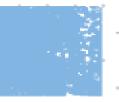




# **Rethinking Ownership**



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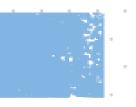
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Duncan McCann Highbury Group 11<sup>th</sup> September 2017



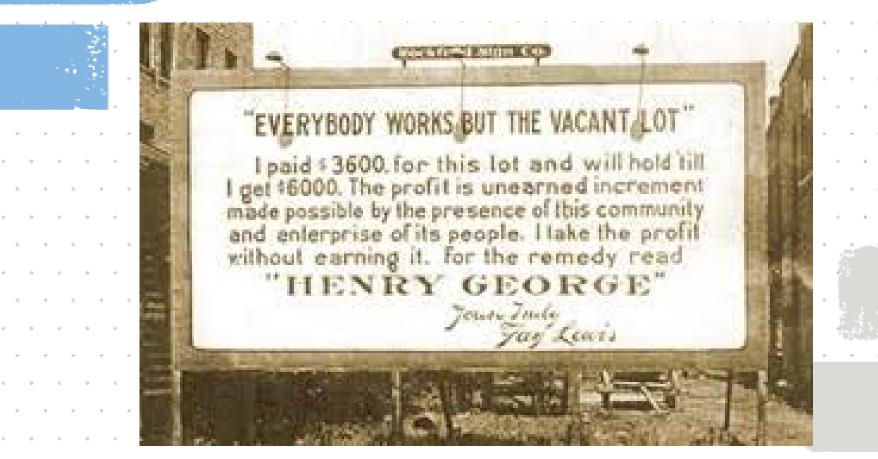




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 How can we capture more of the unearned increase in the value of land



### ECONOMICS FOUNDATION LVT Doubts

- Despite over a century of agreement between economists of all colours there are very few examples of it actually being implemented
- Addresses symptom of the problem rather than the root cause
- Based on the taxation of the powerful with a view to decreasing the value of the asset
  - Persistent policy interventions slowly killed off the old UK Land tax
- Difficulties
  - Viability of Banks balance sheets
  - House as one's pension



## PROUDHON

## 'Property is theft...

## ....property is liberty'





#### **ALFRED WALLACE**









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- Extract as much economic rent from the system as possible
  - Reduce the link between the financial sector and land
    - Provide a mechanism where people can extract an income from their property
- Address the housing crisis
- Create a new model of collective ownership neither private nor state

### **ECONOMICS** FOUNDATION

## Attitudes to Ownership are changing

- This next generation are getting used to the idea that they will struggle to afford a house – unless they get help from bank of mum and dad
  - In London there are more renters than owners for first time in a generation
- The Digital Economy ushers in a new view of ownership
  - New economic models focused on better utilising assets rather than each owning one
  - Uber/Zipcar instead of car ownership, Spotify instead of owning music, Lease their Jeans instead of ownership etc..

### **ECONOMICS Utopia and Land Reform**



Even revaluing council tax can seem like utopian thinking







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#### ECONOMICS OUNDATION People's Land Trust

- A system to hold all land into a collective owned trust
- Re-enforce that we are stewards of the land that we all co-own



- Guarantees a more equal distribution of the economic rent of land
- Learns from the Community Land Trust, Land Value Tax and Public Land Lease systems and the Alaska Permanent Fund
- It is not
  - A silver bullet proposal that solves all land based issues although it helps



- At point of sale the land would be bought by the Trust and the physical property bought by the individual
  - The land would be bought at a fair market value
- The individual would then have to pay a Land Use Charge (LUC) on a regular basis to continue to occupy the land
- Everyone would then receive a equal dividend from the trust



- Achieves all the benefits of LVT
- Overcomes some of the transition issues
  - Would not have wider financial system impact
  - Property owners would prefer this model since it allows them to realise a fair value for their land
  - Only a very small minority will loose out
- Solution should be more long term as ownership regimes are less subject to erosion that tax regimes
- The system would get more public buy in due to the regular dividend payment



# Questions

- Should the scheme be national or regional?
- How would the fair market value be calculated
- How would renters be included in the scheme to ensure that there was more equality in tenure?
- What powers should members have the operations of the Trust?
- How would the transition be managed?
- How do we encourage meaningful control by members?







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