



The new and the old, High Street Whitstable

Public expenditure in the provision of all the services which are needed for the comfort and convenience of

Land Values and Population

By P. R. HUDSON

IN THE OCTOBER 1963 issue of *LAND & LIBERTY* attention was drawn to the work of Mr. P. A. Stone, who produced a thesis entitled *Housing, Town Development, Land and Costs* which was primarily concerned with the cost of development in new towns as compared with redevelopment within existing urban areas. Mr. Stone has now produced a report for the Building Research Station, Department of Scientific and Industrial Research, concerned mainly with comparative housing land costs in relation to geographical location and permitted density, something which was suggested as being worthy of further investigation.

Taking as his basis the site prices resulting from public auction quoted by the *Estates Gazette*, Mr. Stone has made a comparative study between residential land prices in the Birmingham and South-Eastern regions. Land values are clearly related to geographical position in terms of proximity to both the capital and to regional centres and sub-centres. Similarly there is a direct relationship between permitted density and site value within small and regional areas. Some of the examples are interesting:

*The highest price asked in the Sussex coast region is almost a continuation of the London region prices, being upwards of £10,000 per site acre.

*An increase in one dwelling permitted density per acre in Greater London causes a price increase of £900 per acre but only half as much in the Birmingham region.

*Average land price per dwelling falls from about £1,400 at ten miles from Westminster to £1,000 at twenty

living increases the rent or price of land. These services are paid for by the general body of ratepayers, but the owners of land who benefit from them financially make no express contribution to meet the cost.

The Whitstable valuation has demonstrated that the means of remedying these errors can easily be provided without undue difficulty and expense. It has also demonstrated that the change to rating on site values would be advantageous to the great majority of the occupiers of property.

The way is now open for a genuine and permanent reform in our system of local taxation, and one which will not make the local authority more dependent upon government grants and more subservient to central control. It is to be hoped that these authorities will renew the demand for the grant of powers to rate on site values. If they do so, they have an unanswerable case; but it would be better still if responsible Ministers seized the opportunity and introduced the necessary legislation forthwith.

miles and £600 at forty miles, the pattern around Birmingham being similar but with lower figures.

*An increase in density of five dwellings per acre might on average reduce the land cost per dwelling by £50 to £100 but would also benefit the land owner to the extent of £2,000 to £3,000 per acre site, or more on a larger area site.

From these facts we are led to Mr. Stone's original contention, in his first thesis, that for the community as a whole low density development in new and expanding towns is more advantageous than high level density in the conurbations. The speculative developer and builder, however, not to forget some local authorities, are more favoured towards the more expensive kind of development.

If Mr. Stone's first thesis pointed indirectly towards the advantages of introducing a system of land-value taxation, this second study reinforces the argument considerably. A land-value tax will tend to encourage development at the geographical margin and establish a decentralising mechanism which town planners, local authorities and sociologists are seeking.

Mr. Stone's factual analyses are most valuable. I would suggest two further lines of enquiry: can Mr. Stone provide an estimate of average increases in value when land is rezoned by local planning authorities from agricultural to residential or other purposes, and can he give examples of land with planning permission which is not being developed at present and which is being withheld from use for speculative rather than for constructional programming reasons? Perhaps the *Estates Gazette* can help him provide some answers here. If so, we might even be able to strengthen the merits of our solution to the problem of how to produce more houses at greater speed.