

# **Report on a Poll by Ipsos MORI on attitudes to Land & Property Taxes**

## **Summary**

An opinion poll on attitudes to Land Value Taxation (LVT) has been carried out by Ipsos MORI, a leading UK-based polling company. It was commissioned by the Coalition for Economic Justice (CEJ), the umbrella group for all organisations in UK that support LVT: charities, think tanks and campaign groups.

The bulk of the funding came from a grant by the Joseph Rowntree Reform Trust (JRRT). Matching funds were obtained from CEJ member organisations and supporters of LVT while the survey was being prepared.

Results were broadly in line with what CEJ had expected. However it was valuable to have independent rigorous analysis of actual public opinion conducted by MORI, based on a survey they had helped design to ensure it was free from bias. The most notable finding was that when people know about LVT they are much more likely to support it.

The Professional Land Reform Group (PLRG), which is the research arm of CEJ, acted as intermediary and client to Ipsos MORI and will be leading the work to develop a further research programme.

## **The Survey.**

Ipsos MORI undertook in-home face-to-face computer-assisted interviews with 986 people across Britain between 20<sup>th</sup> October and 5<sup>th</sup> November. The survey was included on the Ipsos MORI capibus, their weekly nationally representative, face-to-face omnibus vehicle. Several completely different subjects, commissioned by various clients, are included in the interviews.

All clients have their survey questions and answers analysed according to a chosen sub-set of demographic characteristics captured at the time. Voting intention is not included but Region, Social Grade, Age range, Tenure of housing, Sex, Ethnicity, Working status and Daily newspaper readership were used in this survey.

The CEJ / LVT survey included ten questions, beginning with three dealing with peoples' understanding of how property values arise, then with attitudes towards (and knowledge of) council tax; finally with attitudes towards taxing only land / site values, as compared to council tax and not taxing vacant sites.

By its nature, such a survey does not allow interviewers to give more than very basic introductory information about the subject matter. It can only provide 'snapshot' views, reflecting the state of knowledge that people have at that time.

## **Analysis of the Answers**

Ipsos MORI assisted with preparation of the survey questions, particularly to ensure none were 'leading' desired answers but also to maximise chances that interviewees would understand them and to facilitate useful analysis. The data has been weighted by Ipsos MORI to reflect the known population. This report is based on an overall 'topline' analysis (ignoring the demographics and taking the whole weighted sample) as well as 45 detailed tables which use the full demographics and cross-referencing of answers to each question,

supplied to PLRG on 8<sup>th</sup> Nov. These tables highlight those figures which have statistical significance: i.e. show significant variances from the national mean.

***The textual analysis that follows has been signed off by Ipsos MORI and cannot be amended without their approval. Ipsos MORI also require, as part of their contract, that no public statement purporting to say what the results of the survey show can be put out without their approval. This is to protect their reputation as responsible pollsters. However CEJ 'client' organisation(s) may use the results internally and among themselves without reference to Ipsos MORI. Any publication should also acknowledge the financial support from JJRT – and give the full name of that Trust.***

Each section of the analysis deals with a single survey question (or group of questions), gives a 'topline' statement of what it shows the whole population thinks, then refines this by pointing out some of the demographic variances from this overall view. In the concluding section suggestions are made as to what might be done to follow up this survey, by way of further research, publicity, education or campaigning.

### **What affects property prices most: the property itself or the area it is in? (Q1)**

About half those interviewed said the location of a property has more impact on its value than the property itself (e.g. size and condition). However a third did not see the distinction and answered "both equally" without prompting and about one in ten thought that the property itself has more impact than the location.

It is older people of working age (45-64), those in part-time work and those from the AB (top) social grades, who were more likely to say location has most affect. .

### **Impact of transport improvements on property values. (Qs 2&3)**

About half those interviewed expected transport investment to result in property values rising. By a factor of about three to one, they would expect a new tube station or bypass to a town to result in rising prices in "the local area", rather than falling prices. However three in ten people don't think these investments would make a difference to property prices.

Those aged 25-44 and those in social grades ABC1 and reading broadsheet or mid-market newspapers, or living in London, were more likely to think building a tube or rail station will raise property prices perhaps because they are peak hour commuters. Those in social grade DE were less likely to think new tube or rail stations will increase local property prices, as were those from the Midlands.

Those who also thought that a tax based on land values is fairer than a tax on the property were, perhaps not surprisingly, more likely to say that property prices are affected by transport investment. It did not seem to matter whether or not such people had previously heard of LVT, which might indicate an opening for focusing education and campaigning about LVT on ABC1 broadsheet readers who live in – or commute to - London.

Similar results are evident with the question on a bypass being built. However age seemed not to matter as much as social grade: there was a particularly marked difference in attitude between AB and C2DE, with the proportion of

the former who understood the link almost twice that of the latter. It is people in the South, more than in London, who noticed the effect. Also those in social rented accommodation seemed less likely to notice it. This could be because their rents are not affected by it in the way that market rents and prices are, or because they are less likely to live in areas affected by a bypass.

#### **Should property tax rise if property values rise as result of transport improvements? (Q4)**

Despite there being quite a good understanding of the link between transport investment and property prices, there was a clear general view that it is not fair to link this to property tax. Around a quarter agreed that taxes on a property should increase if the value of the property increases due to improved transport while just under half disagreed. Although only about a quarter of those interviewed expressed strong views either way, those who said they strongly disagree with making owners pay more tax to reflect the increased value of their property arising from transport investment outnumbered those who strongly agree by more than five to one.

Those who agree were more likely to come from social grade ABC1 and those who read broadsheet newspapers. Those who disagree were more likely to live in the Midlands, think LVT is unfair or have heard little or nothing of it before. However, confusingly they also seemed to think that a tax based on land value alone is fairer than a tax based on the whole property value.

#### **Which is fairer: tax on whole property or tax on just land value? (Q5)**

Nearly half those interviewed thought that a tax based on the value of the whole property is fairer than one based on the value of the land alone. Only about one in six said the opposite and a similar number didn't think there is any difference in fairness. About one in seven said neither kind of property tax is fair<sup>1</sup>.

Higher social grades were more likely to think a tax based on property value is fairer, as were those who own their home. There is correlation between those who preferred land value tax to property tax and those who thought LVT is fair. LVT was also seen as fairer by those who had heard of it before.

#### **How much do you know about how your council tax is calculated? (Q6)**

About two thirds of those interviewed said they know little or nothing about how their council tax is calculated. Only about one in 25 said they know "a great deal".

Those who know about their council tax were more likely to live in London, or own their home outright, be of pensionable age or come from social grade AB. They were also likely to claim some knowledge of LVT. Those least likely to know about council tax were social renters, or from Scotland, or were BMEs.

#### **How fair is council tax? (Q7)**

Less than one in five expressed strong views about council tax either way and only around half thought it "somewhat" or "very" unfair. All responses to this question may reflect the fact that it has been held steady for several years.

People in higher social grades were more likely to think council tax is fair, whereas those in the lower grades tended to think the opposite. Homeowners

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<sup>1</sup> They might have said the same of any kind of tax. The survey deliberately did not ask how people regarded other kinds of tax, in absolute terms or relative to property taxes.

were more likely than renters to think it is fair, social renters were most likely to think it is “very unfair”. Those who said they had heard of LVT were more likely to think council tax is “somewhat fair” than those who hadn’t.

### **What, if anything, did you know about LVT before now? (Q8)**

Well over half those interviewed said they had not heard “about a site or land value tax” at all before. Only one in eight admitted to having heard “a fair amount” or more.

Age, housing tenure and social grade appear to make little difference to peoples’ awareness of LVT. Londoners are much more likely to claim at least “a fair amount” or indeed any knowledge of it, which may be the result of the courses that have been held almost exclusively in London, by the School of Economic Science and Henry George Foundation, for a long time. Mid-market newspaper readership and being non-white also, strangely, seem to correlate with knowledge of LVT.

In terms of how knowledge of LVT correlates with other views expressed in this survey, as one would expect those who had heard of it were more likely than average to think it is fairer than a tax based on the property. However, even among those who have heard of LVT more thought a tax based on the value of the property is fairer than a tax based on just the land.

### **How fair is LVT? (Q9)**

Three quarters of all those interviewed expressed no strong views on whether “a tax based on land or site value alone” is fair or unfair “as a way of collecting tax on property”, although around six in ten said it was somewhat or very unfair. Note that the option of using LVT to reduce or replace other taxes was not included in this survey. Of those who did express a strong view, those saying it is unfair outnumbered those saying it is fair by a factor of seven and numbered about a fifth of those interviewed.

It is significant that younger working age people (25-44) were more likely than those aged 65+ to think LVT is fair. Those of pensionable age were more likely to think it is unfair, as were those who own their home outright or were not working. However none of these variances are very marked. There seems to be little correlation with sex, social grade or region.

Perhaps the most significant finding of the whole survey is that there is a very strong correlation between (claimed) knowledge of LVT and support for it. Among those who say they already knew “a great deal” or “a fair amount” about it, three out of five think it is fair. Among those who say they had heard “not very much” or nothing about it, there is a two to one majority saying it is unfair. It does therefore appear that there is a very significant potential for changing peoples’ views on LVT by simply telling them about it.

### **How fair is a Vacant Land Tax? (Q10)**

There was a strong view that taxing vacant land is unfair. If anything, those interviewed were more against a Vacant Land Tax than a Land Value Tax. Almost a third more said it was “very unfair” than said LVT was “very unfair”. This may have been because the question was posed in the context of only domestic / residential property taxes and/or because people thought “vacant” meant “open space” rather than “derelict”.

Opposition was stronger among pensioners, those not working and outright home-owners, those who had already expressed opposition to LVT and those

who had never heard of it. Those who said they knew about LVT were more likely to think VLT is fair as were those who thought LVT is fair.

## **Main Findings**

1. There is considerable scope for educating the public about how land and property values arise. Although about half the population may instinctively understand the distinction between 'location' and 'building' value, a large minority have no understanding and the implications for tax policy 'fairness' or wider economic and social issues – such as the link between transport investment and access to jobs and affordable housing - are very largely not appreciated.
2. There is strong and understandable resistance to these recurring (as opposed to transactional) property taxes, particularly LVT, from older people and those owning their home outright. There also seems to be a corresponding - but much less strong – appreciation on the part of those who are the backbone of the workforce that reform of property tax might be in their interest.
3. Opposition to council tax is fairly high (if not strongly held), although among lower social grades and renters it is significant. There is little understanding of how council tax is calculated, so it might take considerable effort to explain why it is unfair. However in explaining how council tax is calculated there is a good chance that opposition to it – and support for LVT – might be engendered.
4. There is very little awareness, let alone knowledge, of LVT. It is striking that any awareness of LVT seems to lead to support for it and also goes with better understanding of how land and property values arise. It might therefore take little depth – but considerable breadth – of public education to achieve a significant shift in attitudes towards reform of property taxes.
5. The survey tells us very little about possible attitudes to reform of business rates, because it was addressed to householders. It also tells us nothing about 'Tax Shifting' more generally, removing taxes from jobs, earnings, enterprise and replacing with taxes on land values and other forms of 'economic rent'. A further *public* opinion poll would not be appropriate (except to establish a trend) until there is a better public understanding of land economics.
6. The results of this survey represent a good base upon which further research, education and campaigning can build. However the subject of property taxation is not easy to explore using normal survey methods, because it is somewhat complex.

## **Recommendations**

- A. This report should be widely read among CEJ member organisations that contributed to the project and used to develop further research, education and campaigning projects with minimum delay. No part of it should not be made publicly available in isolation from information about the nature - and experience in use - of forms of land value capture, nor without property tax reform being set in the context of the wider "Tax Shifting" that CEJ proposes.

- B. Distribution of the report (or at least its findings), on a strictly confidential basis, to selected academics, think-tanks and interest groups (such as the Intergenerational Foundation) should be considered, through PLRG. Discussion of 'next steps' should take place with these bodies urgently, so as to use its findings most effectively to help change public attitudes before the next election.
- C. In order to make LVT more popular, funding should be sought for a wide programme of public education, such as is already carried on by the School of Economic Science (SES) and Henry George Foundation (HGF). However it should also involve the social media and the internet and, in doing so, reach mainly younger voters across all regions of the UK.
- D. Research should be undertaken as soon as possible into attitudes towards wider Tax Shifting. A 'baseline' of current opinion should be established to inform design of new modules to incorporate into professional and academic education programmes in a variety of fields.

Dr Tony Vickers

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