

Wed, 15 March

1. To read aloud - will be on final, as optional

a. TRAL (p. 4)

b. Cycle of boom & bust: the USA, 1820-40.

c. " " " : Chicago, 1830-40

d. PTFUR

e. HTRADC.

2. Aerial photos

a. Land reserved for autos: parking, streets, Freys, dealers, junk-

b. ^{consequence} Removal of vital cities, w. hi LV } yards

Chi., Boston, Seattle, Sydney, go-burg

Slow removal in Omaha, Raleigh, Milw., Phoenix, Tampa

c. Use of 3rd drive, Chi., Boston,

d. Use of filled land

e. What specialize

CBDs; retail strips; Gold coast apt (Chi.,

Milw., Wilshire Blvd.; Fuel ctr (La Salle St.); Vancouver;

Cambridge; Tank farms; Mkt indy. in Minn. V. ^{spread} O.C., Albuq., N. Vancouver; Corona

f. Civic centers, parks

Boston, Seattle, Sydney, (SF) Milw., Chi., Van. Victoria

Lack of same in Raleigh, Phoenix

h. Bridging: Chi., Vancouver

Lack of same: Omaha: parts of Milw.

i. Rail network, radial: Chicago

j. Strip centers: L.A., Denver, Phoenix, Albuq., Milw.

l. Ferry networks: Hong Kong, Van & Vic., Seattle

m. Mkt. failure

n. Chinese wall effects: Fuzs as ~~the~~ obstacles

3. Urban pops, ~~the~~ densities, changes

(d.) Other cities change places: NY has remained #1 since 1990 or so.

al Smith reform, 1921-31, helped.

"Positive Containment"

after 1950, lost pop.

(a) Older cities have higher densities.

- except Indianapolis, Memphis, Columbus, N. Orleans, Nashville, K.C.

(b) Some cities are hammed in: SF, Boston.

Miami, S.L., Atl., Pittsburgh, Minn., Tampa

Some spread out: San Ant., S.D., Phoenix, Jacksonville, Houston, Nashville ...

(c) Density vary from 66,000 psm in Manh. to 734 in Ok. City.

→ d.

(e) Cities losing pop. 1900-84: S.L., Buffalo

" " " 19⁵⁰~~84~~ - 84: NY, Chi., Phila.,

Detroit, Balt., SF, Wash., Milw., Boston, N. Ork., Cleveland.

f. Major growth trends of pop.

1. To sunbelt
2. To West
3. To coasts

g. Trend-backers.

NH grows fast

NM, Ah, MS grow slow

h. Mkt & suburbs

W. Allis density is 50x higher than

Nim Hills.

i. L.A. has some hi density suburbs.

Maywood, Cudahy, Huntington Pk., W. Hollywood, Bel Gardens
Mostly low inc. - but not W. Hollywood

j. How to calc. ^{annual} rates of growth:

$$r = \left(\frac{\text{New}}{\text{Old}} \right)^{\frac{1}{n}} - 1$$

k. How calc. urban land needs at diff. densities

E.g. at 66,000 psm, need $\frac{260 \text{ m}}{66 \text{ k}} \approx 4000 \text{ sm}$

= Square w. base of 63 mi

= Circle w. radius of 36 mi

= 2.5% of area of Calif.

4 #11

Measures of length & area

Pronunciation of old measures.

Length: Chain = 66'

20 chains around the oval track

80 " = mile

10 sq. chains = 1 ac

20 chains sq. = 400 sq. chains = 40 ac.

Rw. parallel str. are 20 chains apart, or $\frac{1}{4}$ mile.

Use of land divisions for laying out roads, streets

Area.

Twp = 36 sections

Section = Sq. mi = 640 ac.

Ac. = 10 sq. chains = 43,560 s.f.

= 99' deep x 440' wide

Front fr. Rule of 4-3-2-1. Edge effect

Land used for parking = area of Md. + Delaware.

Golf; cemeteries.

5. Urban locating factors

a. Macro factors, or external circ., overcome micro factors, e.g. swamps, hills, deserts, bad harbors.

"Challenge & response"

b. Human response also important. Cities rise & fall

c. Center of radials.

Valley mouths

"Gateways", e.g. at ends of natural barriers

Water power - historical

Land ~~break~~ Breaking points, e.g. at heads of navig. r.

Ammunition - growing relative importance

Mines?

Food supply

Water supply

Govt; religion; military; education

P.W. paid by govt: Temecula, Phoenix, Albuquerque

Hamford, W.A.: Huntsville, Ala;

6. Urban Values

A. Lots of numbers on price of land, p.s.f. ^{Franklin} ^{Blossom}
 From pennies in Palmdale or Indian up to \$500 in
 L.A., \$2,000 in S.F., \$3,000 in Chi., + NY, \$20,000
 in Tokyo, HK

B. Continuity of rents - London map, contoured.
 Hand. L.V. maps, e.g. Mke.

C. ~~At~~ Floor ~~to~~ rents & land rents.

Leverage effect. Land rents vary more.

D. Land rents & land prices.

Cap. rates

Recip. of P/c ratio. $\frac{P}{c} = \frac{1}{i}$

Effect of stability

" " apprec.

(Comment on "Momentum Investing", destabilizing
 effect, old cycles, current stock mkt.)

Inverse relation of LV & i.r. - 3 causes

~~At~~ ~~Leverage, again.~~ Land



$$V = \frac{a + iV}{i}$$

E. ^{floor} ~~h.e.~~ prices p.s.f

From under \$50 to > \$1,000, beach front

Leverage: L.V. go from Zip to \$900

F. Land as a "superior good".

Hence, the "positive containment tax" is
 both incentivizing & progressive.

G. L.V. appear.
 Rapid: cyclical,
~~Extr~~ Huge untapped tax base, cd. replace
 sales tax, + state income

H. Land + Bldg - LV is what is left after a good fire,
 I. L.V. derived from future, not past.

7. Synergy

A. Covered on midtown. All got the idea.
 B. Did not get the idea re div. rets on individ. site
 Review (at home) the bldg. e.g. - also found in
 HTRA DC, p. 3

C. Synergy + cycles of explosive urban growth.
 D. Hurd, p. 4. As cities grow, external circa. becomes less important, internal self-sufficiency more important. Internal specialization.
 E. Hurd, p. 8. Deadening effect of vacant land.

8. Fns. of Rent. "Flow" value; net product; how to max; varies inversely

A. Refn. of rent. A with i.r.
 B. Rent vs. income
 C. Rent as sorter + allocator. Using \$ as common measure.
 D. " " constraint on spatial expansion. Marshall
 E. " " " temporal " challenge v. Defender
 F. Rent as synchronizer
 1. Pot. land + p.w.
 2. Synergy ^{among} pot. lands. Deadening effect of
 wide grounds, vacant land, barriers to movement.

G. Rent as allocation minimizer xptn costs.

8

9. Mkt. failures; Insd. failures
Sgn City, Killers of the Dream
Sprawl

10. Insd bias

A. X-subsidy

B. Land-banking bias (Detroit, Mke)

~~C. X-subsidy~~

C. Taxes - penalize full use of land.

Inc. taxes are personal, & give owners of identical lands different motives.

Sales taxes penalize low margins, in turn

11. Inefficient mkt: ^{evidence, and} ~~the~~ ~~main~~ cause.

a. Individual cap. rates differ.

Lender's risk is a prt. cost, but not a social cost, when based on collateral.

b. Expectations of AL differ - also, cap. rates

Evidence { a. ~~or~~ Sprawl: Morristown vs. D.C.

b. ~~or~~ Density differs - W. Allis vs. River Hills & Bayridge. Yet value pft of lots falls w. their area.

c. Assembly problems

d. Inc. tax incl. rates differ.

Evidence { c. → f. Homelessness

e. ~~or~~ Land mkt. as a tie-in sale

f. ~~or~~ Vnt. integration, self-vindicating & self-aggravating -

a case of + feedback.

Raw me @ aol.com

Ramy MeleK

12. ~~Spencer~~ Urban decay

A. Detroit

1. Huge loss of pop., jobs
City clears ground, presumes land: 60,000 lots
White flight?

2. Failed land use.

Old houses bring little when sold.
Butindy can't find cheap land

B. Longman on hsq. force.

1. Hsq boom, 1945-65

Cheap credit used for real investing

2. Cities turn to valorizing, at expense of new comers.
"Welcome, Stranger" laws.

E.g. Prop. 13. Turn to taxes on upward

mobility

Memo for '86 tax reform, as to rental housing. End of fact write off for new; allow more of it for old.

C. Shapiro on missing middle class in Manhattan

1. Hi cost of housing (unless rent control).

Lots of old walkups.

2. No room or \$ for children.

3. Hi price of land drives everything else - e.g.
\$30 haircut

4. Rent-control - the grandfather-lease society
Read HTRDC on rent control.

5. Higher down payment required in March. 25%.

C. Undoubtedly of L.A.
Warehouse distr: pillage as a way of life.

13. Regulation - ~~ship~~. TRAL pp. 115 - 29

14. Tax
HTRDC. Read

~~TRAL~~ LPPT
PTP

Time, '88

1. Gridlock raises costs a lot. p. 55
Necessitates larger inventories (opposite of the pooling effect).
40% of jet fuel is used waiting for take-off, or circling for a landing.

2. Solutions: gas tax
Make free parking taxable

Bradford

1. Early settlers around Plymouth "grew in their outward estates" — i.e. bought lands, a la Vahlen. They moved out to their "great lots".
Result: scatter. Old Plymouth declined

Church declined.

Haug. Wonderful ideas, no thesis.

1. p. 186 Mfg xptn. costs, to locate cities.
 - a. Cost of assembling inputs
 - b. " " distrib. urban products to hinterland

2. Wt. loss factor
Perishability "

3. 1/6 xptn. were free, no city

Risen - Detroit

1. Full of empty bldgs, vacant lots.

'67 riots; white flight

Pop. dropped 41%, 1.8 m to 1.1 m, '50 - '86

City knocks down 2,000 bldgs a year.

Specs. abandon land.

2. Yet, to assemble land for new plants, city
pays hi prices.

Mayor is bent on hoarding land.

"Urban Renewal."

City owns 60,000 vacant lots - is hoarding
land, for future use.

House sells for \$31k.

3. Lady leaving town hrs. it can't get
cheap land!

Failed land mkt.!

Longman

1. Cheap hsq. credit fed boom. 1945-65

Then, began going into buying existing houses

2. Zoning etc. protect existing values at expense
of newcomers. ("Welcome, stranger" - e.g. Prop. 13).
(cf. '86 Tax Reform.)

3. Sustainability of mortgage int. on old houses.

Shapiro - Missing Middle Class

Rent

1. Net product
a flow value
Expenses vs. $K \cdot i$
(Cash Flow less user costs)
2. Rent & i are inverse
3. Max rent when MP of $K = MC$
4. Capitalize.
5. Money as measure. "Commensurability."
6. Min. K & i costs (travel costs)
But beware fundamentalists
7. Rent attracts users!
(Sub K & labor for land)
Alloc. vs. Distrib.
8. Continuity in space
Concentric & Axial
Clustering tendency.
9. Area-sensitive costs. p. 38
10. Reinforcing ecs.
11. Sprawl results from defying & offsetting
mkt. forces. Wastes Time; K ; energy; air; wildland
12. Coord. priv. & public K
Short lines of hi capacity
13. Reciprocating.
14. Gains of scale w/o costs of scale p. 39
Composite flower
15. Size & L.V. p.c.
16. Limit land-hogging, in time & space.

Hand

p. 1

Cap. rates

p. 2

Spec. condition of the public mind

3 big pts.

1. E & W

- A. ~~Location~~ Location is det. by optimizing several ^{input} factors
To min. aggr. xptn. costs. Go to hi wt. + low value
B. also, be near mkt
C. Dim. ret. to htr. - p. 56
Poorly done, but makes pt. that when
you add price of land to K costs, you need
more vol. to spread the extra of head.

2. Ineff. Land mkt & their causes.

A. ~~Manifestation~~ Def. of ineff. - putting land
to wrong use - or no use

B. Manifestations of ineff. - pp 4-7

C. Land mkt is a tie-in sale

i) $V = \frac{a}{r} \rightarrow \frac{a}{r} I^{-1} + R I^{-1}$ ~~p. 10~~
p. 10

ii) Ripening & specn. pp. 15-17

~~3.~~ D. Effect of Trans. App (p. 18, mislabelled p. 18)

3. How to revive

A. Cities can revive. Some have

B. Urban regions - how to shape it?

C. Rent control - p. 4

b. French Equity

c. Tax pp. 5-7

7 effects.

Social Justice

4. Land Mkt as instrument of Land Mgmt.

A. Mkt has a logic

B. Lstkl breaks clog it up.

X - subsidies

Tax systems

LVT shld. synchron. Land decmt & p. w.

(E.g. when Sta Ana Fwy Tapped O.C., Mkt have raised tax on Irvine)

Farming shld be more intensive, too.

Prod inc. tax mucks up land mkt,

bus. impact is not uniform

C. Authoritarian solutions are bad

No common mscr of value - p. 5-6

They preserve the unremmed As of the
priv. ownership w/o the benefits of mkt. allocn
& compn - worst of both worlds.

5 Marshall

A. L.V. is what home site wd sell for
 is a "public value"
 is derived from potential bldg (Mullenger)

B. p. 448 Hi land price forces hi bldg, by
 substitution.

C. "Bldg Land" less deval. v. etc, just like
 farm land p. 450

3 Main pts.

1. E + W

2. a. Marshall

~~3. A~~

3 M.G. Land Mkt as Inst. of Land Mgmt.

4. Syn City. Killers of the Dream

5. Hurd

6. How to revive

7. Thompson

- a. Still price street space at rush hrs - peak land prices,
- b. ~~From~~ Pre-empting space is a social cost, a form of consumption
- c. Road & utility extensions are underpriced

8. Slides

a. Hi land price leads to ribboning, i.e. for land
lti rise

Underground

Bridges, etc.

Filled land

Levelling rises

Mass transit

Less land for parking

b. Vital cities renew themselves constantly

c. Gt. cities exhibit high specialization internally.

7. Trivia Quiz

a. Land prices vary ~~by almost as~~ greatly by location, vary by much higher %s than floor rents. This is due to leverage.

8. ~~Auto~~ Comm. Pol.

Neg. neutral & + comm.

9. Vehicles

a. Farmers require excess land

b. It holds them apart

c. It raises costs of farming

10. Piper

a. Low urban density raises costs, limits CO competitiveness. Must pay labor more.

b. Prop. tax hits K , fosters spread

c. Still change for capacity in highways etc
Congestion tolls.