Notes/Rdgs, Odds & Ends

SMSA 795 sq. miles
population sq. mile 1,502
total pop 1,194,290
2.35 acre

City pop 750,026
land area 91.1 sq. mile
8137.475 people / sq mile
12.7 acre.

if population of SMSA was at density of White Fish Bay the SMSA would have a population of: 6,960,384

if density of East side hi rise area: 10,440,576

if population of Milwaukee County was at density of White Fish Bay, county would have population of 2,092,492.8

if hi rise pop of 3,138,739.2 people in Milwaukee County

Census Tract 84
typical duplex + single family
505.1 acres
6,850 population
13.56 people/sq acre

Census Tract 4
Prospect-Farwell area
typically hi rise
346.4 acres - 139 ac. park
population 4 233
inc. park 12.21 people/sq. ac. or 20.52 peo/sq ac

Whitefish Bay WB156, 1554-157
area 2.1 sq. miles or 1344 acres
population 18,390
13.68 people/~~sq~~ acre

County Milwaukee
239 square miles
1,036,041 population
6.77/acre density

1 p117 cited Ely + Wehrwein
From Principles p136 E&W
= 1 B&P p117)

The Renewal Gap - A Concept
of [redacted] Economic or Ground Rent

The rent of land, has been defined by Thomas Malthus, "to be that portion of the value of the whole produce which remains to the owner of the land, after all the outgoings belonging to its cultivation, of whatever kind, have been paid, including the profits of the capital employed, estimated according to the usual and ordinary rate of the profits of agricultural capital at the time being." More briefly Malthus defines economic rent as "the excess of value of the whole produce, or if estimated in money, the excess of the price of the whole produce, above what is necessary to pay the wages of labor + the profits of capital employed in cultivation."[2]

Ely + Wehrwein comment in a footnote that were it not for the tenacity of traditional terminology, they would suggest land income rather

Orient ⇒ possible mental next logical step

than the phrase ground rent.

"The productivity of land is two-dimensional and consists of capacity and efficiency." p 130 E&W

eff = K/O or I/O capacity is extent of utilization

Interesting Sidelights

"Medium class houses, 7000 of which were vacant in the West Side alone in 1890, were in such poor demand in the old sections of the city as a result of the exodus to the suburbs and the growing popularity of apartments... That middle class as well as poor class residential land remained stationary or declined ~~d~~ in this period." Homer Hoyt 100 yrs of Land Values in Chicago p 189 cited E&W p 133

"Rents are often influenced by custom & tradition" p 133

"The fact that land values tend consistently to be above the level of values as justified by rents adds difficulty of paying for land and, when the land is paid for, the "inflation" means a low rate of return on investment." 133 E & W

EDW
(3)

I. S., cont (2)

"It must not be concluded that economic competition will of itself direct the land into uses most beneficial from the standpoint of society" p. 140 briefly states case against unregulated market

"Land as nature is not scarce but land as a factor of production is, and one (of the) reasons is the cost in money, time, labor, and inconvenience necessary to increase the economic supply of land.

"The tragedy of premature and unsuccessful subdivision lies not only in the loss of private investment but also in the fact that good farm land is taken out of use & committed to idleness after public improvements have been made, many of them at public expense." p. 149

"We speak of land "ripening" into higher uses; this is putting land

E+W
4

15 3 (cont)

into cold storage - and loading the community with the 'frozen assets' that result" p 149 quoting Herbert D. Simpson + John E Burton, The Valuation of Vacant Land in Suburban Areas (Inst. for Econ. Res. Mono. 2, 1931) p 44

"Land does not always move freely from a lower ~~to~~ use to a higher use because of the costs of suppression... A site occupied by a hotel may be ripe for an office building, but the cost of tearing down the hotel, plus waiting costs + loss of income, may postpone the change until the site is over-ripe. Costs of suppression tend to restrict the ready expansion of the higher uses of land and to that extent make these uses more scarce than they otherwise would be. On the other hand long before a site is ready for the new use, and the owner is faced with vacancies, lack of income and costs similar to those encountered in premature subdivision"

p 149

E & W
5

15 (4 cont)

Babcock points out that land is only a residual when it is in its highest & best use, which is often hypothetical" 1.D. p 154

Doran & Hinman
Urban Land Economics
Macmillan 1928

extended city boundaries → extension of municipal services and the supply of urban sites is increased
high realty taxes within a city offset advantages of sites within city limits

"Because of widespread confidence in the appreciation in land values and a lack of understanding of production costs, the chance of an extra gain from ownership in land has been overestimated in far more cases than it has been underestimated" 514

E&W 6

E & W p 477

of taxation" It's power to influence land utilization is very important"

Single Tax "to its proponents it is a complete reform similar to socialism" 477

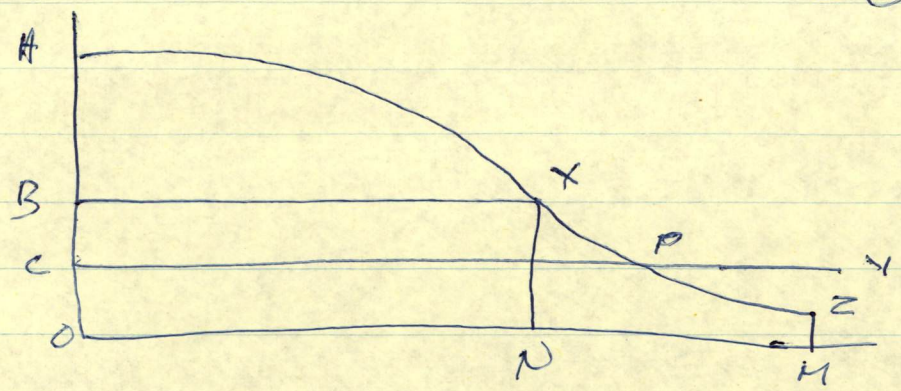
Ratcliff, Richard U. Urban Land Economics
McGraw-Hill 1949 N.Y.

Ripening costs: "The costs are in the form of interest charges, taxes, or operating expenses and are determined by the time over which revenues are insufficient to meet such costs." 351

"The extent of processing or improvement of land is so great for most urban land uses that in the final combination of land & improvements the original raw land occupies a position of minor economic importance." p 352

"The market price of vacant land is based on estimates of the maximum profit that can be produced through the most favorable of the alternative development plans." 353

Ratcliff (2)



AZ = forecast of future gross revenue to year M

CO = forecast of annual operating expenses (heat light taxes, but not depreciation)

realistically could be assumed to rise

ACP = area = net income of enterprise after operating

BX = the loss in value & return for each period on the then unreturned value of the wasting assets

N = economic life

BC is annual return

"The enterprise, in so far as it involves the original structure & purpose, is ready for liquidation when revenues fall below those costs which are

created by operation; so that there is less loss through demolishing the building and holding the land vacant, or when the nature of the location has so changed that a new enterprise, involving the replacement of the original improvements before the end of their normal life, will be able to yield a higher net return than the original enterprise." 357-358

"As a practical matter, business decisions concerning the use of land are based on calculations of the return to be produced by alternative uses and various combinations of land improvements. These calculations do not begin with an assigned value for land; such a value is the end product... Land is residual in the sense of permanence of value. Physically it is nondeteriorating, and, unlike the improvements and structures, rarely becomes valueless. Even when the buildings become dilapidated & uninhabitable, the land, when cleared,

has some value. And finally, in an accounting sense, land may be viewed as the residual claimant. Land is generally associated with the equity capital of the enterprise." 359

"To the extent to which urban land can be put to several uses and to the extent to which a unit of urban land can be substituted for another or can be substituted for capital or labor, land is economically mobile. Rent is no more a residual claimant than are wages, interest, or profits." p360

above in contrast to classical view "The conclusion is that the market price of land is determinable only after and in part, by the prices of capital & labor, and that therefore land may be considered the residual claimant. This argument is based upon the classical notion, not accepted in this chapter, that land is immobile while the other factors of production are not" 360

+ quoting Bye, Carl R. Development and Issues in the Theory of Rent p80 JPE '40

RAT (5)

"The attempt to filter out the contribution of land, as such, to the productivity of the enterprise meets with insurmountable difficulties."

p 363

"Land with its existing improvements must be not only the basis of the entrepreneurial calculation of rent but also the factor of production to be employed for analytical purposes in urban land theory.

"Following the foregoing line of reasoning, we view urban land as the joint product, the parts of which can be segregated according to origin only in an arbitrary manner" (i.e. "takes" nothing)

critical of rent as exploitive", does not have unique characteristics (he qualifies this p 364) "We view land as a factor of production with an economic behavior little different from that of the other basic factors" 365

"The process of fitting site + use is a competitive one, hardly suggestive of monopoly" p 366 see 355 for discussion

"If it can be assumed that urbanism is basically an economic phenomenon, it is a logical deduction that the internal organization of cities has evolved as a mechanism to facilitate the functioning of economic activities & that the apparently haphazard arrangement of use areas does have an essential order." 368

Efficiency in use is measured by rent-paying ability of a use to extract economic utility from a site. The use that can extract the greatest return from a given site will be the successful bidder. The outgrowth of this market process of competitive bidding for sites among the potential users of land is an orderly pattern of land use spatially organized to perform most efficiently the economic functions that characterize urban life." 369

R.M. Haig Major Econ. Factors in Metro Growth & Arrangement 27 NY p39)

"explains that rent is the charge that the landowner can always in return for

Read (7)

saving in transportation costs." p 371

"It is an interesting corollary of the complementary character of transportation cost & rent that a general reduction in transportation costs, i.e., an increase in population fluidity, will tend to reduce all site rentals. Thus, the spread in the use of private automobiles has, in fact, tended to reduce site ~~rental~~ rents in central business locations by making outlying retail centers more generally accessable." 372

"In summary, one might say that the structure of the city is determined through the dollar evaluation of the importance of convenience" 375

"...The basic cause of the inefficiencies in land use arrangement - [is] that there is a constant lag resulting from the dynamic nature of society, socially, economically, and technically, which impinges upon the rigidity of the physical improvements;

these improvements carry over far beyond the time when they adequately expressed the needs of the community." 384

* "The replacement of an existing improvement is not justified until the value of the cleared land exceeds the present value of the original enterprise - land & building." 385
  - result of imperfect forecasting
  - long life & cost of buildings

"The basic objective of city planning is to attain the same land use pattern that would emerge naturally from the process of the urban real estate market under conditions of perfect competition" 385

"The perfect land market would produce a pattern of land uses in a community which would result in the minimum aggregate of land value for the entire community." 385

386 land pattern not same as would be if land were vacant & new community planned

fixity of improvements
lag in adjusting

use relic of past

Shifting land use
(1) improvement of vacant land
(2) altering existing structures
(3) demolition + replacement
(4) new group places one of different social characteristics 499

Blighted areas contrasted to move down "until the owners are willing to accept prices for their land that can be justified by the uses appropriate to the location" 400

* "Change occurs when some new use outbids the existing use for the property... Such replacement takes place when the return on the site after the removal of the original structure & its replacement for the new use is greater than the return on the entire property, land & building, under the original use." In other terms, the replacement is economically justified when the value of the cleared land (ready for the new use) exceeds the

remaining value of the original property, land + building." 403

Read 404-5 for graphical presentation similar to renewal gap approach

deficiency of land market that we "freeze land in one use for long periods through the installation of semipermanent physical improvements. Thus in the face of a shifting society + evolving technology, there stands a rigid physical complex of buildings with the streets + utilities that serve them; the result is continuous obsolescence of the city structure. The basic problem arises from the dedicating of land to currently appropriate uses through the erection of buildings + the provision of necessary facilities in face of the inevitability that the land improvements will become functionally obsolescent while still physically sound." 407

408 "Controls that assist in prediction may be said to be favorable to the investor & unfavorable to the speculator who preys on uncertainties. With the greater certainty and predictability that controls make possible, a long term view will be encouraged and sounder and more socially desirable land development will result." 408

p 409 discussion stresses need for master plan of development for city (could be enforced through site taxation)

Real estate tax is a major fixed cost of ten amounting to 20 or 25% of gross income. "Thus, changes in tax policy, in tax rates, or in assessment procedures may have marked effect on the profitability of real estate investments..." 42

"The fact that the value of the land represents only a small proportion of the total value for most properties means that even a [illegible]

ment in land value would result in only a small change in total value.

~~W W P (5)~~

Wilhelm, Sidney M. Urban Zoning & Land Use Theory

Free Press of Glencoe 1962

on momentous tasks before us today:

"More than ever before in the history of our society, deliberate efforts are being made to direct the pattern of development within our cities. It is no exaggeration, barring complete destruction, to claim that the future of American cities rests upon those activities connected with land utilization..." p1

he's a g.d. sociologist!

"As Eric Hoffer states, uncertainty towards the future causes individuals to hold fast to the present, while hope in the future induces individuals to seek utopia." p161

cited from The True Believer
N.Y. Harper & 1 pp 57-61.

Weimer, Arthur M. & Hoyt, Homer – Principles of Real Estate Ronald Press NY. Fourth Ed. 1960

1. from their viewpoint income is of prime importance, and value a secondary consideration p 276
   a) quote Babcock "The property actually is the earning expectancy, and the capitalization figure – the total value – is a derived fact depending upon the future income stream in some manner" p 129 of Bab
   b take into consideration depreciation
      1. Physical depreciation
         - wear + tear from operation
         - decrepitude: action of time & the elements
      2. Functional depreciation
         - inadequacy or supersession
         - obsolescence
      3. contingent depreciation
         - accidents
         - diminution of supply (waterite)
         - disease (growths in water mains, pollution)

classification from Bonbright, James Vol I P187 of Valuation of Property 1937

c "In this country functional depreciation appears to be the major cause of loss of value, particularly the development of competition from more efficient structure & more desirable neighborhoods & districts" 71

d Justice Brandeis "Value is a word with many meanings" p284
1. economist - value = market price
2. appraiser " = warranted selling" (willing buyer - willing seller)

e Paul F. Wendt "... it seems fair to state that there have been no major contributions to appraisal theory since the writings of Babcock & Bonbright (1932 & 1937, respectively). Recent writings have been concentrated upon the appraisal process & techniques for establishing values."
from Wendt Real Estate Appraising N.Y. Holt 56 p40 cited p287

W + H (3)

"We should recognize that appraisal methods are tools only. Unless they fit into a ~~so~~ theoretically sound framework, they may lead to questionable results even if applied with care." p 288

2 Depreciation

1. methods
   a) straight line
   b) weighted rate
   c) reducing balances
   d) sinking fund.
2. to reflect care + maintenance
   a) quantity survey - observed
      1. curable defects
      2. non-curable defects
      3 costs of 1 calculated added to 2
   b) effective age if well kept is "younger" than average
3. to test depreciation table compare market prices of old buildings with values based on current costs less depreciation (use recent cost figures)

W + H (2)

3" In appraising real estate for tax assessment purposes, land + buildings are valued separately." p 312

The population density is around 10,000 per gross sq. mile in neighborhoods of single-family homes where the lots are 50 feet wide and 100 feet deep + where half the land is allocated to streets, recreation areas, schools, shopping centers, and similar land uses. In row-house areas under the same general conditions outlined above, the population density reaches 30,000 per gross square mile. In 3 story, walk-up apartments with 4-room units and with 50 per cent of land covered by the apartment buildings, a density of 50,000 per sq mile is reached. Population density ranges from 100,000 to 200,000 per sq. mile in areas of elevator apartments 8 to 22 stories high with 25% land coverage" 325

American Inst. of Real Estate Appraisers

The Appraisal of Real Estate

3rd Ed. 1960 printed by RR Donnelley & Sons

"In appraising improved real estate the appraiser is dealing with two distinct entities. One of these is land, the other is the improvements on the land. While it is often physically it is often desirable & necessary to evaluate the land separately. The building and other improvements are subject to deterioration; they are a wasting asset. The value of a site may appreciate or depreciate but the land physically persists indefinitely." p 108

Site valuation is useful in determining the degree of economic obsolescence of improvements. Suppose, for example, the appraiser's analysis reveals that the highest & best use is as the location for a store, & that the value of the land thus is $100,000. Suppose further that the land now has an apartment building but that the total value of the entire property, improvements included, based on the net

income from the apartment is only $5000. It becomes painfully apparent that the site is not being put to its highest & best use & that the apt. structure is an underimprovement with little, if any, remaining value. ~~109~~

"Separate evaluation of the land does not often demonstrate any such severe case of building obsolescence." 109

"The basic appraisal principles apply to site valuation. A site's potential utility is measured in terms of the income imputable to it after the other agents in production have been satisfied. This surplus productivity is attributable to the land." 111-112

1. Title & Record Data
   a) Legal description
   b) tax value & taxes
   c) special assessments
   d) zoning
   e) restrictions setbacks, heights, ground coverage, fire & building codes

DIRFD(3)

f private restrictions same as d & e above plus prohibitions as to signs consent of neighbors etc.

g. easements, rights of way, party wall agreement etc

2 Physical data

a frontage
b width (Δ)
c depth
d area
e) front footage
f) plottage
g) shape
h) contour, topography
i) soil + subsoil
j) landscape features
k) utility connections electric, gas, water sewage, telephone etc

3 Relation to land pattern

a) corner influence
b) alley influence
c) abutting lots
d) ~~area~~ width of street walks & curb surface
e) traffic load, direction stop lights
f) bus & car stops
g) display or advertising value
h) limitation of access, cuts

authors paper market data method to residual, anticipated use or abstraction methods (last divide known total value)

AIDEA (4)

"Depreciation is the difference between the value of buildings & improvements & the cost of reproducing them at the same date" 203

203

"Value and reproduction cost are synonymous only when the building is new & represents the highest & best use" 203

quotes The Appraisal Terminology & Handbook defining depreciation:

"An effect caused by deterioration, or obsolescence, or both. Deterioration is evident by wear & tear, decay, dry rot, incrustations, structural defects. Obsolescence is divisable into 2 parts, functional & economic. Functional obsolescence may be due to poor plan, functional inadequacy due to size, style, age, or otherwise. It is evidenced by conditions with the property. Economic obsolescence is caused by changes external to the property such as neighborhood infiltration of inharmonious people or property uses, legislation and the like" p 204

11

1

AIDEA (5)

"Depreciation has two phases. One is past; the other is future" 204

past = accrued depreciation

future = amortized better is use of term "recapture" "system of setting aside annual amounts to recover or recapture within a period of years the present value of a building or improvement." p 205

d) Engineering method of depreciation applies reduction individually to separate parts of the structure such as foundations, walls, floors, electrical, heating etc.

~~b~~) can use capitalized income method

c) market method (seeing what similar building particular age sells for)

d) straight-line method

e) accounting

1) declining balance (amount decreases from year to year, at first very large toward end of lc. life becomes very little.

2) sum of the years digits method

AIDED (6)

ex: for 10 year life
denominator $1+2+3+4\ldots+10 = 55$
first yr. subtract 10/55 second 9/55
etc

"Intelligent study of the market reveals that a property's depreciation is an individual phenomenon" p 211

f) effective age concept "use age of a similar & typical property of equivalent usefulness, condition & est future life expectancy." p 212
The chronological age may be greater or less." p 212

g) component-age-life method
sum of component depreciation

h) breakdown - method take other approach of rehabilitation costs, plus curable obsolescence incurable ob. & econ. ob.

for historical material

Aaron M. Sakolski, Land Tenure & Land Taxation in America Schalkenbach Foundation 1957

ELEMENTS OF LAND ECON.

Ely & Morehouse, Edward W
Macmillan 1924

"Taxation has a double function. First, it is a means of obtaining revenue & defray governmental expenditures; and, second, it is a means of controlling the use of property." P318
We have "to consider that taxation is a means of social control in that it controls, deliberately or unintentionally, the behavior of men in their use of property." 318

"The unintended effects of taxation are often the most significant factors to be considered in formulating a taxation policy." 319

E & M (2)

"The single tax would take all of the income from land, thus effecting a complete confiscation of land values." 323

FISHER, Ernest M + Fisher, Robert M.
Henry Holt & Co NY. 1954

"In modern urban markets there appears to be no reliable criterion by which a tax load can be distributed between "land" and "improvements." p 464 "... The exact contribution that each element makes to the whole cannot be separately evaluated, nor are market transactions usually based on a division of the elements." 464

"For purposes of assessing a real estate tax it is common practice to divide the total valuation of a parcel between "land" and "improvements." But the basis for making the division is purely arbitrary and the tax itself is levied in rem - against the fee of the entire unit." 464

BABCOCK, FREDERICK M. - The Valuation of Real Estate
McGraw-Hill N.Y. '32

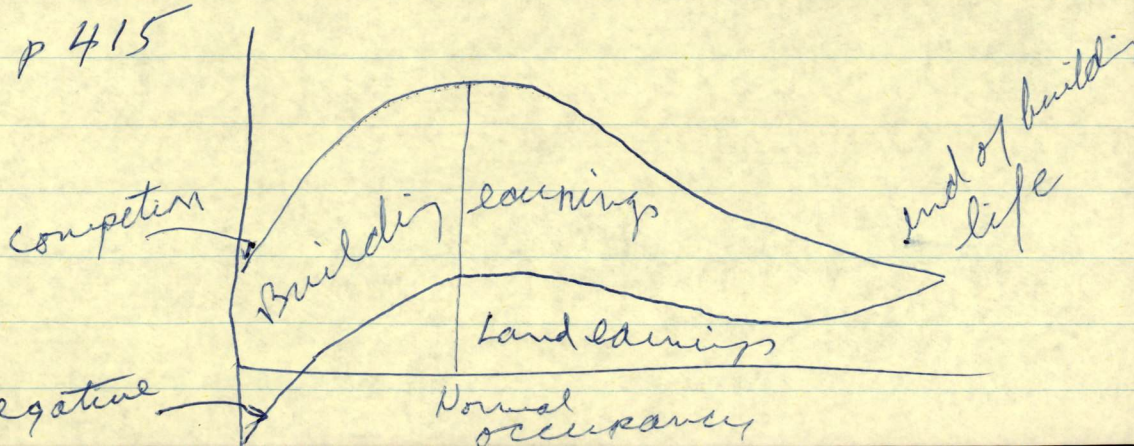
"Land value is residual in character." 29

"The building under which land is residual is always that building representing the highest & best use." 30

"The value of land is a function of the uses to which individual owners can put parcels of it." p 33

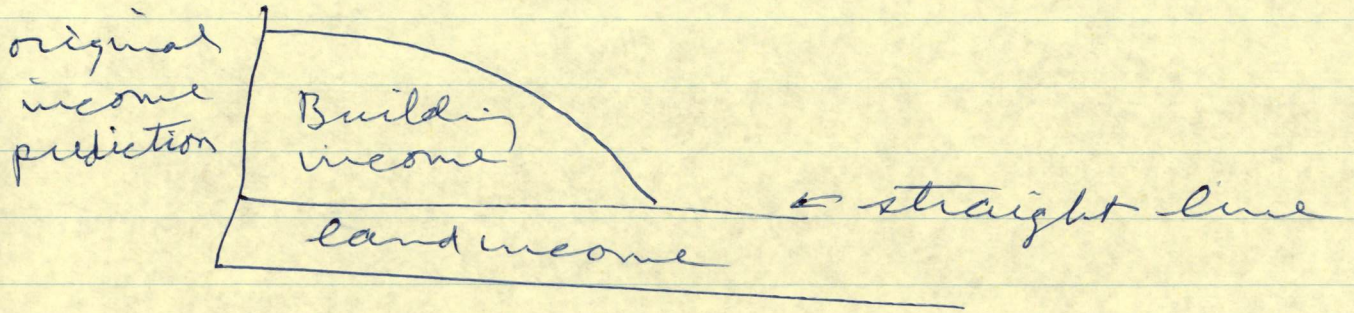
"Loss of value due to structural deterioration, use, wear, & tear is frequently described as depreciation. The loss of value occasioned by going out of style, by becoming less suitable for use, & by similar commercial or economic causes is described as obsolescence." 401

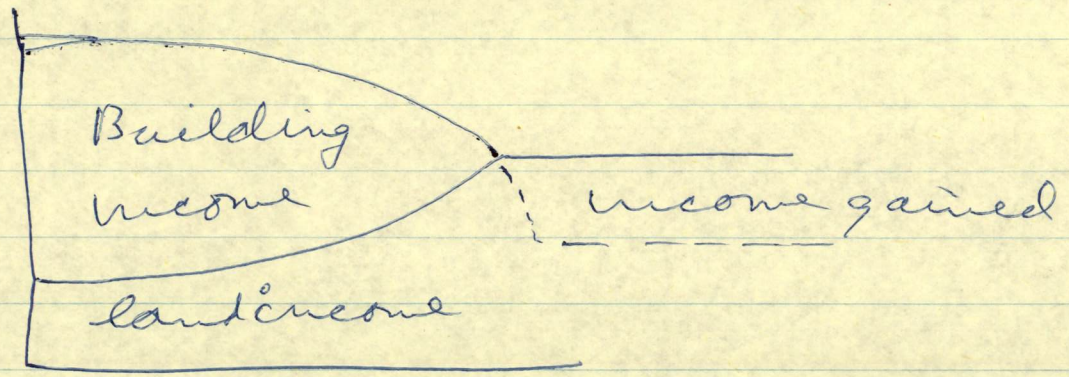
graph p 415



Babcock (2)

change to higher use for land ⇒ substitution of land income for building income.





land "absorbs" building value

vacant lots are taxed by valuing as if developed, what would they earn? disregards fact that all lots couldn't be built on. inf. late estimate of wealth of community and includes "in the total a considerable value which has no actual existence" p32

Babcock (3)

Sites Irving Fisher p 412 (of Fisher)
Babcock saying "The future income stream has been declared to be the most fundamental part of economic life" 129

"If anticipated income is the basis of valuation, then the valuation process will necessarily include the making of forecasts & predictions. The fact that predictions are difficult to make with accuracy in no way modifies the necessity for making them, & the process of deriving an estimate of present value from a forecast of future income is in no sense to be considered as one of several alternative methods of valuation" p 131

ammunition to depend site taxation? or at least highest & best use in realistic way

"In American cities economic factors have been responsible for a high rate of building mortality. Few buildings have been demolished because they were no longer structurally sound." 109

The Retreat of Agriculture in Milwaukee County, Wisconsin

Loyal Durand Jr.

Transactions of the Wisconsin Academy of Sciences, Arts, & Letters

Vol. 41 P 197 Jan 14, 1963

Thinks that there may be a need for differential tax treatment in order to protect high ~~value~~ quality farm land near Milwaukee

10% of county is used for farming

was 21% in 1959

50% in ~~early~~ 1930's

1960 Mil County

60% of farms were ~~small~~ unclassified or principally residential or part-time landholdings

35 market gardens

50 dairy farms of which 26 shipped to city

16 dairies in SW shifted to Chicago shipment

12 acres of sugar beets

131 " of cabbage

237 remaining commercial farms equally divided between Franklin and Oak Creek.

119 Nursery + greenhouse with gross ↑ of more than $3,000,000 or ½ of total farm income (County)

Reid, Margaret G - Housing and Income U of C 1962

"As normal income increases, the value and rent of dwelling units tend to increase at an even faster rate, so that housing-income ratios tend to rise with normal income. This is contrary to the long-standing notions that housing tends to take a declining percentage of increased income" V-vi

Housing-income relations observed for 1950 and 1960 consistent with Schwabe's law of rent (higher income, lower is the housing-income ratio)

Elasticity 0.35 for 1950

She suggests that such a measure understates the increase in housing accompanying increase in normal income (Friedman's permanent income hypothesis concept); that the random component in consumer units income contributes to this understatement

Reid (2)

She finds over period studied 1918-19 to 1960, that the elasticity of housing with respect to normal income appears to be between 1.5 and 2.0.

She observed this tendency in both cross-section and inter-temporal ~~change~~ data.

High quality housing in the Amer standard of living appears to be a luxury

Housing - income ratios tend to be very high for consumer units with an aged or a female head.

The price elasticity of demand for housing tends to be around -1.0 (housing consumption tends to increase at about same rate as the price of housing falls.)

"The evidence implies that high quality housing is one of the important luxury components of the American standard of consumption." p 7

"housing is little effected by short-run income changes" p 376

"Increase in population and income tends to increase demand for new units. If population growth and rise in per capita income coincide, the increase in demand for new units will be especially high" 390

"Holding occupation or race of head constant would tend to increase the income elasticity of housing." p105

Among the strata of Negro consumer units, the importance of owner-occupancy is negatively correlated with Y, and among strata of white consumer units it is positively correlated" 106

Weimore, Louis B - "Trends in Urban & Urban-Related Land Uses" in Papers of the Land Economics Inst, Modern Land Policy Urbana 1960

The "development of large-scale units has led to greater efficiency in withdrawal or withholding of land for urban purposes insofar as vacant lots are concerned. The large-scale development unit, however, has introduced a new pattern of vacant areas. Opportunities or limitations in the process of acquiring tracts of land leave large blocks of vacant land around + between these large-scale units of development. The tendency is for the pattern of development to assume a pattern of large developed units interspersed with areas of vacant land of varying sizes but of substantial scale... It is doubtful that a significant efficiency is being achieved." p 146-7

PENNIMAN, CLARA "The Role of Property Tax in Wisconsin Since 1929"
National Tax Journal Vol IX #4 Dec 56

1 studies decline of property tax in Wisconsin

2 "Despite the general taxpayer outcry that property taxes have reached an absolute ceiling, analysis reveals that 'full value' property tax rates in Wisconsin today are only slightly (3.1 mills) above the 1929 rate; that today's rate is lower than for a majority of the years following 1929; that property taxes in the last decade have made up a lesser proportion of state & local taxes than in 1929 or the 1930's; and that total property taxes are about 25% lower in proportion to income in 1955 than in 1929. City taxes in 1955 were only .8 mill above the full value tax rate in Wisconsin in 1929; village taxes, .3 mill lower; but town (rural) tax rates have climbed 5.4 mills between 1929 & 1955." p338 (summary & quotes)

MARGOLIS, JULIUS - The Variation of Property Tax Rates Within a Metropolitan Area"

Dec 56 NATIONAL TAX JOURNAL VOL. IX #4

study Bay Area 72 city gov.

1. finds lowest tax rate in industrial enclave, next in rural hinterland (associated in part by lower levels of public service)
2. finds highest rates levied in central cities while balanced and dormitory cities have almost the same rate
3. questions validity of policy of "industrialization" in order to reduce property tax rates.
   a. expansion of industrial and commercial uses have consequences
      1) on residential densities
      2) on income levels of residents to be attracted
      3) levels & patterns of public service
   b. may not lead to lower taxes
4. "Striking finding" great variation in rates among cities in region

Bartholomew, Harland
Land Uses in American Cities Harvard U. Press 55

Of the total area found within the boundaries of the 53 central cities only 55.85% is developed for some urban use

Number of cities	population groups	developed acres per 100 people
28	50,000 and under	9.97
13	50-100,000	8.01
7	100-250,000	8.03
5	250,000+ above	5.04

(p. 23)

Most of developed area in cities is devoted to residential use (37.61% on the average, range 20.30 & 59.69 with the vast majority 30-50)

# cities	population groups	multifamily dwellings as % of total developed area
28	50,000 or ↓	1.73
13	50-100,000	2.13
7	100-250000	2.21
5	250000+ ↑	4.90

* TDA = total developed area

Bartholomew(2)

Type of use	53 cities % of total developed area	53 cities % of total residential area*
single-family	31.81	80.29
2 family	4.79	12.11
multifamily	3.01	7.60
	39.61	100

Residential use occupies 80.23 or 4/5 of all land privately developed

# cities	pop. group	commercial land per 100 people	commercial area % of TDA*
28	50,000 & ↓	0.31	3.14
13	50-100000	0.21	2.58
7	100-250000	0.23	2.90
5	250000 & ↑	0.21	4.26

	streets per 100 people	streets % of TDA*
	2.82	28.33
	2.66	33.27
	2.21	27.57
	1.25	24.75

acres / 100 people		% of TDA*	
publically	privately developed	public	private
5.15	4.82	51.65	48.35
4.44	3.57	55.47	44.53
4.00	4.03	49.86	50.14
2.38	2.66	47.31	52.69

Use of privately developed as % of TDA in

Residential	Commercial	Industrial
39.56	3.14	5.65
37.16	2.58	4.79
41.40	2.90	5.88
39.97	4.26	8.46

vacant area as % of total city area (same classes)

47.01
38.80
21.85
20.37

Schechter, Henry B "Cost Push of Urban Growth"
Land Economics Feb 61
Vol. 37 p 18

Growth pattern in the 40's
41% increase in ~~urban~~ SMA rings
29% " " ~~central cities~~ urban fringe
14% " " central city
from Bogue Population Growth in SMA

roadbuilding ⇒ ribbons
= transit in G.W. bridge commut.
Detroit regional study: indust loc followed from past diapersing disconnected areas + plant requiring large site loc. outer edge where land available
industrial workers commute "out"
white collar com "in"
Jacob Silver study travel time in D.C.
48 to 55 pop ↑ 31% total mileage ↑ 107%
Trends in Travel dwelling units 44% to/work 49
trips 42% to CBD by Res. of Wks. mileage up 71%
shopping others 73

public pop 59 pp

user operated trans. for
country + 6,746 million or
26% from 53-7
Surg Current Bus.

index of private trans. costs up 37%
as 23 increased use
7.9 " in population → 15%
or 3950 mil. in 53 $

21.3% + transit fares 53-57
+ con price index 5.1

Population group	average rate
↓ 1,000	2.06
1 - 3	2.13
3 5	1.96
5 10	1.83
10 35	1.42
35 - 400 000	.94

"In an econ. activ. such as water
surg + other fac il, where le
ret. to sc. increas is a lay-
ing, the post WWII prolifer-
ation of small community
systems has contributed to
increased real cost per unit of
service" 23 price index + 28.4 53-57

Land Use

10% increase in household water consump.

53-7
10% rise in price index
for gas sold almost 2X CPI
49-53 was only 5% while CPI ↑12%
increase in miles of distribution mains 123% 53-7
customers 14%
49-53 ↗15
→16

Telephone Class A (90% of telep)
↑ 27 annual # calls ↑ 26
miles of cable 42%
rate increase would have been more but they sold lot of phones
CPI ↑ 12 49-53 Telep 18 ↑
phones 22 miles cable 27%
calls 15

Minority Attitudes in a Community

School of Social Work (undated) post Jan 63

1. Almost all of D.'s 62,458 Negroes live in an area approximately 25 blocks long + 21 blocks wide
2. If they could move anywhere in D or suburbs 72.6 would want to move of those only 8.8% would remain in inner core
3. 61.2% said Negroes could not live where they wished
   only 13.9% of above said was because of financial or other reasons than discrimination
4. only 16.4% preferred neighborhood in which people were alike in terms of race, religion etc.
5. 85.3% had voted for Kennedy of those who had voted & told vote
6. religion very impt see p. 4:1
7. access to zone, jobs & to Negroes 64.7% men 58.2% of women
8. gov. thought to be less discriminatory than overall community
9. 63% would, if could do over, go to college 5.9 beyond, median education of 9.5 yrs.

Minority (2)

- uncertainty about equal treatment by police shown by 3/4 of respondents

most of study p.p. 8-1 to end on leadership potential

W.H. Crouch What To Do When your Property is Condemned

just compensation

Onondoga County Water Authority v. N.Y. Water Service Co. : "the question of just compensation is not determined by the value to the Gov. which takes, but the value to the individual from whom the property is taken."

a) comparative approach based on sales + asking prices of comparable properties

b) earnings approaches based on capitalization of anticipated earnings

c) summation approach based on fair market value of the land plus cost of reproduction of improvements less depreciation however caused.

Crouch Problems in Hi Way Condemnation + Valuation Problems under Eminent Domain

American Inst. of Real Estate Appraisers defines market value "The highest price estimated in terms of money which a property will bring if exposed for

sale in the open market, allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted and for which it is capable of being used" p 610 Wis. L. Rev. July 59

2 more broadly "The amount at which a property would exchange, in the current real estate market between a willing buyer & a willing seller, with equity to both." p 610

3) some prefer market value or value to present owner especially of special purpose properties

4) to estimate just compensation loss or damage

a) difference between fair market value of property, before or after taking

b) value of part taken considered as a separate unit plus damages to the remainder

c) value of part taken considered as part of the whole plus damages to the remainder

d) damages to the remainder included in the value of the part taken

5. police power with respect to regulation or limitation of use of property are not compensable, but actual taking of property or property rights under eminent domain is compensable.

6 No distinction is made between injury to property and injury to property owner, are costs of moving to be compensated

a) theory of "being made whole again" rearrangement costs

b) costs of moving personal

7 property have almost always been held to be non-compensable

8 non comensable

a) loss of future profits

b) loss of the value of a business

c) loss of rental

d) costs of securing new location

e) loss of business during construction

f) Δ in grade

BIRKHEAD, GUTHRIE S., METROPOLITAN ISSUES: SOCIAL, GOVERNMENTAL, FISCAL

Maxwell School Feb 62

metropolitan areas are beyond conscious control. Worse still, they defy understanding. control some of us may not wish; understanding we must all desire." p 12

I GREER

A

the 3 essays are the same old soup warmed over