

THE IMMEDIATE NEED FOR LAND VALUE RATING

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UNLESS DRASTIC reforms are made in our present Rating System grave injustices are going to be encouraged and colossal fortunes unearned and undeserved are going to be reaped at the expense of the general community at the end of the War.

It is no less a scandal (even though there is no apparent explanation why) that a rating system containing so many anomalies, so many injustices and so many hindrances to progress and enterprise, should have been allowed to carry on for so long.

Let us look at some of the inflictions that the community has borne with more than Christian resignation under the present system :—

(1) The owner of property, who spends money and brains and effort on improvements is rated higher and higher in proportion to the extent of these improvements.

(2) The owner of vacant property is un-rated and of property in badly developed conditions is lowly rated, however valuable the site itself may be.

What sort of a system is it that thus promotes inefficiency, and discourages enterprise? It's the economics of Alice-in-Wonderland.

(3) By not rating unused land and property, and lightly rating the ill-conditioned and poorly developed, we make it easy for persons to hold land lowly-rated or un-rated against a possible demand for it. What windfalls have fallen to landowners in the past, this way! What tremendous profits are likely to be netted after the War in this way, when the municipal corporations and private building firms come into the market to cope with the vast re-housing, town-planning and general development schemes, by owners of lowly-rated land, who have done nothing to make the land valuable,

but who will be ready, as past records show, to charge the "market price" for that very land which they fortuitously or speculatively happen to possess.

What creates the value of landed property, after all? Two things: (1) The labour and capital that the owner spends upon improving it, and (2) The presence of, and the improvements created by, the community in relation to the land.

Surely the fair and rational thing would be that the value of the former should go to the landholder, whereas the value of the latter should belong to the creator of it, namely the community?

This in brief is the theory and object of Land Value Rating, and its introduction would create the following boons :—

(1) It would provide a substantial *new* source of income from the rating of unused or inadequately used land.

(2) It would lower existing rates, by distributing the burden over *all* the land instead of only that which is being put to use.

(3) It would cheapen the price of land by forcing into the market land which is kept idle under the present system through being un-rated.

(4) It would provide a fair system of valuation for the purpose of purchase in connection with public or private development, housing and town-planning schemes.

(5) It would, if fully applied, relieve improvements to property and buildings of all rates, and thus encourage enterprise.

Thus, the community would be enriched, and the way would lie open to the new era when everybody would live and work under conditions that become a worthy civilization, and when the door would be closed to a vicious form of speculation which, like a canker, has been eating out the good from the domestic scene of this great country, for generations.