

REVENUES FROM LAND VALUES

There are no official figures showing the revenue from land values, as the tax bills do not show separately the taxes on land and on buildings

In 1915 the land value of New York was 61.7% of the total ordinary real estate value. From this the taxes raised were, approximately,

Land,	\$ 87,258,154
Improvements	54,165,110
Total	\$141,423,264

The revenue derived from the ordinary land values of the City was approximately 41% of the city budget.

Included in the \$42,000,000 of special taxes are the gross revenues from water rents and docks. On the other hand, the city budget includes the cost of operating these utilities. Proper bookkeeping would treat them as separate enterprises and only the profit would be included in the revenues.

If proper allowance were made for these items, the percentage of the budget raised from land value taxation would be somewhat higher than the 41% given above.

Of the \$42,000,000 special revenues, about \$10,000,000 was from "special assessments" levied on land values for benefits from particular public improvements. The land value element in special franchises and corporation real estate is not separately stated. Allowing for all of these factors, it is a conservative estimate to assume that 50% of the total city revenue is derived from land values, which would be at least \$100,000,000 annually.—W. R.

CHICAGO

Chicago (population 2,472,158) has an area of 198.9 square miles and contains from 300,000 to 350,000 buildings of all kinds. According to the U. S. bureau of the Census report on the ownership of homes, there were in the city of Chicago in the year 1910, 473,141 homes (including flats) of which 121,447 or 26.2 per cent. were owned and 343,472 or 73.8 per cent. of the total were rented. Of the 121,447 homes, which were owned, 55,025 were free of all encumbrance and 64,981 were encumbered, or, in other words, 45.9 per cent. of the homes owned were free and 54.1 per cent. were encumbered.

Fully one half of the land values of Chicago are within the square mile containing the business section. The Marshall Field estate owns approximately \$43,000,000 worth of land in this section, the improvements on which amount to an additional \$17,000,000. This is exclusive of members of the family other than Marshall Field III and the estate of Marshall Field, and includes nothing outside of the business center.

During the year 1915, there were filed of record in Cook County, \$251,395,189 of real estate mortgages. Assuming four years to be the

average life of mortgages, the total real estate indebtedness in the County is \$1,005,480,756.

Since 1890 there have been filed about 1,100 ninety-nine year and other long term leases on Chicago land, which yield in the aggregate about \$7,860,998 in ground rent. Most of these leases require the lessee to pay all taxes and special assessments and to construct a building worth not less than a designated sum within a certain period of time. Sometimes the lease stipulates that at the end of the term the improvements shall be paid for by the landlord at an appraised valuation, but more often that they shall be his without compensation.

The Illinois law requires that real estate be assessed quadrennially and that the land and the improvements thereon be listed separately. In 1915, when the last assessment was made, the assessors' books show that the full cash value of Chicago's land was \$1,195,956,396 and of real estate improvements \$1,112,769,760. This was an increase in land values of \$93,600,444 and in improvements of \$45,969,318. The assessors' "full" valuations are about 15% too low. Adding 15% gives \$2,655,035,078 as the true valuation of Chicago's real estate, \$1,375,349,854 being land value and \$1,279,685,224 improvement value.

The public revenue derived from general taxes on Chicago real estate is \$52,687,771, of which \$24,139,343 is raised from improvements and \$28,548,428 from land values. Chicago's share of the earnings of its street car systems was \$2,558,383 last year and special assessments yielded about \$8,000,000, making the total levy against land values \$39,106,811, including the city's share of the earnings of the street railway companies, which is properly classified as revenue from land value.

Licenses and wheel taxes amount to \$13,000,000 while the water department yields a gross income of \$7,000,000.

The records show that the Board of Assessors of Cook County (in which Chicago is situated) appraised approximately 195,681 acres of unimproved land and 185,290 acres of improved lands, 467,243 unimproved lots and 392,126 improved lots.

It will thus be seen that the county containing the second city of the United States has 51.4 per cent. of its agricultural land unimproved and 48.6 per cent. with some kind of improvements. Of its urban lots, 54.4 per cent. are idle and 46.6 per cent. are improved.—E. B.

BALTIMORE

Baltimore is one of the old cities of a new country. In 1730 a commission was authorized to lay out a town on the banks of the Patapso River. The town consisted of sixty acres divided into sixty lots which were sold for forty shillings an acre, tobacco being accepted as legal tender instead of current money at the option of the buyer.

Today there are within the city limits of Baltimore thirty-one and two-thirds