

## How much will the ABC Pay for Land?



*Collect rents on land bought with funny money - Why didn't I think of that?*

Land has no objective value; it has a different subjective value for every prospective homeowner and another business value for every enterprise.

The [ABC](#) does not know what land is worth to a person or business that sells it into the [commons trust](#). The total property value is usually known, but the land's percentage of that value and the percentage of weight due to structures and improvements vary considerably.

The [nationwide average land value on a homeowner's property is 33%](#), but the data variance shows that properties range from negative land values to values well over 95%. The value can vary widely from house to house, based on the house's condition and the relative size of the yard. When a building is pristine, most of the property value is in the structure. If the building is ready to be demolished, all the property value is in the land.

There are several reasons why the ABC pays total property value, including:

1. The difficulty and variance of measuring land value.
2. Eliminate potential liability from a [trebled property owner](#) who claims they did not understand the lease terms.
3. It makes selling one's land into the commons trust extremely attractive.

**The ABC will pay the full market value of the property, even though the homeowner or landlord retains free and clear title to all structures. That includes all income streams or proceeds from a sale!**

The [average rent can be calculated as a percentage of the purchase price](#) based on [land share](#). The average rent at 40% land share is just under 2.5% of the purchase price, sufficient to pay ABC and VIP operations. Counties receiving 30% of that will do well from the start if their property tax rate is below 0.75%.

Early on, land shares above 40% are favored to keep the average rent at 2% once rent falls to its appropriate value. Once set, the starting rent [falls by 8.33% monthly](#) unless raised or frozen by the property owner. Lower land-share property owners who plan to be owner-occupants must put their property on the direct-mode waiting list.

All rents begin at 5% of the purchase price for owner-occupants. However, rents on “for sale” properties, where the owner abandons the property after closing (auction mode), start at 5% of the auction proceeds (about 2.5% of the purchase price).

Property owners receive their payment in U.S. dollars. When exchange rates are stable, accepting Elsie for the purchase is not advantageous. If a seller wants Elsie, they can be [purchased at the market](#) for a 0.85% discount.

The choice to be paid in Elsie occurs when the value of the Elsie at market exceeds 100% of the peg. This might happen from time to time during [Phase I](#), when the ABC cannot purchase land into the commons trust at a fast enough pace. This is true regardless of whether the reasons are political or logistical. Revaluation of the [peg](#) is not allowed in Phase I. In [Phase II](#), only Elsie are paid for land.

After [federation](#), the [Federation Commons Trust](#) will continue to pay total property value to purchase land into the commons. However, a [land tax](#) on privately held land, based on neighboring rents and a [no-treble premium](#), will reduce the purchase price to less than the structure value alone. Any privately held land will unlikely remain a century after [Worldwide Federation](#).

Private property owners of rural land following federation are the unlucky chumps at the bottom of a pyramid scheme. Homeowners have lost all their land value, and speculators on vacant land have lost everything. However, speculators holding private land in the center of megacities might do better by holding out until federation.

Still, they would do their best to sell their property into the commons trust before the [hyperdeflation event horizon](#). Those who hold out at the horizon might find themselves with a worthless albatross of [debt-based capitalism](#). Hopefully, they at least get sentimental value from owning the land.

**It is a bit like Ponzi, with the first reaping the greatest rewards and the last getting the scraps, but it is a small price to pay for a new epoch in humanity!**