## Henry George Newsletter published by Henry George School of Social Science

## ON GENTRIFICATION

MAY 1982

A new nasty word has entered the lexicon of urban land use. From Boston to Washington, from Los Angeles to San Francisco, wherever an area becomes more attractive to people with more money, the cry of "gentrification" is bound to accompany the displacement of those who can no longer afford to live there. Whether it is the rueful comment of a barfly as his saloon is transformed into a quiche-and-salad cafe, or the determined we-will-not-be-moved tenants of an apartment house undergoing renovation, all are seen as "victims" of some inhuman conspiracy of market forces that destroys homes, livelihoods and lives.

There are indeed all sorts of nastiness in the attempts to escalate change and drive out occupants with threats, harrassment, cutting off services, arson and even hiring thugs to commit violence against tenants. The promise of quick gain attracts the marginal as well as criminal operators. These irresponsible elements would not be there but for the land value increment they expect to collect all at once. For these are neither speculators in some future gain nor investors in their communities. They are merely reapers of the uncollected rent of locations that gained in value but not in use. The best way to fight them is to begin collecting the economic rent for the community, making it profitable but neither criminal nor immoral to invest in real improvements.

Alas the resisters of gentrification fail to distinguish real value from romance. Some of them may fight for poor housing, in the belief they are maintaining housing for the poor. Others may pitch battle for a derelict public facility, a rotted pier, a caved-in highway, anything to stave off improvement. It is curious how resistant even liberals can be to change if it is on their turf. One group is getting grants to "protect" its urban gardens--read prettied vacant lots--from, heaven forfend, new housing. But let us not impose our values on the rest of society. Perhaps some community would prefer a spot of green to another family of humans demanding services. Perhaps, but probably not at the price of four dollars a tomato, the cost one group estimated as its subsidy for an urban garden.

We need not subscribe to the old real estate maxim of "highest and best use" to make a case for freer access to land. In cities where valuable land is held out of productive use, the poor and their political spokesmen may thwart development as well as the wealthy and theirs. Too often, the interests are one and the same. Scratch a community group screaming against gentrification and one may find some not-so-poor landowners holding out for higher prices, meanwhile advertising their locations as getting better all the time.

Fortunately we have friends in just about every city where neighborhood improvement is taking place. And we have some good evidence, in solid statistical studies as well as empiric findings from jurisdictions that impose a higher land tax, that our remedy can work. Freedom and economic development are better for everyone, including the poor, than controls and stagnation. Collecting the land rent for the community can make gentrification a blessing rather than a dirty word.

Philip Finkelstein