ARDEN LAND VALUE

by Leonard Purdy, 1954

In considering the value of land at Arden and Ardentown, Delaware, one should compare it with the value of land of the single tax colony of Fairhope, Alabama, which is a colony based on the same principle as that on which Arden is based, that the rental value of the land should be taken for public purposes.

We should compare the surroundings of both places, the States of Alabama, and Delaware, the Counties of Baldwin, Alabama, and New Castle, Delaware, and so far as possible the immediate surroundings of Arden and Fairhope. Arden is within five miles of Wilmington, (population 110,000) and Fairhope, twenty miles from Mobile, (population 129,000). The population, area, rent and per capita rent for 1953 for Arden and Ardentown and Fairhope Colony are as follows:
<table>
<thead>
<tr>
<th>ARDEN AND ARDENTOWN</th>
<th>FAIRHOPE (single tax) COLONY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>Population</td>
</tr>
<tr>
<td>985</td>
<td>2,000</td>
</tr>
<tr>
<td>Area acres</td>
<td>Area acres</td>
</tr>
<tr>
<td>272</td>
<td>4,000</td>
</tr>
<tr>
<td>Rent</td>
<td>Rent</td>
</tr>
<tr>
<td>$20,594.</td>
<td>$66,888.</td>
</tr>
<tr>
<td>Per Capita</td>
<td>Per Capita</td>
</tr>
<tr>
<td>$20.90</td>
<td>$33.44</td>
</tr>
</tbody>
</table>

Why is the appraised value of land in Arden less than two-thirds that of Fairhope Colony?

Let us examine three estimates and two facts of record which help to form an opinion concerning land value in Alabama and Delaware.

Bearing on the relative value of land in each State we have three estimates, two by the Bureau of the Census and one by the Economic Almanac, Published by the National Industrial Conference Board, based on studies made by the Census Bureau up to 1922. The latest estimate by the Conference Board is for the year 1937. That was a year of low value, but we are concerned with relative values, not actual.

The second estimated value is that of per capita income paid to individuals. The Census Bureau makes this estimate every year. The World Almanac publishes it,
as well as the U. S. Statistical Abstract published in 1951 and 1953 and at prior intervals. The World Almanac for 1954 gives the estimated income for 1952. The third estimate is of value of land and buildings per farm and the value per acre of farm land.

FACTS OF RECORD

Now we come to facts which indicate the relative value of land in several States.

The Census Bureau has reported local and state taxes paid in every State for many different periods and in the Historical Review of State and Local Government Finances, Number 25, it gives the per capita taxes for each State and average for the United States for 1913, 1932 and 1942, showing state taxes, local and total for each State. It is not possible to arrange six States in proper order of land value when the difference between the lowest and the highest is less than ten per cent, but it is possible to arrange States in groups with a small margin of error
because the difference in per capita wealth and income
and therefore between the value of the land is great.

This fact is illustrated by the comparison of the poorest
State, Mississippi, with New York, which stands at or near
the top:

<table>
<thead>
<tr>
<th>PER CAPITA TAXES IN MISSISSIPPI AND NEW YORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Local</td>
</tr>
<tr>
<td>Miss</td>
</tr>
<tr>
<td>1913</td>
</tr>
<tr>
<td>Local</td>
</tr>
<tr>
<td>State</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

We now present the cost per pupil of elementary and
secondary education as evidence of relative wealth of the
States. This comparison is less accurate than a table of
all taxes, state and local because in the last thirty
years the States have resorted to new forms of taxation
resulting in much more revenue for the State. Some States
have assumed functions of cities and towns, sometimes,
as in the case of Delaware by assuming all the cost of
education or by helping in other ways. The increase in
state revenue has been gained by various indirect taxes
or by taxes which do not tend to make the voters resist
an increase in the cost of State government when they
are not conscious of paying for it. Some relatively poor
States have a very large state revenue. In spite of
these considerations the cost of education per pupil is
interesting and supplements the evidence of relative
wealth. The Statistical Abstract for 1953, page 110,
presents cost per pupil for 1950 as average cost for the
United States at $208 as compared with $181 for 1948.
Delaware increased twenty-five per cent.

Three estimates and two facts of record are now set
down in order from top to bottom:

**ESTIMATES**

<table>
<thead>
<tr>
<th>Alabama</th>
<th>Delaware</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Estimated value per capita of all tangible property having value in exchange including property exempt from taxation. Average for the United States $2,335.</td>
<td></td>
</tr>
</tbody>
</table>

Per cent of average............ 45.2 129
2. Value per farm. Probably
owner's estimate varying
much from year to year
with value of crop............  $4,809.    $13,043.
Value of farm land per acre, 1950  48.    114.

3. Per capita income paid to
individuals for the year 1952
in United States $1,639.  $1,012.    $2,260.

FACTS OF RECORD

1. Taxes per capita State and
Local 1942--average for
United States $71.86  $32.35  $68.02

2. Cost per pupil of elementary
and secondary education 1950--
for the United States $208.00  $117.  $258.

The estimates and the facts of record show that the
value of real estate in Delaware is at least twice that
of Alabama. Formerly the value of land was about sixty
per cent of the value of real estate as found by Mr.
Shearman in "Natural Taxation." Now it is between thirty
and forty per cent except in a few southern States where
it is much more.
Comparison of Baldwin County, Alabama, and New Castle County, Delaware

For the sake of simplicity I present the figures for that part of New Castle County which is outside of the City of Wilmington and nine incorporated towns. I have estimated the population on the basis of the census figures for 1940 and 1950 and given my estimate for 1953 which is the time when the work was done for the assessment for 1954. It is said that the assessment is estimated to be eighty per cent of full value.

<table>
<thead>
<tr>
<th>Population 1940</th>
<th>Population 1950</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Castle County, Del. (exclusive city &amp; towns)</td>
<td>50,405</td>
</tr>
<tr>
<td>Baldwin County, Alabama</td>
<td>32,324</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Population Estimate 1953</th>
<th>Assessed Value</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Castle County, Del. (exclusive city &amp; towns)</td>
<td>94,000</td>
<td>$329,974,400</td>
</tr>
<tr>
<td>Baldwin County, Alabama</td>
<td>43,000</td>
<td>23,650,780</td>
</tr>
</tbody>
</table>

If the per capita of New Castle County is eighty percent of full value the full value would be $4,380.
I have no testimony as to the full value of Baldwin County, Alabama, but I should think it would be less than half New Castle County, Delaware.

In the light of these facts it is difficult to imagine that the rental value of Arden can be less than the rent collected in Fairhope Colony, which is $33.44.

APPENDIX

In the search for facts bearing upon the value of land in Arden, Delaware, I have collected various facts which are illuminating.

The following table shows the populations for 1940, 1950 and my estimate for 1953 of New Castle County, Wilmington, the nine incorporated towns and for that part of the county exclusive of Wilmington and the nine towns, also the assessed value for 1954 of each section and the per capita for each section.

I never believe statistics which differ greatly from what my experienced observation tells me they should
be. In this case the relative values are true to the usual observed pattern.

Wilmington has lost its richer population to the suburbs and its real estate is only $2,644. as compared with $3,510. in the suburbs. I see on the map I obtained from the Census Bureau that west of Bellefonte and within two miles or so is Dupont Country Club. Presumably that northwest area of the county is inhabited by well to do people who create large land values.

(Table A)

The assessed valuation of the county gives the assessed value of the nine incorporated towns, but not the population. The population I obtained from a separate census report for Delaware which gives the population for 1940 and 1950.

I present a table showing the population of each of the nine towns and my estimate of the population for 1953, also the assessed value of each and the per capita.

(Table B)
Six towns show a normal increase. Elsmere, just west and close to Wilmington trebled its population. Its value is low. Newark is near the state line west of Wilmington. It has the largest population and is the richest recorded area, $3,688. per capita. What is the nature of the increased population?

Townsend, near Kent, has lost population. It is small and poor. Delaware City just south of Wilmington is the poorest of the towns.

Belefonte, near Arden, has a curious history. It is so curious I should watch for a misprint. Population in 1930, 761; 1940, 2,593; 1950, 1,472; per capita $2,180. That is near the average for the towns and less than the city of Wilmington.

It would be very interesting to me to have comments and information from one who knows New Castle County as I would know it if I drove around it and knew the history as an observant resident.