

SUBDIVISIONS AND ASSESSMENTS

Problems Left by Land Pirates—No Difficulty With Legitimate Homesites

"Western Canada's Subdivision Curse" was the caption of an article written by *The Monetary Times* investigator, on his return some two years ago from a tour through that country of promise and progress. His comment was: "The worst feature is the sale of outside subdivisions. This consists of the purchase by promoters of farm or waste lands at a few hundred dollars per acre and the sale on the strength of imaginative literature, at so much per city lot." A pointed corollary to this statement is given in the recent issue of Saskatchewan's Public Service Monthly, which says: Since the inauguration of Saskatchewan as a province, there has been a constant and increasing stream of immigration, attracted by free homestead and pre-emption land and the cheap and productive lands held for sale. This has resulted in an increase of population within the province from 150,000 to about 700,000 in the last nine years.

Necessarily there has grown up a large number of urban communities some of which are taking on all the earmarks of cities with all city facilities, such as street cars, water, sewerage and electric light systems, paved streets, etc.

Along with this stream of immigration, in order to develop the country and make it suitable for the maintenance of such a population, a flow of capital was necessary, and accordingly capital has been attracted and investors have placed large sums of money at the disposal of those engaged in such development.

All this development resulted in a rapid increase in the value of real property, both farm lands and urban property, and a large proportion of the population, if not actually engaged in dealing in real estate, were interested in some way in an endeavor to take advantage of the situation. The expansion covered so long a period and the demands for facilities to do the business of the country were so great in many of the urban centres that the values of real property in these centres were inflated beyond what was warranted by actual conditions, being based more or less on prospective conditions, and surrounding many of these urban centres the land has been subdivided into lots and placed on the market at prices that took into consideration fully this prospective growth.

Were Drug on Market.

As long as the rapid expansion of these towns and cities continued with the corresponding flow of capital there is no doubt that these unimproved lots had a certain added value, due to the possibility of their being required for building purposes, which was marketable, and the shorter the time appeared until they would be included in the built up areas of the cities or the greater the expansion the more nearly they were valued at what they should be if considered as improved city property.

The financial stringency of the last year, the diminution in the flow of immigration and the consequent cessation in expansion and flow of capital on which the added value was based has left these lots a drug on the market, so that now there are large numbers of unimproved subdivisions around the towns and cities that were most prosperous, which are not needed and which there is every indication will not be needed for years for building purposes. As the values of these lots are based to a large extent on the rate of expansion, these values inherently must fluctuate between what they are worth simply as farm lands and what they are worth as improved city property, as the population of a city is stationary or is expanding, as it has done during a few years past.

Many of those holding interests in these subdivisions are considering them to be worth the money that has been paid for them in past times, but there is no market for them at these prices and they are being held in the hope that an expansion and flow of capital as in the past will take place again within a reasonable time.

What the Government Supervised.

The subdividing of townsites and placing them on the market has been controlled to the extent that seemed advisable by the government from time to time. The width of streets and the connections with the public road allowances surrounding, also the sizes of lots and numbers in the

blocks and the lanes provided at the rear of lots, were subject to legislation or approval of the public works department. Later plans were required to show contour lines, sloughs, etc., to show that the land was suitable for townsite purposes before it could be registered, and, latterly, in addition to all this, a contribution to the public funds had to be made by the owner in subdividing before he could have the subdivision registered and be in a position to give transfers of titles to lots he had sold. There is no doubt but these measures checked the placing of many unwarranted subdivisions on the market that were contemplated a couple of years ago, but the financial stringency of the last year or so and the European war have brought about conditions in connection with many of these subdivisions which are untenable.

The different subdivisions may be classified as follows:—

1. Those that have been registered, nearly all sold in small parcels and partly developed or built upon.
2. Those that have been registered, nearly all sold but not developed or built upon.
3. Those that have been registered but very few lots sold, and substantially still in the hands of the original owner entirely undeveloped.
4. Those that have not been registered but a few lots sold and held under agreement of sale and no titles given, and entirely undeveloped.

May Be's or Has Been's.

Class 1 has come to be part of the cities or towns and the subdividing was well warranted, and no particular difficulty exists in connection with their taxation or other conditions.

There are many subdivisions in class 2 and 3 which have come to be really simply farm lands, although on account of transfers and agreements of sale they cannot be used as such. Local authorities have been assessing them as lots at inflated values based on sales made a couple of years ago, whereas no such values exist, or when in rural municipalities, at a fixed sum per lot, which results in an excessive taxation out of all proportion to the present value.

It is practically impossible to effect any arrangement whereby subdivisions in class 2 can be used as farm lands, although in some cases they might develop market gardening or truck farming. Assessments should be revised to accord with these conditions. In the case of class 3 it should be possible to effect an arrangement whereby they could be used for farm purposes and the assessment should be revised to suit this condition.

Cannot be Assessed as Lots.

It has been well established by a number of decisions of the courts that subdivisions in class 4 cannot be assessed as lots, but must be dealt with as acreage, and there should be no difficulty in dealing with the assessment of such subdivisions, although in some cases a revision should be made. It should be quite possible to effect an arrangement whereby subdivisions in class 4 can be used as farm lands if desired.

At the last session of the legislature an act respecting subdivisions was passed which included certain provisions in connection with the assessment, cancellation and the possibility of bringing under cultivation of subdivisions.

This act confers upon the local government board authority to fix values for assessment purposes of all or portions of subdivisions within any rural municipality and provides procedure by the board for the cancellation in whole or in part, or the amendment in whole or in part of plans of any subdivided area situated within a city, town, village, or rural municipality as may be deemed expedient, or in cases where it appears to the board that a subdivision or portion thereof is not required for building purposes, or will not be developed in the immediate future, the board may take steps to promote the purchase of such parcels by the person owning the remaining or largest portion of the area, or such purchases as may reduce the number of owners in subdivisions, or the exchange of certain parcels for others so as to interfere as little as possible with the convenient cultivation of the remainder.

The jurisdiction of the district court judge is limited to appeals that may be brought before him, but this does not cover a consideration of the revision of the assessment of a subdivision as a whole or any portion larger than that appealed against regarding which he is not in a position to