Association for Incentive Revenue Research

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An Offer You Cannot Refuse

To all Home Owners and Landlords within walking distance of the proposed stations of the new Rail Transport System.

At a small cost and a large profit to yourselves the best transport system available can be installed. This applies to both rail and road.

Property values, namely Land Values, will increase in proportion to the efficiency of the system as perceived by the public.
Therefore only the best will be good enough.

Experience elsewhere has shown that, where transport has been improved,
the value of land affected has increased by three to four times the capital outlay for the improvement. some more than others depending on their relative position. This would apply to railways, roads, or the building of a bridge. Even farmers and manufacturers far from the city could benefit from lower delivery costs.

A good example is the building of the extension to the Jubilee Underground Line in London. At a cost of 3.5 billion Pounds Sterling, the owners of property showed an increase in value of 13 billion They could have financed the system and still shown an immense profit. So why wait for some level of Government to take action when they are invariably constrained by budgets?

The public should be agitating for improvements.

The question now is: How Do We Go About It?

THE PROPOSAL

Start by considering Perth and environs.

The Ring Rail put forward by Professor Peter Newman and Cole Hendrigan of Curtin University would become the foundation starting point.

A small committee of experts should be appointed to investigate City Planning, feasibility of project, construction and engineering practicality and limitations/ obstacles, cost estimating, and medium term Government loans at lowest interest. A member of each political party should be included in the committee so that they can be kept informed and act jointly in the interest of the community.

AMORTISATION OF LOAN

A realistic Property Valuation Roll should be created giving up-to-date market values of all land and improvements. These values will become Datum Values.
When the proposed scheme has been accepted then values will already start to rise. When the project is completed and becomes functional the land values will continue to rise. An annual rental value can then be collected based on a percentage of this increase. The percentage of rent should be calculated to give say a ten year amortisation of the loan. A year (?) after the end of this loan has been amortised rental payments will cease. Property owners will have paid approximately a third of the increase and be left with two thirds.

Is this not a wonderful return on investment; twice the initial investment? Still leaving a profit towards the next project.
This would not have been possible if the investment had not been made.

What Are We Waiting For?

Regards,

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