

# THE USE OF LAND VALUE MAPS

In New York City the assessment of land and buildings is made annually, the assessment being the sum for which in the judgment of the assessor each parcel of real estate under ordinary circumstances would sell.

Although both land and buildings are taxed, when the assessment is made, the value of every parcel of land, apart from the buildings or other improvements thereon, is separately ascertained and the "land value" is entered in a separate column in the valuation rolls.

The Report, 1934, of the Commissioners of Taxes and Assessments shows the total value of taxable land and buildings of "ordinary real estate" to have been 16,062 million dollars; in addition the "real estate of corporations" and "special franchises" were assessed at 1,086 million dollars for taxation. Taking the "ordinary real estate," the total value of 16,062 million dollars includes 7,791 million dollars as the value of land alone. In sterling equivalent this corresponds respectively to 3,278 and 1,590 million pounds.

Every year, before the valuation is completed, a volume, entitled the "Tentative Land Value Maps," is published by the *City Record* and is sold to the public. It consists of 170 maps covering the entire city and showing the value of land (that is of the land alone) per foot front on every side of every block in the city and the value per acre of land held in large tracts or not yet subdivided for building purposes. The "foot front" relates to a normal depth of a site which in New York is 100 feet and from this "unit" is computed the value of sites more or less than 100 feet deep, also the value of sites of irregular size, established rules being adopted for the purpose; and due allowance is made for the added value arising from "corner influence" so called, where the site abuts upon two intersecting streets.

The map printed overleaf is that of part of Section 4 of Manhattan, situate near the middle of the Borough and West of Central Park. Broadway, as will be seen, cuts across it. The assessed value of the entire section, not including real estate of corporations and special franchises, is 1,414 million dollars for land and buildings, and 852 million dollars for value of land alone, that is of the *sites* on which the buildings stand.

The map covers a little more than half of Section 4 (Manhattan is divided into eight sections for purposes of assessment) and in this part the general level of land values is higher than in the other part of the section, so that the aggregate land value of this little bit of New York, about 680 acres by mensuration of a scale map, is at least 426 million dollars or £87 million equivalent to an average of £128,000 per acre.

But it is not the total land value that is of importance. It is the demonstration of how the land value varies from point to point and from street to street, how it differs even on opposite sides of the same street. A land value of \$10,000 per foot—and there are higher values on this map—is equivalent to a value of \$4,356,000, or £889,000 per acre. The highest land values are reached in the business or "down town" district of Manhattan (Section 1), where at the junction of Broadway and Wall Street the value per foot front is respectively \$30,000 and \$26,000, making the site there (Pierpont Morgan's) with its "corner influence" considerably more valuable than a sum equivalent to £4 million per acre. In the City of London, leases of building lots are on record on terms that are equivalent to a capital value of more than £5 million per acre.

The pictorial presentation of land value assessments serves a number of purposes. It is an essential part of methodical valuation, the correctness of which can only be judged by ready comparison. The instrument of the land value map is used in many American cities; and as our readers may know, it is now adopted universally in Denmark in the assessment of both urban and country districts. A section of the Copenhagen Land Value Map, with description, appeared in this Journal in April, 1928. It has since been printed by the United Committee as a leaflet and is now much in request by members of Municipal Councils who are studying the proposals for the Rating of Land Values.

The Hon. Lawson Purdy, former President of the New York Department of Taxes and Assessments, thus describes

the uses of the land value maps in the paper he submitted at the International Conference of the Land Values movement in Copenhagen, 1926: "The effect of the preparation annually of these land-value maps is valuable from many points of view. In the first place, it requires the assessor to exercise his judgment annually and to make him disregard the accidental, and work on the basis of assured facts. Nearly anyone at all familiar with a city knows that land on certain streets is worth more than on others, and the ordinary citizen has often a fair idea of the relation of value between land on one street and the land on another street. The land-value map is a mosaic which must be harmonious, with the value on every street bearing a proper relation to the value on every other street. The use of the map and its publicity exert a strong check upon any favouritism by the assessor. If the assessment of any lot departs from the unit set down on the map the burden of proof is on him to show why it does so depart. The map makes it easy for property owners and their agents to analyse the assessment and make objection if the assessment is not fair."

The Report, 1934, of the Department refers to the maps as follows: "The purpose is to aid in the assessment by presenting to the view of the assessor all of his territory, with the comparable figures on every street; second to aid the Commissioners in passing upon application for reduction of assessed values; and third, to enable the public to judge of fairness of the assessment and to aid the Department by suggestions and criticism."

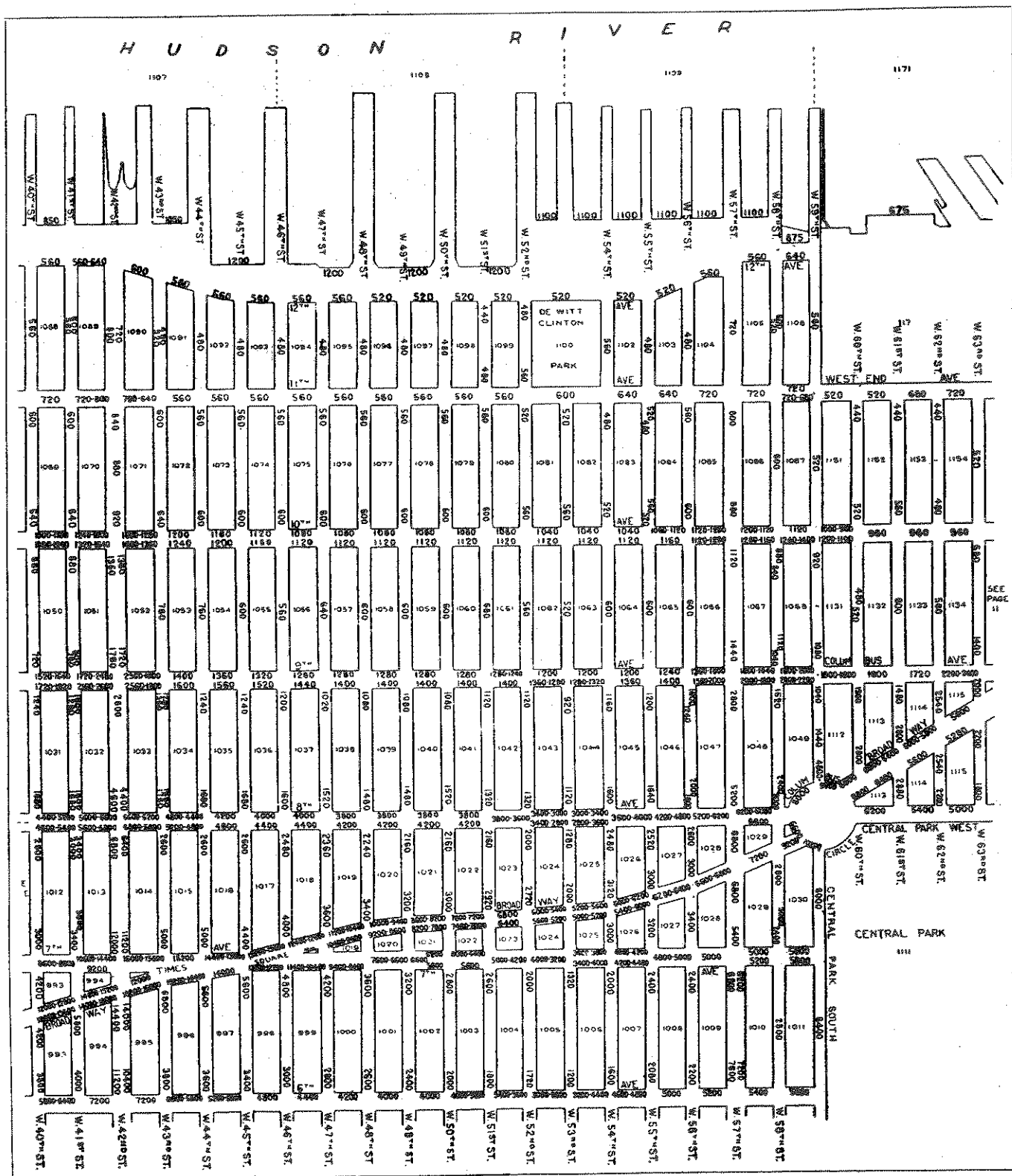
The maps were first published in New York in 1909, and perhaps the most cogent observation about them is that made in the Volume (1935) from which our reproduction is taken. The Commissioners explain why the maps are called *Tentative*: "In order that interest in the publication might be increased, it was decided in 1912 that the publication should be made at the same time that valuation is open for public inspection and correction. The maps are tentative, just as is the record of assessments which are open to correction by the Commissioners, either upon their own motion or upon application by interested persons."

The reason for the separate assessment of land value is explained in Mr Purdy's report to Consul-General Bennet communicated to the British Government in 1909 and published in the official Blue Book, Cd. 4750: "Prior to 1904, real estate was assessed without distinguishing between the value of land and the value of the buildings and other improvements upon the land. In the year 1903, the law was amended so as to provide for a separate statement of the value of land. . . . The time required for the assessment was no greater than in prior years, and no greater amount of time was allowed by law. . . . It is undoubtedly the fact that the public record of the value of land has been invaluable in securing a more thorough and faithful performance of duty on the part of the deputies charged with the task of assessment. When an assessment is made without distinguishing between the value of the land and the improvements it is impossible to analyse and criticize it, and to compare it with other assessments in the manner easily possible when the record shows how the total assessment is reached."

The point established is that the separate valuation of land, and this is true not only of Mr Purdy's experience but of that of practical men in all parts of the world where land value as such is assessed, is made easily, cheaply and with agreed results, with which the valuation of land and buildings taken together can bear no comparison. That being so, the quick step to the taxation of land values for either national or local purposes is obvious. As the object is *not* to tax buildings and improvements but to relieve them from taxation, no valuation of buildings nor of land and buildings taken together is required, and any attempt of that kind would not only delay attainment of the object in view but would also make for confusion as to the object itself, which would be the worst kind of obstacle to overcome. The simple and expeditious course is to ascertain the land value of every property, enter that in an additional column in the existing valuation rolls and proceed to transfer taxation from the present basis to the value of land apart from buildings and improvements.

A. W. M.

# NEW YORK CITY—A PAGE OF THE LAND VALUE MAPS



THE ABOVE MAP COVERS A PART OF SECTION 4 OF MANHATTAN, FROM SIXTH AVENUE TO HUDSON RIVER AND FROM 40TH STREET TO 63RD STREET. TAKEN FROM THE VOLUME OF THE "TENTATIVE LAND VALUE MAPS" OF THE CITY OF NEW YORK, 1935—FOR DESCRIPTION SEE OVERLEAF.