

NOTES AND NEWS



No Land Shortage — Speculators Hit in Florida —
Shrewsbury and Oxford look at Site-Value Rating —
Housing Committee beaten at Wimbledon

TOWN PLANNERS ON LAND VALUES

LARGE SCALE purchases of land where development is envisaged or alternatively a tax on increases in land values (in the form either of a periodic levy or a once-for-all charge), are the proposals put forward by the Town and Country Planning Association as the answer to the problem of high land prices and land scarcity. These views are expressed in *The Intelligent Voter's Guide to Town and Country Planning* published last month, price 2s. 6d. The booklet not only gives the views of the Association on planning, but also those of the three main political parties.

In the introduction it is explained that the Association is a non-political body which values its political neutrality. It is not the intention of the Association to take sides in party-political controversies. Its basic aim is to strengthen public understanding of the issues involved in town and country planning.

The views of the Association and of the political parties are given on planning; land and development; new towns and regional expansion; urban renewal; traffic and transport; green belts; national parks and rural planning.

In dealing with land and development, the booklet says: "Britain has enough land, wisely used, to provide good living and working conditions for all, while reserving an extensive countryside for agriculture, forestry, and recreation. We have mounting urban demands upon land; but we are not so short of land as we think.

"At present development of all kinds (including parks) covers 11 per cent of the surface area, and towns proper cover only five per cent. To meet a large population increase, to modernise the physical environment, and to make it possible for families to have the kinds of dwellings they prefer, will require perhaps five per cent more of the land area by the year 2,000. But because of rising productivity, a lot more food can by then be produced from a smaller agricultural area. . . .

"Because so much new growth will occur, the question of land values is important. It is the growth of population and wealth which fundamentally creates land values. But in addition, planning controls further increase land values where development is permitted, although where development is refused compensation rights are limited by law. As the financial value of planning permission increases, so does speculation and pressure from owners for freer permissions or (alternatively) higher compensation. The planning authorities have to pay higher sums for purchase or compensation, while getting no return from the increased values which

their own planning (plus community growth) has produced."

This is an excellent statement although perhaps it is not strictly true to say that planning permission creates land values; rather does it release them. But the effect is the same in that it is in the power of planning authorities to increase or decrease the purchase price or rental value of land.

The Town and Country Planning Association, like many other independent bodies in recent years—as well as the political parties—is becoming increasingly aware of the anti-social effects of the private ownership of land, but its approach, like that of the political parties, is not fundamental. The community has to bear not only the weight of increasing land values on selected land but current values on all land. The Association's remedies stop short at what appears to it to be only the more apparent and immediate evil.

There may be some justification for this from its point of view. The aim of the Association is not a reform of the land tenure system. It merely seeks to "make enough land available in the right places at reasonable cost," and sees a public policy for land values as "an unavoidable corollary of effective planning." None the less, it would do well to take the larger view; it might then see the inadequacies of the remedies it proposes and the consequences of establishing two kinds of land, on one of which an annual tax would be paid and on the other not; or one with future values immune from tax and the other subject to it when development becomes feasible or permission to develop is granted.

If land values were taxed, irrespective of how those land values arose, no one could benefit from planning permission and all land holders would be treated alike—and, of course, speculation would become unprofitable. The Town and Country Planning Association would do better to endorse land-value taxation to secure its own objectives.

LAND GAMBLE BACKFIRES

A LAND PROMOTING COMPANY in Florida—the Major Realty Co., formed in 1960—patiently assembled \$25 million in land from 800 Florida owners. Its stock price rose to \$5 and things looked bright. The company had amassed 40,000 acres of sunny Florida and was looking forward to a bright future. The story of what is happening to this giant speculative land operation is told in the April issue of *House & Home*.

Faced with a \$160,000 semi-annual interest payment