

The Landowner Sits and Waits

by ALAN ST. DENIS

SOME three generations ago (we learn from MacLean's magazine) a sturdy Canadian family named Polk acquired a sixty-five acre farm at a spot far out in the countryside. The purchase price was "a few cents an acre." Through the years, the land passed from father to son, but in 1954 there was no young Polk to take over the farm's operation, and it was owned by Sarah Polk, an elderly widow. By that time, Toronto had expanded until the Polk property was on its outskirts, and this thriving city was experiencing a considerable real-estate boom. The intense need for building sites brought eager buyers to the Widow Polk's door, and she was not deaf to their generous offers.

Understandably desiring to spend her reclining years in comfort, after her arduous life on the farm, Mrs. Polk decided to sell her land to a development company, which paid her a sum she considered fabulous—\$145,000. In approximately eighty years the value of the farmland had increased thousands of times. She was naturally elated with her good fortune, and at the same time was quite astonished that the modest Polk homestead could bring so huge a price. To her the transaction remained completely incredible. However, if her reaction was one of bewilderment, what was yet to come was sufficient to recall the unbelievable happenings described in *The Arabian Nights*.

Before the development company could begin its developing, the very brokerage firm which had engineered

the sale of the land bought the property for itself, paying \$195,000 for it—\$50,000 more than Sarah Polk had received for her deed. The brokerage firm then engaged architects and engineers to blueprint plans for subdividing the land, and consulted a building contractor. It happened again! The building contractor was also looking for land to develop, and (why prolong the suspense?) persuaded the brokerage firm to sell. The persuasion consisted of \$355,000 in cash.

If this were its end, our story would already be fascinating enough to cause anyone's eyes to widen; but there is still more to tell. About two years ago the building contractor found a quick turnover preferable to a long-term investment, and resold the land for \$395,000. Had the Widow Polk waited eighteen months longer, she would have received three times the "fabulous" amount for which she had sold her land.

At this point the trail ends, as far as this investigator is concerned. But it is not the end of the increase in land values, either of the Polk farm or any other desirable site. Toronto pressed inexorably toward its environs, and those who demanded the use of its suburbs inevitably bid higher and higher in the struggle to own them. Mrs. Polk was a lucky lady and, things being what they are, no one can begrudge her personal good fortune. Yet, from her experience, one can readily understand why "the landowner sits and waits."