

5 November 2017

Land value tax would create a virtuous circle

Labour should be arguing for Section 106 Agreements to be scrapped rather than reformed (<https://www.ft.com/content/aa902d0c-c0b9-11e7-b8a3-38a6e068f464>).

The whole system is open to corruption. There are websites which describe, for the amateur, how to negotiate with local authorities to avoid more than just the affordable homes obligation.

These agreements, together with their younger sibling, the Community Infrastructure Levy, are in effect just another misguided attempt to capture the uplift in value from change of use to residential. Labour governments introduced three development land taxes between 1947 and 1976. All of them failed and were rightly repealed by Conservative governments. Labour even had another try with the Planning Gain Supplement – one of the trivial results of the Barker Review of Housing Supply in 2004 – but it was fortunately quashed as a result of the public inquiry.

All public investment in goods and services, for which there is demand, feeds into local land values. A comprehensive land value tax system could easily finance such infrastructure up front and capture the rising land value from the resulting revenue stream.

Thus increased public spending would lead to increased land value, leading to increased land value tax, leading to increased public investment – a virtuous circle in fact.

<https://www.ft.com/content/d8de4870-c3d3-11e7-a1d2-6786f39ef675>

23 January 2019

Westminster v Weymouth

Today I read "Hedge fund billionaire buys £95m London home" (UK News, January 22). If purchased in his own name, the property tax he will be liable for is £1,421 a year. This is only slightly more than that paid by the tenant of a bedsit in Weymouth. Just saying.

<https://www.ft.com/content/d7eebd70-1e3e-11e9-b126-46fc3ad87c65>

12 December 2019

One way to claw back HS2 cost.

All good public infrastructure investment increases local land values. The London Underground Jubilee line extension provides a perfect example: cost to taxpayers £3.5bn (\$5.3bn); benefit to local landowners £13bn. Given the limited number of locations to benefit from the proposed High Speed 2 project, is it likely that the value of all land affected by the project would rise to cover, let alone exceed, the cost? If the self-funding of public infrastructure by public collection of land rent was in place, this is the answer that would be sought. Carol Wilcox, Labour Land Campaign, Christchurch, Dorset, UK

<https://www.ft.com/content/484c55cc-3b99-11e1-bb39-00144feabdc0>

11 April 2019

Landowners' wealth has not been honestly earned

Paul Bloustein (Letters, April 9) asks: "Why is capitalism so troublesome if the wealth it accrues is earned honestly, legally and without depriving others in unseemly ways?"

His 19th century compatriot Henry George answered that question in *Progress and Poverty: An Inquiry into the Cause of Industrial Depressions and of Increase of Want with Increase of Wealth: The Remedy*.

The wealth that accrues to landowners is not honestly earned and it does deprive others of places to live and work. George's "Remedy" is land value taxation, but I don't suppose that the great real estate speculator will be too keen on that.

https://www.ft.com/content/b5bfc542-5aec-11e9-939a-341f5ada9d40?fbclid=IwAR3JQ2n9yoFSKyGsbDew0Re9y2KDBf3vx2KbPSC7P8vtN02Ib7c_UqDFjU