per head; or of Pittsburg, £158 per head; or Wellington, N.Z., £155 per head; with the land value of Manchester assuming that it was assessed by the same accurate and scientific methods. By such comparisons, figures of Manchester land value (on a capital or selling value basis) have been estimated ranging from 100 to 200 millions. It is

accurately assessed. The assumption should cause no surprise if the nature of "rateable value" (the rent payable for the properties in their existing condition) and the manner of its assessment are taken into consideration.

The old assessment ("rateable value") of Manchester was £5,000,000. The new assessment ("rateable value" plus 5 per cent. of capital land value) will be £10,000,000. The same revenue is to be obtained from the latter assessment as was obtained from the former. Therefore, whereas the rate in the £ was 16s., the rate will drop to five-tenths of that figure—namely, to 8s. in the £. How will all the properties, individually considered,

Table Illustrating the Financial Effects of the Change

	Selling Value of Land (Estimated)	Old Assessment (Rateable Value) (Estimated)	New Assessment (Rateable Value plus 5 per cent. of Land Value)	Ratio of New to Old Assessment (Average ratio 10 to 5)	Old Amount of Rates (in round sums) 16s. in £	New Amount of Rates (in round sums) 8s. in £	Increase (I.) or Decrease (D.)	Per cent. Increase or Decrease
	£	£	£		£	£	£	%
1. Small dwelling houses—forming a very large class of subjects—each, say, on 1-20th of an acre . . . . .	60	25	28	5.5 to 5	20	11	(D.) 9	(D.) 45
2. Larger dwelling houses—on 1-6th of an acre . . . . .	320	80	96	6 to 5	64	38	(D.) 26	(D.) 40
3. Factories in middle zones of the city—say on 1 acre	12,000	1,500	2,100	7 to 5	1,200	840	(D.) 360	(D.) 30
4. Offices and shops on well-improved but not specially valuable land—per subject	2,400	200	320	8 to 5	160	128	(D.) 32	(D.) 20
5. Specially valuable land adequately improved in busy main street worth £1,000 per ft. front 100 ft. deep—140 ft. frontage . . . . .	140,000	5,000	12,000	12 to 5	4,000	4,800	(I.) 800	(I.) 20
6. Land held on lease; lease approaching termination; out of date buildings on street worth £500 per ft. front—60 ft. frontage . . . . .	30,000	500	2,000	20 to 5	400	800	(I.) 400	(I.) 100
7. Vacant land or valuable land used for temporary purposes near the centre—per acre . . . . .	20,000	20	1,020	25.4 to 5	15	408	(I.) 393	(I.) 2620
8. Accommodation land in the outskirts ripe for building—per 10 acres . . . . .	15,000	30	780	130 to 5	9*	312	(I.) 293	(I.) 3522

\* Reduction due to Agricultural Rates Act 1896 and Public Health Act 1875.

not necessary to accept any of these estimates of the land value of Manchester as the actual value of the site upon which Manchester stands; it is sufficient to assume any one of them as a basis of argument and as illustrating the results of the change. We will accept quite a conservative figure and assume the value to be 100 millions, which at 5 per cent. would make the new assessment of land value the sum of £5,000,000. We assume, in fact, that the "rateable value" of Manchester (although "rateable value" is said to comprise land and buildings) is not more than the sum which represents 5 per cent of the value of the land alone if that were properly and

be affected by the change? Manifestly the answer to that question is provided by a very simple key. The ratio of the aggregate new assessment to the aggregate old assessment is as 10 is to 5. Wherever in any individual case the ratio is less than 10 to 5 there the amount of the rates payable will be less; wherever the ratio exceeds 10 to 5 there the amount of the rates payable will be greater; wherever the ratio is the same as 10 to 5 there the rates will be the same.

The table of typical cases, based on estimates of land value and of "rateable value" attached hereto will illustrate the principle that everything depends on the

ratio of the new to the old assessment. Suppose, for example, that 5 per cent of the aggregate value of the land of Manchester is actually £7,000,000, then the new aggregate assessment will be £12,000,000. The ratio will then be as 12 to 5, and the new rate in the £ will be five-twelfths of 16s. or 6s. 8d. in the £, and all the instances fall to be worked out on that basis. If, on the other hand, 5 per cent. of the aggregate value is £4,000,000 the new aggregate assessment will be £9,000,000. The ratio will be as 9 to 5, and the new rate in the £ will be 8s 10½d. in the £; and so on.

Examination of the Table will show that the greatest relief is given wherever rateable value includes the greatest amount of improvement value. The proposal goes half-way toward the ultimate ideal of exempting improvements entirely. In so far as improvements are taxed, the revenue derived by such taxation goes towards the relief of land value wherever, in the Table, the ratio of the new to the old assessment exceeds 10 to 5.

If rateable value were removed from the assessment it is apparent that (the revenue required being the same) the rate in the £ would increase and it would fall entirely on the value of land. How would the various properties then be affected?

Where the ratio, in the table, is less than 10 to 5, the amount of the rates payable would decrease although that part of the amount which may be calculated to fall on the land value part of the subject would remain the same. The whole relief would go to improvements. Strangely enough, the land value, although rated only "once" would pay no less than it was paying under the so-called or suggested "double taxation."

Wherever the ratio, in the Table, is more than 10 to 5 the rate payment (after removing "rateable value" from the assessment) would increase and the increase would fall entirely on the value of land. Strangely enough again, the alleged "double taxation" of land value in the proposal as stated would take a smaller amount from land value than if land value were taxed only "once."

In conclusion, reference may be made to the suggestions in the proposed Bill for payment of the rates in the new circumstances. In cases 1 to 4, even if the occupier continued to be liable for rates, he would have less to pay. In cases 5 to 8 the rate payment would be greater than the occupier would have paid if conditions had remained unchanged. It is proposed that the occupier in these cases should, as occupier, be liable for no more than the old system would have required him to pay, and that the excess be chargeable to the owner of the fee-simple either in a separate demand note or by process of deduction from rent or other means of recovery exercised by the occupier. In any event, arrangements would be made giving the owner of the fee simple power on his part to recover from other persons holding beneath or from him *e.g.*, lessees and/or sub-lessees for a term of years) a due share of the excess in proportion to their interests, if any, in the value attaching to the land.

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## A LETTER FROM HUNGARY

### The Valuation and Taxation of Land Value in Budapest

Land Valuation Office,  
City Hall, Budapest.  
27th October, 1920.

DEAR SIR,—Your issue of August, 1920, reports that your Chancellor of the Exchequer, Mr. Chamberlain, referred to site values as "abstractions that never pass, which are never for sale and are never bid for by a purchaser." If this should be or could be misunderstood to be a repetition of the well-known, but nevertheless false argument against land value taxes, that the value of the land cannot be separated from the value of the improvements thereon, I venture (Sydney, New York, Vancouver, etc., being too distant) to invite Mr. Chamberlain or anyone else anxious to inform himself, and to settle his doubts about this question, to pay a visit to the Site Valuation Office of the far less remote city of Budapest in the middle of Europe (1,000,000 inhabitants) and to convince himself that it is not a mere "theory," but the most practical fact that the value of the sites and that of the improvements are everywhere separated in this city, one from the other, by practical valuation. Intrusted with the official valuation of the 38,000 plots of Budapest, by way of rating them in execution of our statute concerning site-value rates valid from the year 1919 (the rate is one-half per cent. per annum on the market value, sites possessed by the city or by the State or devoted to public schools, hospitals, churches, etc., being exempt), I and my office had no difficulties whatever in registering the market value of the sites apart from the improvements. We accomplished our task (deducting the time when every work was suspended during two political revolutions, the Republican and the Bolshevik one) in less than a year.

How easy, how free of doubt, and how satisfactory the valuation of the market value of the sites, apart from the improvements thereon, was is shown by the fact that the number of appeals will not be more than some hundreds out of the 38,000 valuations, a number smaller than ever recorded in connection with valuation for any other rate or tax.

The total value of the sites amounts (value of 1918, the new valuation having to be published and the rates revised in 1921, each valuation being valid for three years) to 3,400,000,000 Kronas for the sites owned by private persons and to 1,800,000,000 Kr. for the sites free of the rate (city, State, etc., sites), which has been, of course, valued too, together to 4,800,000,000 Kr. The market value of the sites has been assessed per square "Klafter" (one square Klafter being equal to 3.6 square meter, and has been taken perceptibly lower than it is now, in our depreciated and fluctuating exchange) but perceptibly higher than it was before the war. The total of the rates amounts to one-half per cent. of the value, *i.e.*, to 17,000,000 Kr. per annum.

Our statute (rating of the market value of the sites) is quite straightforward and comprehensive, as it takes in account no other circumstance whatever than the market value of the site and knows no "gross value," "full value," "assessable value" or other such complexities. The rate is the same (one-half per cent. of the market value) whether the site is "agricultural" or "building site," used or developed or not, whether the value be great or small, whether the owner be rich or poor or living here or abroad, etc. Our task was a very simple and easy one; we secured the peaceful co-operation of the owners, who understood at once that they had only to see whether the market value of their sites (expressed per square unit) is fixed in right relation to that of their neighbours, and to that of the remoter sites.