



paulbeard @paulbeard

28 Apr · 14 tweets · [paulbeard/status/1255213596247650304](#)



I hear a lot about "affordable housing" in Seattle and other cities that are showing both strong economic growth and a tight housing market. My interrogation of this tells me that without affordable land, affordable housing is a dead letter... 1/ [#LVT](#)

Here is the property tax assessment for a modest 4 BR house in NE Seattle...note the price of the land relative to the house. Note how the land gets more expensive, eventually passing the value of the house. But isn't the house all that you want? 2/ [#LVT](#)

Valued Year	Tax Year	Appraised Land Value (\$)	Appraised Imps Value (\$)	Appraised Total (\$)
2019	2020	384,000	257,000	641,000
2018	2019	378,000	250,000	628,000
2017	2018	330,000	218,000	548,000
2016	2017	236,000	259,000	495,000
2015	2016	218,000	239,000	457,000
2014	2015	194,000	209,000	403,000
2013	2014	178,000	208,000	386,000
2012	2013	178,000	178,000	356,000
2011	2012	178,000	178,000	356,000
2010	2011	190,000	188,000	378,000
2009	2010	202,000	162,000	364,000
2008	2009	238,000	182,000	420,000
2007	2008	219,000	174,000	393,000
2006	2007	197,000	169,000	366,000
2005	2006	186,000	165,000	351,000
2004	2005	171,000	145,000	316,000
2003	2004	165,000	136,000	301,000
2002	2003	86,000	175,000	261,000
2001	2002	80,000	161,000	241,000
2000	2001	74,000	148,000	222,000
1999	2000	71,000	121,000	192,000
1998	1999	58,000	127,000	185,000

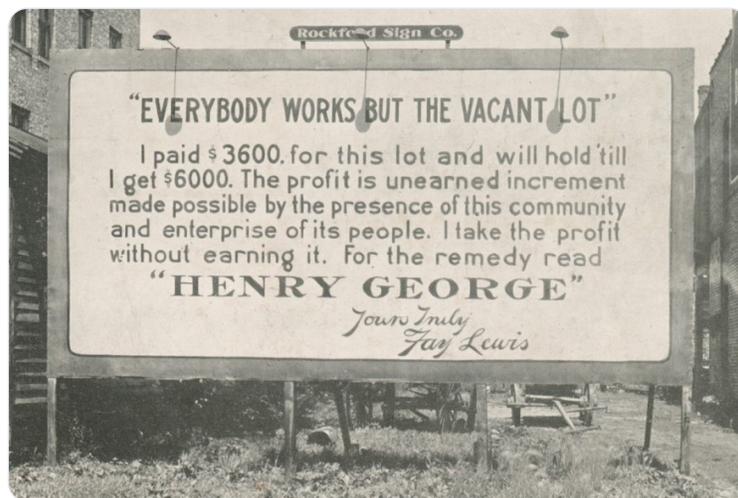
I mean, what can you do with the land? You can't farm it or mine it. It's zoned residential so you need special permission to run a business out of it. So why buy it?

Why take on a much larger mortgage just to own something you can't use except as a place to keep a house? 3/ [#LVT](#)

Annual property taxes on that parcel are about \$6600. So about 1%. What if you didn't own the land but rented it from that city for that amount? What if you could now buy that same modest 4BR house for \$257k rather than \$641k? That looks like an affordable house to me. 4/ [#LVT](#)

And to make it fair, your land rent would be just for the land: call it \$3000/year. That's how we get to affordable housing...through affordable land. We can talk about new building techniques or upzoning but as long as land is a speculative asset, nothing will change. 5/ [#LVT](#)

That's why Seattle is so much a renter's town...buying and holding land is a sure way to make bank, at the expense of working people and the local residents whose investment makes your land valuable. 6/ [#LVT](#)



"But that means property tax receipts go down...what will do to the city budget?"

What if we assessed ground rents on commercial land as well? And what if we knew that an acre of land could command \$11M a year in rent? What if landlords became property managers/tenants? 7/ [#LVT](#)

What if property managers now had to make rent, not just sit back and collect it? And what if by assessing rents on land, the city could drive development? If you're on the hook for \$11M/year, you're not building a strip mall: you're building up as high as zoning allows. 8/ [#LVT](#)

Which brings us to the other lever...zoning. If Seattle were to apply both, we could put idled land (held off the market until the price is right, at 1% tax) into productive use. If the optimal price to acquire land is \$0, how much more affordable would housing be? 9/ [#LVT](#)

For reasons I can't fathom, the value/cost of land seems to be left out of any urbanist/housing conversations. Without land, where do you put housing? Seattle shouldn't be selling surplus land when it could rent it (and developers are offering to pay rent vs purchasing). 10/ [#LVT](#)

And even the local school district is in the game, renting out disused parcels for commercial development, for far less than the land is worth, I expect. That value belongs to the investors, the local taxpayers. But as the kids say, don't hate the player, hate the game. 11/ [#LVT](#)

We're reminded that cities like Barcelona or Paris, with all their culture and amenities, will fit in a fraction of Seattle's area. How do they manage it? I think that's the point...they *manage* it. They don't leave it to speculators and rentiers. 12/ [#LVT](#)

The takeaway for me here is that land = wealth and offers a secure retirement income/asset base that people would be reluctant to lose. But that wealth was built by everyone, renter or homeowner alike. Shouldn't we all share in the proceeds? Land rents would do that. [#LVT](#)

NB: property tax information is public information, so no skulduggery was required to get the information above. King County helpfully breaks out land and improvement/house valuations so a lot of the work has already been done. Seattle could lead on this issue...

[#LVT](#)

...