

Introduction to Trebling



[Trebling](#) is a continuous auction for [location value](#). It is called trebling because the minimum bid increment of 200% is equivalent to 3x the current [ground rent](#). There is no maximum bid increment. One can bid 4x, 10x, or 100x the current rent.

Trebling creates no financial obligation. The treble is a one-time payment. This is a [one-year advance rent](#) payment at the first month's trebled rent. Rent is voluntary.

For instance, suppose the current [property owner](#) is paying \$100/month in rent. The trebled rent would be \$300/month in rent, and the one-year advance rent payment would be $\$300 \times 12 = \$3,600$.

The current property owner owns all structures on the land and the [trebler](#) (the person who trebles) must pay the current owner [a 33.33% premium](#) on the [depreciated replacement cost](#) of all structures and other improvements.

If the rent is \$300/month, how can all financial obligations end with the \$3,600? The answer is found in self-assessment, a concept pioneered by a Georgist and "[Father of Modern China](#)", [Sun Yat-sen](#).

Here's how it works. [The rent on a property drops by 8.75% per month](#). However, the rent to be paid is always equal to 8.3% (1/12) of the advance rent account. The advance rent account never runs out of money.

18 Months of Falling Rent		
Month	Rent Owed	Advance Rent Account
1	\$300	\$3,600
2	\$274	\$3,300
3	\$250	\$3,026
4	\$228	\$2,776
5	\$208	\$2,549
6	\$190	\$2,341
7	\$173	\$2,151
8	\$158	\$1,978
9	\$144	\$1,820
10	\$132	\$1,675
11	\$120	\$1,544
12	\$110	\$1,424
13	\$100	\$1,314
14	\$91	\$1,214
15	\$83	\$1,123
16	\$76	\$1,040
17	\$69	\$964
18	\$63	\$894

The rent falls at a rate such that in 12 months' time, the trebled rent returns to the pre-trebled amount. Notice that in month 13, the rent is \$100/month, just as it was before the treble.

Rent can fall forever. There is never an obligation to pay rent. While rent on a particular property can fall to less than a penny per month, there is a minimum initial obligation for the trebler of \$1/property/year, or \$1/acre/year, whichever is greater.

Allowing the rent to fall without ever having to pay a dime is convenient, but could be dangerous, if one wishes to keep their home or business. Before examining the

pros and cons of allowing the rent to fall freely, consider the way to raise or freeze the rent.

To drop the rent, pay no rent and the rent falls by 8.75% per month. To freeze the rent at a certain level, pay that rent each month. To raise the rent, increase the advance rent account to 12 times the new rent and pay that new amount monthly. Or you can do any combination thereof. Differences in rent paid from rent owed increase or decrease the advance rent account balance.

Who would let their rent fall freely? People who want to move. Business owners who want to retire and collect a 33% structure premium for the sale of their business and inventory. House flippers. It is actually the most efficient course of action, provided one has the liquidity to match the trebler.

Matching a treble is a right of the current property owner. Whatever the amount of the treble, the current owner can match it by increasing the funds in the advance rent account to equal the trebled rent. Should a treble be matched, the trebler must treble again or look elsewhere.

In addition to the 33% premium on the structure, residents whose primary residence is trebled might qualify for a [treble insurance](#) payout. If renting an apartment within a building that is trebled, [the tenants, not the landlord](#), are entitled to treble insurance and typically part of the [33% structure premium](#).

The treble is the primary operation of an AFFEERCE economy. Infrastructure can be trebled. See modules [Trebling the Grid](#) and [Roads and Bridges](#). [Condominium units](#) can be trebled individually.

But trebling need not involve *terra firma*, see [Trebling Beyond Hard Land](#) and [Protecting the Earth](#). In fact, [trebling is more efficient](#) than violent war at solving the problems that lead to war. [Exclusive use](#) is an [objective right](#). However, a negative externality allows [2/3 the population](#) of any [dominion](#) to override this right.

One can pay to avoid the treble. Private owners of land [pay this fee](#) in addition to their [land value tax](#).

Does trebling a particular site make economic sense? See modules [Avoiding a Hostile Takeover](#) and [Trebling a Location for New Construction](#).

Trebling starts in year one of the [ABC Commons Trust](#). See module [Parameters of Ground Rent in the Early Days](#).