

Land Sains. ^{L.G.H.W.L.B.} future improvements

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✓ Many pregnant ideas here.
Ideas for Tax life paper (from 189 ms, 1968)

1. In some circumstances, bldgs. may capture ΔL as expected to. Causes a boom. But is a Lorelei.
~~Temporary~~ Conceals effect of hi land price - but only temporarily.

2. Effect of ΔL on intensity is confused.

1. Cheap land allows low density. Δ may be perceived as making land cheap. It makes the early yrs. cheap, anyway. "Cavalry post" bldgs. to build down title. "Elevin-staking"; sod-house bldgs, interim uses, are OK.

2. But dear land causes hi density, by principle of proportionality.

Perceptions of the future vary.

"A" will react to hi land price by intensifying now, and/or using less land.

"B" reacts by seeing present rise as harbinger of future rises. To him land is cheap.

B sees ΔL as yielding more than ^{his} capl. ~~and the~~
He normally has much K, relative to his input, skills or spare time. ΔL calls for less input than other ways

3. Damage from future orientation of bldg.

Slows filtering - down, doubly. p. 4

Not just in housing, but commerce & indy. Takes cheap space from small bus.

Interim uses don't filter down either.

Both A and B (in 2-2) waste K, in their 2 different ways. The waste can be used, as lower RR after land put - or lower land return after put - of o.c. to K.

4. When ΔL is happening, the ec. can absorb it" bcs. the holder is paid in ΔL , not rent.

But when he requires rent, it takes too much of the N.I. And/or when lenders require interest.

5. Banks do not lend on raw land. But they lend on land under bldgs. - they require it be clean, held as equity (originally)

a rising land mkt. raises that equity.

A. Encourages longer loans. Hence, durability. future-orientation, "hyper-futurism", deferred ~~recor~~ payout. late recovery.

6. Portion of bldg. subsidy that goes into higher land rents is a deadweight loss

✓ 7. Greater hyper-futuring, (payout lag), in bldg. is a way of using more land.

8. pp. 26 ff - 33. Circumstances where ΔL is captured by bldg. stimulates it.

✓ Leverage of pvt. over public invt. is big thing.

7. Subbing land for K takes 2 forms: less K ; longer pd. betw. renewals ("tenancy" of K).

Invts. that add floor space to fixed site sub K . for land in s.r.; but in long run this is offset by their lengthening pd. of tenancy of K .