

## APPENDIX

### THE USE OF LAND-VALUE MAPS

REFERENCE is made in the preceding pages to scientific methods of land valuation and some further explanation may be of interest, taking as an actual example what is being done in Denmark. Valuations of the land apart from improvements have been made in that country periodically since 1916. The valuation is controlled by a Central Valuation Board assisted by local boards in each area. Since 1920 the work of valuation has been facilitated by the use of land-value maps, which are open to public inspection and copies of which may be purchased by anyone.

A section of the land-value map of Copenhagen for the 1950 valuation is reproduced here. The land-value map does not show the boundaries of individual properties. It is quite separate from the survey or cadaster showing the extent of each holding. Its purpose is to show the standard of value adopted for each street or section of a street.

The unit prices are printed along each street, and they represent the value in crowns per square metre of normal depth of land fronting on that street. The normal depth in Copenhagen is 20 metres. In New York, however, the unit of value is the value of one foot frontage and one hundred feet depth, and this method of looking at the matter is more in accordance with the practice in this country of quoting a price per foot front. (The two systems are readily convertible, for the unit value in

Copenhagen only requires to be multiplied by 20 to give the unit value for a metre frontage of normal depth.)

The values of individual sites are determined by reference to the unit prices fixed for the street, or portion of a street, on which they front. In applying the unit values to plots, which are of greater or less depth than the normal, allowance is made for this fact. It will be evident that the front portion of a lot is more valuable than the back, and that a plot of half the normal depth is worth more than half as much as a plot of normal depth. Similarly a corner plot is worth more than an inside plot of equal depth, and its value depends upon the values in the two streets and the amount of frontage to each. Tables based upon practical experience have been computed showing the effect of variation of depth upon value, and also showing the effect of corner influence upon corner sites.

The valuer thus computes the value of each site, making allowance for the circumstances mentioned and any other factors affecting the value. As the unit values are published, the landholder can check the valuation and verify if due account has been taken of any special conditions. If he is not satisfied, the valuation authorities will explain to him the basis of the valuation and rectify the mistake, if any.

The important point is that by this system haphazard guesswork is eliminated. The valuer has a tool at his hand to use in making the valuation, but he has naturally to exert skill in fashioning the tool and in using it.

The unit values are established after a thorough investigation of the prices at which land is being sold or let at the time. The most important point is that they should be in proper relationship to one another. It is also desirable that the absolute figures should be as nearly

accurate as possible, but no great harm would follow if they were all a little too high or a little too low, for the relative position of the taxpayers would remain the same and therefore they would all contribute in the same proportion. In other words, the essential thing is that the variation from point to point should be ascertained correctly, and it is this very fact which is brought out most clearly by the use of the land-value map.

In the map reproduced, for instance, it will be seen that the highest value is 2,200 crowns per square metre. This is equivalent to about £680 per foot frontage of a depth of 65 feet. It will be noticed that in a few cases no unit price is written against the frontage. These are cases in which the land is outside the ordinary transactions of commerce, such as the site of the Town Hall and the Tivoli Gardens which belong to the city. In these cases it is the practice in Denmark to state the price as an average per square metre for the whole area but this variation from the normal practice is not essential.

One of the most important features of land valuation on the lines adopted in Denmark, New York, and elsewhere is the publicity secured in the whole process of valuation. In New York, for instance, when the values proposed for individual plots are determined, they are open to public inspection before the time for appeal has elapsed so that every person may be aware of the figure proposed for every site. Favouritism or capricious valuation are eliminated, and the highest degree of public confidence in the accuracy of the valuations is secured.