

**T**HIS WAS NOT a political conference but a conference of rating officers, surveyors, local authority treasurers, valuers in private and public practice, and other interested people from all parts of the country. They met to discuss the report of the pilot survey and valuation of land at Whitstable undertaken by a firm of professional valuers on behalf of the Rating and Valuation Association.

From the point of view of the advocates of site-value rating the conference was a resounding success. Speaker after speaker urged the merits of the system and emphasised the value of the Whitstable survey in providing not only a practical example of what might be expected from a change over to site-value rating but the complete answer to those who claimed that it would be impracticable, difficult and costly.

#### THE OBJECTS OF THE EXERCISE

The conference opened with an address by the President of the Rating and Valuation Association, MR. HUBERT BEWLAY, who explained the reasons for the project, how it was undertaken and how the results were presented. He emphasised the purely objective nature of the survey. The Association, he said, had no views to offer on the merits of site-value rating, and indeed had none. Independent people would have their own views and these would be expressed during the conference.

The valuer in charge of the pilot survey, MR. HECTOR WILKS, who followed the President, explained how he had approached his task and dealt with the problems. He explained how he had interpreted the definition of land value given him (that contained in the L.C.C. Bill of 1939), and how he had built up his presentation of the fact-finding exercise.

Mr. Wilks had not himself decided whether or not he was in favour of site-value rating; he was a valuer, not an economist; he would have to find the answer to a number of questions before he made up his mind. (By the end of the conference perhaps some of his doubts were resolved.)

#### EFFECT OF NEW TUNNEL AND MOTORWAY

During the course of his introduction, Mr. Wilks had displayed on a screen some coloured photographs of Whitstable. He reminded his audience that the construction of the M2 motorway meant that Whitstable was now little more than one hour's journey by car from London. This, he said, had had an effect upon land values and it would continue to have its effect in the future. The same applied to the new Dartford Tunnel, which gives easy and time-saving access to Whitstable from the north.

#### OPEN SPACES

Mr. Wilks went on to explain that the open spaces referred to in the Report were not necessarily open spaces at present but that they had been designated as

# Site-Value Under D

Report of the Site-Value Rating  
and Valuation Association and held  
on Friday, February 1

BY OUR OWN

open spaces in the town development plan. They had been valued at what the local authority would have to pay in order to acquire them — if they did in fact acquire them. One example was of a “run-down nursery” which had been so designated.

#### IDLE LAND

There was plenty of undeveloped land in Whitstable, said Mr. Wilks, and quite a high proportion of obsolete development in the centre of the town. Much undeveloped land changed hands more than once over short periods. Permission for a specific development would be granted and the land would be sold with the benefit of such permission. The new owner might then apply for a superior development permission; if he obtained it he might sell, and the new buyer, after a short lapse of time, would attempt, often with success, to repeat the procedure. This, said Mr. Wilks, was the kind of speculation that held up urgent development of land.

#### REVALUATIONS

The first contributor to the discussion wanted to know if revaluations would be tied to reviews of the town map. Mr. Wilks did not know; it was not for him to say, but he saw no reason, if town planning decisions changed the value of land, for not making an interim valuation of the land concerned. Mr. Wilks explained the valuation procedure in Denmark.

(Throughout the discussion Mr. Wilks was at pains to explain that the valuation of land was tied to permitted use. Under the site-value rating system no land owner would be rated on a basis of development higher than that permitted by the town plan.)

#### APPEALS

In answer to a question on appeals, Mr. Wilks explained that in Denmark, where land-value rating is practised, only point six per cent of the total valuation

LAND & LIBERTY

# e Rating Discussion

ference organised by the Rating  
at the Central Hall, Westminster,  
3, throughout the day.

REPORTER

was the subject of appeal, a figure which if applied to our own system of rating would mean the closing and merging of many valuation panels.

## RATE OF CONVERSION

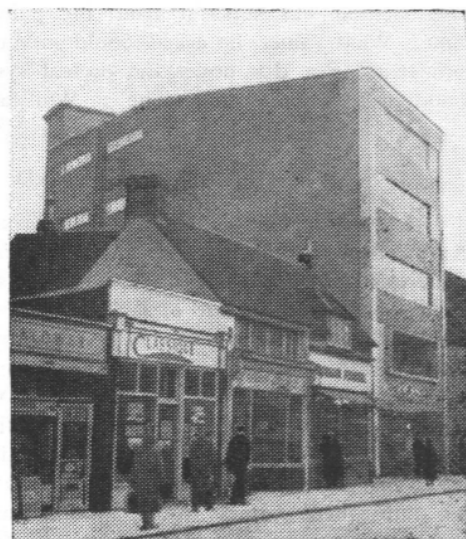
Questioned on his figure of four per cent of capital values as representing the annual value of land, Mr. Wilks said he had not arrived at this figure without much thought and consultation; it was the best he could do and he did not claim that it was necessarily the right figure. The many people he consulted gave different views. Some thought that the percentage should be varied according to the type or classification of land, i.e. residential, industrial, farmland, etc.

## GOLF COURSES

There was some objection from a speaker who felt that the golf course would be harshly treated; payment of the site-value rate on Mr. Wilks' valuation could mean severe hardship or bankruptcy if the owners continued to use it as a golf course. The speaker admitted that he played golf; Mr. Wilks that he did not. The point was made that many golf clubs had profited by compensation from the public purse because permission to develop was refused. In most instances development had in fact not even been contemplated.

## AGRICULTURAL SUBSIDIES AND LAND VALUES

PROFESSOR COLIN CLARK of the Department of Agricultural Economics, University of Oxford, then came to the microphone. He gave unqualified support to site-value rating and commended the Association for its important contribution to discussions on the subject. He said that he was in favour of site-value rating for social reasons and spoke from experience of his practical work in Australia as economic adviser to the Government of Queensland. He made the important point that subsidies to agriculture ultimately found their way to the



*Courts, High Street, Whitstable*  
Present R.V. £1,055; Site-Value R.V. £392

land owner. The price of agricultural land was still going up as were the hand-outs and benefits to farmers.

## INCIDENCE OF SITE-VALUE RATING

Questions as to the apportionment of the site-value rate between leaseholder and land owner (where the leaseholder enjoyed the benefits of a low, fixed rent) and the effects of the new rate on the statutory tenants were answered by Mr. Wilks with the simple statement that this question would have to be dealt with by the government in power. He thought it presented no special difficulty; a rent-controlled system would not be incompatible with a site-value rating system.

To the expressed fear that allotments might have to go if assessed on their development value, Mr. Wilks replied that allotments in Whitstable were designated as such and therefore valued as allotments only.

## METHOD OF VALUATION

Challenging Mr. Wilks on methods of valuation, one speaker argued that Whitstable was an easy case, but that the only practical method of valuing extensive urban areas was: 1) value the whole property, 2) estimate the value of the building, 3) deduct the value of the building from the composite value of the property and thus arrive at the site value. This, he said, would be a costly and complicated business, so that land valuation was nowhere near as simple as the advocates of site-value rating claimed. Mr. Wilks recognised the work and complications attaching to the "residual" method of valuing land but did not see its necessity. Reliable evidence of the value of land alone could be found and this made the residual method quite unnecessary.

When questioned on the ease of valuing sites alone, Mr. Wilks said that there was no doubt whatsoever that

this method was superior from the point of view of time. What valuer, he asked, could survey two hundred properties in a day under the present system—yet two hundred sites a day was done at Whitstable.

### THE VALUE OF LAND

The paper on land valuation in Denmark by MR. K. J. KRISTENSEN, late chief valuer in the Danish administration, was quoted by MR. T. A. ENDE in support of his contention that the value of land in Whitstable, high as it was shown in the valuation, was in reality much higher. Present rates and taxes lowered the value of land and when these were removed, or to the extent that they were removed, land values would be that much higher.

Mr. Wilks neither conceded nor opposed this point of view; his job was to take the market value as he found it. Subsequent values would automatically take into account any present hidden effects of site-value rating and de-rating of buildings.

### THE EXAMPLE OF EAST GRINSTEAD

One of the most impressive contributions to the discussion came from MR. V. G. SALDJI. In the space of a few minutes he outlined the difficulties and absurdities of the present system of rating with examples from his own investigations. East Grinstead had provided a typical example. A vacant site which eventually sold for £40,000 had for a very long time been assessed at only one pound and it was upon this basis that the owner made his contribution to the rates. This situation was repeated many times elsewhere. No wonder the Simes Committee were so far out in their estimate of land value as a proportion of the total rateable value.

### THE LAYMAN AND VALUATION

Commenting on the alleged difficulties of valuation, Mr. Saldji told of his own calculations of land value in Whitstable. As one who was a mere layman in these matters, with no training or practical experience, his own valuation had been remarkably close to the real one.

Mr. Wilks in commenting on this, stated that there were 350 acres of underdeveloped land in the small town of Whitstable, of which some 150 acres had been zoned for redevelopment in the first five years. Virtually the whole area has planning permission to develop, he said; in fact some land has two or three planning permissions. Sales and planning permission follow each other while the land stands idle, making no contribution to the rates.

### RATE AGRICULTURAL LAND

LORD DOUGLAS OF BARLOCH, who was a member of the Simes Committee and a signatory to the Minority Report, said that the importance of the survey was that

it provided an index to the system that had not existed before. A change to site-value rating would give considerable relief to the occupiers of dwelling houses, but he emphasised that because a certain street as a whole would pay less rates under site-value rating this did not necessarily mean that every individual house would benefit to the same extent. Lord Douglas saw no reason for exempting agriculture, and thought it would be quite equitable to levy rates again on agricultural land.

### SPECULATORS vs. THE PEOPLE

The first real touch of emotion (which appeared in no way out of place) came from a lady councillor from Wales. She was sick and tired, she said, of hearing stories of speculators making money out of land while some people were without suitable homes and many people were being forced to pay higher prices for land than was necessary because of the artificial shortage. She would support any system of rating which would put an end to this exploitation. Speculators monopolised land under derelict properties which paid low rates and then cashed in when the time was ripe.

### SITE-VALUE RATING IN THE OPEN

At the end of the debate MR. V. H. BLUNDELL, Secretary of the United Committee for the Taxation of Land Values, referred to the general assumption that exemptions would have to be granted to certain classes of property. He said there appeared to be general agreement that churches, charities, etc. should be exempt. The widow and orphan had not been mentioned, but cemeteries had, and Mr. Blundell reminded his audience that, unlike the present system, the site-value rate would not fall upon occupiers. The whole question of exemptions was one of principle and there was no reason whatever why cases of hardship should be mixed up with the rating system. If people needed assistance, whether it was for paying the rates or for anything else, there was adequate machinery for giving it under the welfare state.

It was too much to expect, said Mr. Blundell, that there would be unanimity in the conference hall in favour of site-value rating. What was more important was that the matter was being discussed after years of neglect, prejudice and ignorance. The Rating and Valuation Association had made an outstanding contribution to the discussion on rating reform and had thrown some much-needed light on the practicability and desirability of site-value rating.

The conference ended on a note of anti-climax when Mr. Tomlinson, Treasurer of Whitstable Council said that he would view site-value rating as an alternative or as a supplementary system with apprehension. More than 800 delegates were present and the sentiment appeared to be more favourable to site-value rating than against it.