



How Granny's on the make

HOW CAN LAND management be made to matter to typical home-owners, now a substantial majority of voters in Britain? Indeed, does it matter? If property professionals such as Professor Peter Dale (see page 9) and myself – and politicians such as Adrian Sanders – are to get people to care enough about land registers, geographic databases and smart property taxes to vote for them, we must answer those questions.

The answers will be very different to property professionals and politicians in Nicaragua, Namibia and New York – even England. But essentially the issue is the same: addressing it successfully requires a philosophical approach that recognises land ownership is unlike owning a car.

Take three issues of huge voter impact in Britain today: public transport, housing costs, and pensions. There is a thread connecting all to land information and taxation. Granny Smith in No. 17 Berkeley Road bought her modest semi-detached des res in 1950 for £3,000. It is now worth £300,000. Her grandson Jason will have to live four times as far from his job in the City than her late husband, in order to pay a mortgage that represents the same proportion of after-tax income for the same quality of home. Her son John has just taken early retirement, on an index-linked state pension. He lives a little further out of town than her but is comforted by the fact that every day his house grows in value by more than he could have earned as a clerk.

Of course it isn't his house that is rising in value: houses deteriorate unless you spend money on maintaining them. It is the land under it that acquires added value from the growth of London's population and wealth: wealth generated by wage slaves spending their lives in decrepit trains or stinking traffic queues, while far too many from the 70,000 families unlucky enough not to have grannies sitting on gold-mines of land-based credit sometimes turn to crime in no-hope slums and intermittent sub-marginally paid jobs.

Wealth is systematically and unjustly being siphoned from those who work – or wish to – to those who merely own land. As Joseph Hyde, property lawyer, said at the workshop Funding Transport Infrastructure from Land Values: "Mortgage is a form of

privatised LVT. The failure to tax the rental value of land is stopping kids get on the housing ladder, because granny is at the top and she ain't moving."

That workshop concluded that LVT would solve many problems of transport infrastructure funding, affordable housing, sustainable urban development, etc. But it would open the door to much bigger questions about economic justice.

It is evident that Granny Smith has no moral right to most of the increase in the value of her house. She and her generation – and soon I and mine – have benefited by tens of billions of pounds to the detriment of our communities over our life-times. Moreover, they have been encouraged to do so by government policies which, until recently, gave tax breaks to middle-class mortgage payers.

If we can put satellites into space to photograph distant solar systems, we can devise ways of fairly assessing land values, compiling land registers, manipulating land value maps – and sending equitable tax bills to the solid voting citizens of Berkeley Road. It is already being done in some parts of the world and it hasn't caused riots in the street because there are far more winners than losers. But the losers are powerful. Valuers have to learn new skills, developers need to learn that having a 20-year land bank isn't necessary, Rupert Murdoch might find that the land of free air-waves that makes him a fortune has a rent to pay to governments, bankers might have to re-learn the skill of nurturing genuine entrepreneurs instead of hoarding assets and making debt-slaves of humanity.

Introducing LVT is about changing a mind-set more than about changing an administrative system. And it can be done if we build a coalition of single-issue campaigners who see where it would tackle the root cause of their problem and construct, then communicate, a coherent set of messages to those who need to hear it.

Granny Smith wants Jason to be happy. If development tariffs will make houses less affordable for Jason, leave him working hard to pay the mortgage and travel in rotten trains, she'll vote for a system that changes that. But first we have to find words that help her understand.

Tony Vickers