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away is the reason why he changed the scale before he made his 1910 valuations?

Diagram 6 shows the effect of the change in Mr. Somers' scale between 1901 and 1910 on the area referred to. By the 1910 scale, instead of valuing this second 50 x 50 feet (B) at \$25,500, he jumps it to \$32,500, which is \$3,500 more than the third 50 x 50 (E) instead of that amount less as in 1901. The only effect, however, of the change of his scale on the absolute corner 50 x 50 where the two streets meet (A), is to increase it to \$50,000. That is, while he made a change in his scale by which he put \$8,000 more on the whole corner 100 x 100, he put only \$1,000 of it at the absolute corner where the traffic passes, and he put \$7,000 of it on the side street 50 x 50, the rest of the area being unchanged. Now I ask, why the 1901 value was too low for the corner one hundred by one hundred. I ask also, what is the scientific or mathematical reason for dividing this increase of \$8,000 given to the whole, in a way which gives only \$1,000 to the lot 50 x 50 which has the two street frontages, and puts the remaining \$7,000 on the fifty-foot lot that has only one street frontage, and that one the frontage of the poorest value?

These questions go to the fundamental basis—go to the mathematics of the claims of a scientific principle which bears an invariable mathematical ratio. And I do not wish to take any further time now until there is an opportunity for an explanation of those questions.

CHAIRMAN CORBIN: Are there any other gentlemen who wish to discuss this question before Mr. Pollock answers?

MR. LAWSON PURDY: Just a few words. I saw on the wall in the other room a diagram showing part of a site recently acquired by the city of New York for a court house. I do not know exactly the purpose for which it was put there, but the assessed valuation is compared with certain appraisals made by experts and an appraisal apparently made by Mr. Somers. They don't agree at all, and because it might be inferred that the deputy tax commissioner of the New York

department who assessed that property didn't know what he was doing, I wish to make a brief explanation of what those figures mean so far as I know. The site proposed to be taken was appraised by the tax department deputy for about fifty-five hundred thousand dollars. In the condemnation proceedings for the taking of the land by eminent domain the experts for the city of New York testified that the property was worth about fifty-six hundred thousand dollars, or about two per cent more than the deputy tax commissioner had assessed it. The experts for the property owners testified that it was worth about ninety-five hundred thousand dollars, and I think those are the figures that are out on the wall. The commissioners in condemnation finally determined the valuation to be some sixty odd hundred thousand dollars, or fourteen per cent more than the assessed value and about seventy-five per cent less than the experts for the property owners. I do not know how Mr. Somers arrived at his value. It looks as though it was somewhere between the expert for the city and the expert for the property owners.

One of the troubles about corner lot valuation by a mathematical rule is that it takes no account of lot lines. All practical assessors know that lot lines make a tremendous difference and that, under the decisions of the courts and the law in every state, assessments must be made of the property as it is with the division lines as they are. Corner influence may sometimes extend one hundred feet on a street, but where the corner is developed with a substantial and presumably permanent building, the corner influence rarely extends beyond the first lot so improved, and that is the opinion of many if not all expert appraisers. You may find that opinion expressed very clearly by Mr. Bernard in his recent book¹ describing assessments, published by the corporation in Baltimore of which he is the expert appraiser. He is also an expert employed by the tax department of the city of Baltimore.

¹ Alfred D. Bernard, "Some Principles and Problems of Real Estate Valuation", published by the United States Fidelity and Guaranty Company, Baltimore, Md.

I have just one illustration of that, which I think is conclusive; that corner influence extends little, if at all, beyond the first improved lot. Here in Brooklyn is a little lot twenty by seventy on the corner of Broadway and Havermeyer St. The value on Havermeyer is \$720 a front foot; on Broadway \$560. The corner lot and the next lot are both twenty feet wide. This is a very extraordinary little corner for this reason. It is in a very densely populated neighborhood of really poor people. Little shops are the character of improvement that pays the best. In this little corner lot twenty by seventy there are three or four little tiny stores twenty feet deep. On the lot next door which has twenty feet front and is seventy feet deep, there is just one little tiny store with twenty feet front and they only use a short part of it for store purposes—or even if they used it all for store purposes it is only the front of it which has much value for store purposes. Now the actual results of those two properties tell the story. The corner has a rental of \$6,420. The next lot, only twenty feet from the corner, has a rental of \$2,472. You will observe that the corner has a rental of two and three-fifths times as much as the inside. The assessed value of the corner, right or wrong, for land value alone is \$40,000. By Mr. Somers' rules, as closely as I could conveniently figure them—being a secret process—the value is \$26,000, being \$14,000 less than we find the value to be. The next lot we have assessed at \$15,000, and the corner therefore is assessed for two and two-fifths times as much as the next lot, which corresponds with the rentals. By Mr. Somers' method that next-door lot would be appraised at \$18,700, which is \$3,700 more than the assessed value, whereas the corner Mr. Somers would appraise at \$14,000 less than the assessed value. And this is because in that neighborhood little stores twenty feet deep produce the highest return. Therefore I believe that while rules are useful and good things to have, and the more and the better they are the better, it is more a matter of common sense than rules for different conditions. Nevertheless there should be a trained mind, experienced in the neighborhood, who applies the rule when and so far as it fits the actual facts found on the ground.