

On Land Values

By KNUD THOLSTRUP (Copenhagen, Denmark)

Jeffery Smith presented an interesting idea with the Citizens Dividend, using San Diego's land values as an example.

But you cannot divide up the \$65 billion in parts, \$50 billion for private land and \$15 billion for public service land. The value of the land under private buildings is high because it is convenient to schools, churches and other public services.

The advantage of having easy access to public services is included in the price of land under private houses. If you sell the land on which there is such a service (school, etc.) for another purpose, the value of the land under private holdings will decrease.

There will always be a market price for houses and building plots, but what is the market price for land under a church or a school you need to have and can't move away?

This means that there is no extra land rent to collect from public services if LVT is fully established; you will get the whole rent obtainable (\$65 billion) from the private owners. With this realized, the LVT system will be easier to introduce.

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