



The Land Tax is More Progressive

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"The Land Tax is More Progressive"

Mason Gaffney

Critics of LVT point to neighbors on equal lots, one with a larger, grander house. It may be efficient to exempt the houses, they say; but it is regressive to tax both neighbors the same. Champions of LVT point to equal houses on different-valued lots, and call it regressive to tax the houses. Is this just a stand-off between debaters? No, because the rich as a rule do not live next to the poor. Rather, they cluster in neighborhoods with much higher lot values. The wealthy put a high premium on location, neighborhood, and grounds, resulting in higher ratios of land value to buildings. These data from British Columbia's 1992 assessment rolls illustrate (B.C. practices high quality professional assessment).

Cities and districts around Vancouver and Victoria are ranked, in the table, according to the land value per property (single-family residences). These range from nearly \$700,000 @ in the "University Endowment Lands" district (very posh), to a round \$40,000 @ in the modest "Victoria Rural" district. The last column, LSREV (Land Share of Real Estate Value), shows the land value (L) as a share of the total value (B+L). These shares range from a high of 80% on the University Endowment Lands down to 38% in Colwood, and 39% in Victoria Rural. In between, the numbers follow the trend closely. The dearer the land parcels, the higher is the share of total real estate value represented by the land.

[NOTE TO EDITOR. If you have time and space, you could strengthen it by putting the numbers on a graph: one dot for each pair of numbers. You might also eyeball a rough trend line through the dots, although this can be hazardous to your statistical reputation.

With less time, you could divide the municipalities in three parts: lowest, middle, and highest values. Then take a mean value of each column for each third, giving you three pairs of numbers. Then present these on a bar graph.

With even less time, you could just take three pairs of data: lowest (Victoria rural); middle (Coquitlam); and highest (Univ. Endowment Land).

The first method is most persuasive, overall; the third easiest and quickest, both to prepare and to read.]

Land Values per Residential Property, and Land as Share of Total
British Columbia, Lower Mainland and Victoria regions, 1992¹

LOCALITY	LV PER PROP- ERTY (\$K)	LSREV ² (L/[L+B])
UNIV ENDOWMENT LAND	692.5	.80
WEST VANC.	276.7	.68
VANCOUVER CITY	216.3	.72
LIONS BAY	152.7	.58
OAK BAY	145.9	.61
BURNABY	144.6	.60
N. VANC. DIST.	140.7	.65
BELCARRA	130.5	.60
RICHMOND	127.9	.66
NORTH SAANICH	116.8	.51
NEW WEST. RURAL	111.6	.60
N. VANC. CITY	108.0	.58
WHITE ROCK	100.1	.61
DELTA	99.8	.55
SAANICH SD 63	96.3	.48
NEW WESTMINSTER CITY	95.8	.52
ANMORE	91.1	.58
COQUITLAM	88.2	.51
PORT COQUITLAM	88.2	.48
PT. MOODY	87.2	.52
SAANICH SD 61	81.8	.51
SURREY	78.5	.49
VICTORIA	76.5	.47
ESQUIMALT	71.3	.52
VIEW ROYAL	69.8	.49
SIDNEY	67.0	.51
CENTRAL SAANICH	66.7	.44
METCHOSIN	61.2	.42
LANGLEY (C)	60.2	.45
GULF ISLANDS	57.5	.49
LANGLEY (T)	53.7	.42
COLWOOD	51.1	.38
VICTORIA RURAL	39.6	.39

¹Basic Data from B.C. Assessment Authority, through Alistair Crerar.

²LSREV = Land Share of Real Estate Value

Materials, BCLSREV

1. Bob Wms gave me these numbers in St. Pete, 1/93.

B.C. Value of r.e.		\$306b
Land	171	
Bldgs	136	
Prov. budget		19b
Vancouver value of r.e.		122b
Land	77	
Buildings	45	
No. of parcels		1.4m