Rethinking Ownership

Duncan McCann
Highbury Group
11th September 2017
Why
Getting Started

- How can we capture more of the unearned increase in the value of land
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’
What
Goals of the Proposal

- 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
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..
Utopia and Land Reform

Even revaluing council tax can seem like utopian thinking
How
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 an equal dividend from the trust.
Benefits

- 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 lose 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 for the operations of the Trust?

• How would the transition be managed?

• How do we encourage meaningful control by members?