

Noah D. Alper's Brief Cases

TRICKS OF THE TRADE

In Newport Beach, California, lots on or near the ocean usually sell for \$20,000 and up. Recently however, a subdivider has advertised three-bedroom houses a few hundred feet from the water for as little as \$22,900. Prospective buyers, on visiting the development, found that the landowner retained title to the lot on which the house was built and the home buyer received a long-term lease and paid an annual rental on the value of the lot.

This was reported in the Wall Street Journal by Richard F. Roper, who said "the leasing of residential property is no novelty in the U.S. As long ago as 1750 a Baltimore landlord offered lots, with no down payment, on 99-year leases at an annual 'ground rent.' Other landlords adopted the practice and even today many homes in Maryland are on leased ground. Leasing also has been the custom in Hawaii, where Kaiser Industries' new Hawaii-Kai development in Honolulu offers lots on a leased basis only . . . Leasing enables large landowners who are reluctant to sell their holdings to have their cake and eat it too."

TAX PARADOXES UNCOVERED

"One paradox of local property tax systems is that they can be obstacles to improvement of land and buildings, setting a premium on neglect and discouraging investment in blighted urban areas where the investment goes up as soon as an old structure is rehabilitated," the Urban Land Institute reported in a study entitled "Changing Urban Land Uses as Affected by Taxation," edited by the research director, Jerome P. Pickard.

Some of the results of this study as published in the U. S. Municipal News of March 1st are:

"High taxable real property resources per resident occur in industrial enclaves, estate enclaves, and special-resource communities."

"Very low real property resources per resident are found in World War II housing project enclaves, and aged, high-density, blighted areas."

"Inequalities in tax revenues reflect inversely in property tax rates, with the wealthier communities enjoying lower rates."

"Nobody seriously suggests abolishment of property taxes. But there's need to think in terms of choices; alternative forms of taxing land, improvements and other property; alternative non-property local taxes."

ANCIENT GREECE AND THE LAND QUESTION

"When Xerxes was bringing his host to Greece for invasion and conquest he fell in love with a plane-tree, adorned it with golden bracelets and necklaces, and appointed a sentry to guard it. Centuries later Napoleon turned aside a military road to save a tree which Caesar had mentioned in his dispatches. If men of war can feel this surge of sentiment at the beauty of a landscape, or the pathos of the remembered past, then surely it is appropriate for us to feel that we are companioned by giant memories and heroic consolations as we travel this incomparable land (Greece)."

"Jefferson is right of course when he reminds us that the earth must always belong to the living, but he is less unanswerably right in Greece than elsewhere. For here the past can be seen and felt in all its fallen glory and aching rapture."

The above from Max Freedman's column in the St. Louis Post-Dispatch entitled "Memories for an Incomparable Land," suggests that many know of Jefferson's allusion to land ownership. How wide is the gap between his ethical concept and the practice which allows the land to belong to those who collect the rent of land.