

**THE NEW YORK CITY VALUATION**

**Selling Value of Land alone exceeds £1,244,000,000**

The Annual Report of the Commissioners of Taxes and Assessments of New York City for the year ending 31st March, 1920, shows that the aggregate assessed selling values on 1st January, 1920, and the city taxes levied in 1920 were as follows:—

ASSESSMENTS.	DOLLARS.
Ordinary Real Estate—	
Taxable Land (Value of Land apart from improvements) .. ..	4,606,220,298
Improvements .. .. .	3,355,678,500
Real Estate of Corporations .. ..	246,511,175
Special Franchises .. .. .	417,712,584
Total Real Estate .. .. .	8,626,122,557

Taxable Personal Estate .. .. . 296,506,185

**CITY TAXATION LEVIED.**

On Real Estate .. .. .	215,904,822
On Personal Estate .. .. .	7,116,247

**PER HEAD OF POPULATION.**

Population (estimated) .. .. .	6,141,445
Land Value of Ordinary Real Estate .. ..	\$750
Total Taxation levied .. .. .	\$36.3

The equivalent of these figures in English money is not easy of calculation as the value of dollars in pounds has not been a fixed quantity. The ruling rate of exchange in 1919-20 was not more than 3.70 dollars to the £, and if that rate is taken as a basis for conversion the assessment and taxation work out in sterling as follows:—

ASSESSMENTS.	POUNDS.
Ordinary Real Estate—	
Taxable Land (Value of Land apart from improvements) .. ..	1,244,923,900
Improvements .. .. .	906,940,000
Real Estate of Corporations .. .. .	66,624,800
Special Franchises .. .. .	112,896,000
Total Real Estate .. .. .	2,331,384,700

Taxable Personal Estate .. .. . 80,137,000

**CITY TAXATION LEVIED.**

On Real Estate .. .. .	58,352,600
On Personal Property .. .. .	1,923,100

**PER HEAD OF POPULATION.**

Land Value of Ordinary Real Estate .. ..	£202
Taxation .. .. .	£9 16s.

To the land value of ordinary real estate there requires to be added the value of intangible privileges or monopoly rights attaching to "real estate of corporations" and to "special franchises." These two classes of taxable property include, as to the former, railroad rights-of-way over private property and the rails and similar structural improvements; and, as to the latter, the right of constructing and operating rails, wires, pipes, etc., in or under or above public highways and places. In each case the value of the improvements is not more than 50 per cent. of the total value.\* The total value of real estate of corporations and of special franchises is 664 million dollars;

\* Value of improvements and value of monopoly rights of way are not shown separately in the reports of the City Tax Department. In a report by Professor Haig to the New York Committee on Taxation (1914) particulars were given showing that improvements made up 48 per cent. of the value of "real estate of corporations." In the report of the New York State Tax Commissioners for 1916 the value of improvements in respect of "special franchises" is shown separately and in New York City it made up 45 per cent. of the total value.

therefore the monopoly value attaching to these two forms of property may be put down at a sum of 332 million dollars, which when added to the land value of ordinary real estate makes 4,938 million dollars as the selling value of all real property apart from improvements. This is equivalent to \$802, or to £217 per head of population.

The assessment is made annually in New York City and in 1919 the real estate department cost in salaries \$543,800—approximately £150,000. The separation of land value from value of improvements (made for the purpose of securing greater accuracy and uniformity) dates from the assessment of 1st January, 1904, and was ordained by law passed on 7th May, 1903, which had reference to the City of New York alone. Since 1911 separate assessment of land and improvements has been the practice in all the cities of the State. It has been in operation for many years in the States of New Jersey and Massachusetts. It obtains also in Ohio and other States, and in numerous cities where it is either required by State or municipal law or has been adopted voluntarily by the assessment departments concerned. Such cities include Baltimore, Boston, Buffalo, Chicago, Cleveland, Detroit, Houston, Milwaukee, Philadelphia, Pittsburg, Portland, San Francisco, and Scranton, as to which the official figures for 1919-20 have been communicated to the Information Bureau of the United Committee for the Taxation of Land Values. If proof be wanted that land and improvements can be separated by practical valuation, here it is in abundance so far as the United States are concerned; and to that testimony may be added all the facts and figures available from Australia, New Zealand, South Africa and Canada. The separate valuation may be made either for purposes of correct assessment, taxation being levied on the composite subject as in New York City and in American cities generally; or it may be made for the purpose of reducing the taxation of improvements and concentrating taxation on the value of land alone. The whole subject is of profound interest to those engaged with the valuation and taxation of land values in this country, and the story of the legislation enacted on these lines will shortly be published in pamphlet form by the United Committee.

It is to be borne in mind that in New York City the taxes fall on the selling value of land and of the improvements upon land. Vacant land is therefore taxed at its selling value. Each of the Boroughs composing the city has its own tax rate, and in 1920 the lowest rate (in Manhattan) was 2.48 per cent., and the highest (in Richmond) was 2.53 per cent. The average rate was 2.50 per cent. equivalent to 6d. in the £. That is to say, in New York City there is an annual tax of 6d. in the £ upon the selling value of vacant land, all privately owned land being assessed for taxation whether it is improved or not. This is of course not the taxation of land values, since improvements are also taxed at their assessed selling value; but the incidence of taxation on vacant land is seen in the steady reduction in the assessed value of such land, either because it has been built upon and has ceased to be classed as "vacant" or because increase in the rate of tax from year to year has diminished the selling price. Comparing 1911 with 1920, the population of the city has grown from 4,983,385 to 6,141,445, but the assessed value of vacant land has fallen from 620 million dollars to 549 million dollars—from \$124 per head to \$89 per head.

The assessed value of land of the whole city has remained practically stationary since 1911 despite an increase of 1,158,060 in the population. Increasing taxation has prevented a rise in the selling price. Relatively to population the land value (taking the official figures in respect of ordinary real estate) has in fact fallen. It was \$915 per head in 1911 and was \$750 in 1920. Improvements on the other hand have increased from 2,655 million dollars in 1911 to 3,356 million dollars in 1920, figures which are equivalent respectively to \$533 and \$546 per head of population.

A. W. M.