Land Policy

• One of 4 new chapters for the Community-led plan for London

• Product of earlier conferences, working groups & events with Land Justice Campaign
Problems:

• City cursed by rent & land
• Expression and generator of inequality
• Land market pressures drive plans, displace low- and middle-income homes, workplaces
• Housing payments impoverish people & prevent other spending
• Existing taxes regressive, fail to capture property wealth/income or to supply services & infrastructure

Source: ONS Wealth and assets survey, 2010-2012
Yesterday’s FT: scale of house “value”

Total value of homes passes £7 trillion mark

Housing stock (£tn)
- London
- Rest of UK

London as % of UK housing stock

Source: Savills
© FT
Yesterday’s FT: growth of house “value”

South East shows strongest growth, but gains are more evenly distributed

Growth in value of housing stock (£bn)

Source: Savills
© FT

Less than 20% of growth is more housing; most is price increase
London needs a system which...

- Extends the public / collective ownership of land
- Taxes captures income and wealth from land fairly
- Develops participatory budgets
- Diverts investment to productive uses
- Redistributes between regions, boroughs, wards
Taxation: LVT?

- Captures value growth from the whole of the stock, not just new development
- Everyone benefits from the underlying value of land and all uplifts, rather than just the owners of land
- By taxing land that is currently kept idle, LVT encourages better use of land
- Discourages under-use of land

- But...

- LVT encourages intensification of use and thus threatens a variety of lower density and non-profit uses.
- Is an approach which makes the market work better, more ‘efficiently’, and not an approach whose first principle is to take more land use decisions out of the market, priorities being set through political debate and participatory planning.
- To be feasible, would need to specify precisely the permitted use and maximum density for every plot of land
How?

- Legislation needed, but…
- London should lead on
  - Research & education
  - National/international discussions
- Mayor lobbying governments…
  - Viability
  - Disposal of public land (NHS etc)
  - Existing Use Value in CPOs
  - Local government finance review
First steps

- Mayor should lower land price expectations by
  - Enforcing upper density limits without flexibility
  - Enforcing his 35% “affordability” threshold without flexibility
  - Specifying the date at which 35% “affordability” will become 50%
  - Making his definitions of “affordable” housing much more affordable, relating them to local incomes, not local market rents
  - Applying his requirement of no net loss of social housing equally across all renewal schemes over which he has any planning or financial leverage

- Require that TfL and other Mayoral-family lands that are disposed of for housing development are used substantially for social housing or other social purposes
The land is where we all live, build, grow food, do things together in a great diversity of organised and spontaneous ways.

The private ownership of land rights has evolved over a long period. It enables owners to secure—as rents and as capital gains—a huge and growing share of the social product, concentrating wealth and lowering the standard of living for many people in the society.

London as a huge and dominant city creates especially strong profit opportunities alongside unique impoverishment. As land value has mushroomed, there is lots of money being made; more of it could go on what we need and less be distributed as profits and capital gains.