

Coming back to this as a compelling argument for a land rent/land value tax on *all* commercial real estate in Seattle. Rentiers have been siphoning off wages for too long. Collectively, their holdings might dwarf everyone's fave villain, Jeff Bezos. @cmkshama? @CMTMosqueda?

<https://twitter.com/goldmadoka/status/1021875436832210945>

The rentier makes money while he sleeps, as Adam Smith said 240 years ago...the value of the land in Seattle in a function of the people who live/invest in it. It's not even good for business: you can't sell overpriced land and your business might not cover your 1% taxes.

A parcel of land might have doubled or tripled in value, along with the property taxes. Good news if you can find a buyer, not good if you want to keep your business or if you waited too long to get out...vacant parcels don't make any money beyond taxes — no jobs, no sales tax.

My TL has a few threads on this but consider the Hardwicks tool supply store in the U District, sitting on land valued at \$3M while the owners carp about their 1% (\$30k) in taxes. The time has come for low-rise/low density business to go. There used to be farms in Manhattan...

What happened to them? If Seattle wants to be New York (why else so many NYC place names — Brooklyn, Chelsea, Morningside?) it needs to build up and land rents will drive that, by making it uneconomical not to. Developers need cheaper land and incentives to build density.

Parking lots, low-rise shopping, houses converted to offices — all that needs to be swept away. If crane counts are the measure of success, we could see a lot more. Land rents on all commercial property will bring down land prices and housing costs.

Land rents will also redirect the flow of rents from out-of-town/int'l investors back to those who actually invested in the land — the workers and taxpayers. Seattle — and every city — belongs to those who live and work there, not a minority of landowners.