Rethinking Ownership

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Why
Getting Started

• How can we capture more of the unearned increase in the value of land
LVT Doubts

• 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..
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 loose 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?