Tax Landlords and Save Tenants from Exploitation

Conference recognises that it is not possible to build all the council houses required to fix the affordability problem in the short term and that reducing rents is the best quick fix.

Conference deplores the fact that £10 billion plus of housing benefit is paid to private landlords.

Conference understands that land values depend on local infrastructure and services. When a new public facility becomes available local land values increase, the landlord’s wealth increases and tenants get a rent increase. Businesses will also see a rates increase.

The problem with Council Tax and Business Rates is that they are charged to tenants, not the owners of the property. Tenants pay both rent and the property tax.

Annual land value tax charges owners for the benefits they receive from location.

Rates are a major problem for many businesses which rent their premises, especially in the retailing and hospitality sectors. Replacement with land value tax would be popular.

Landlordism is a business. If landlords were subject to a land value tax it would destroy their business model. Most of them, especially in high value areas, would be forced to sell up. This would put lots of rented homes onto the market and local authorities would be able to buy them up cheaply with sitting tenants. It would also provide them with a secure income from rents.

Conference therefore resolves that Labour will replace Business Rates with annual land value tax and treat landlordism as a business.