

Adam Smith: "Landlords...love to reap where they never sowed"

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The transformation in France of the ISF in tax on the real estate fortune is the occasion to remind us that fortune or rent real estate are both artificial.

Throughout the world, thanks to the dishonest monetary and financial system backed by politicians, inflated real estate bubbles.

France does not escape the rule. Worse, in our case, the bubble did not really mark the pace in 2008, contrary to what happened in other countries. In France, on average, for 10 years the value of real estate has increased by 1.3% per year.

The taxation of this latent surplus is unfair. First of all because it is latent, precisely. The state therefore charges hopes but not reality. Who has not sold has no added value. However, it is the overall housing stock that has appreciated. So the one who sells, if he wants to buy the equivalent, will spend more. The State, on the other hand, receives transfer duties on a stronger face value and profits fully from this fictitious surplus value.[Editor's note: Owner? Here is a completely legal way to save € 41,000 in 48 hours. [Click here to find out!](#)]

Why are generalized property bubbles the product of our banking and financial system?

Having a banking license allows bankers to [lending money that does not yet exist and to claim interest](#). The regulation allows lending 10 to 30 times the equity, the money actually put to the pot by the shareholders of a bank.

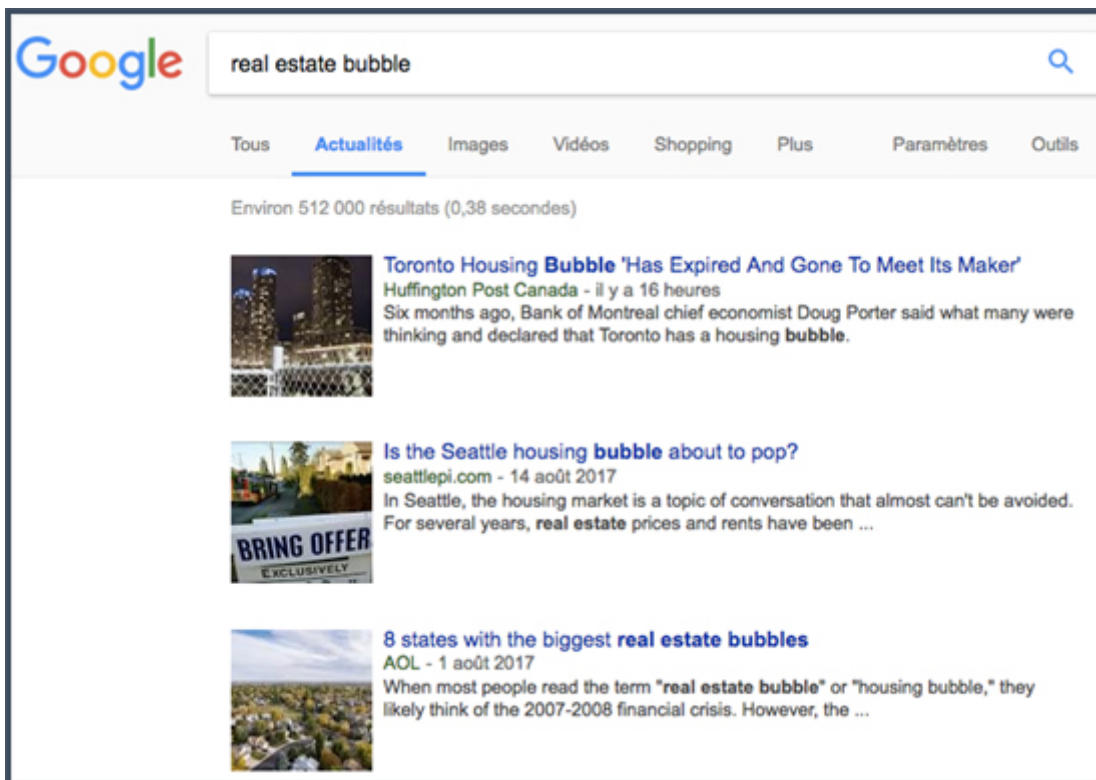
Real estate is in France the cash cow of bankers. The loan granted (fixed rate, a French feature) is guaranteed by the value of the property which can only appreciate in time ... Because, and this is the magic of the system, rates have been downward since Decades thanks to Keynesian economists who claim to fight all crises with the same remedy: lower rates.

- Declining interest rates
- More potential buyers for the same property
- Property prices up
- Risk-free guarantee of the bank loan granted

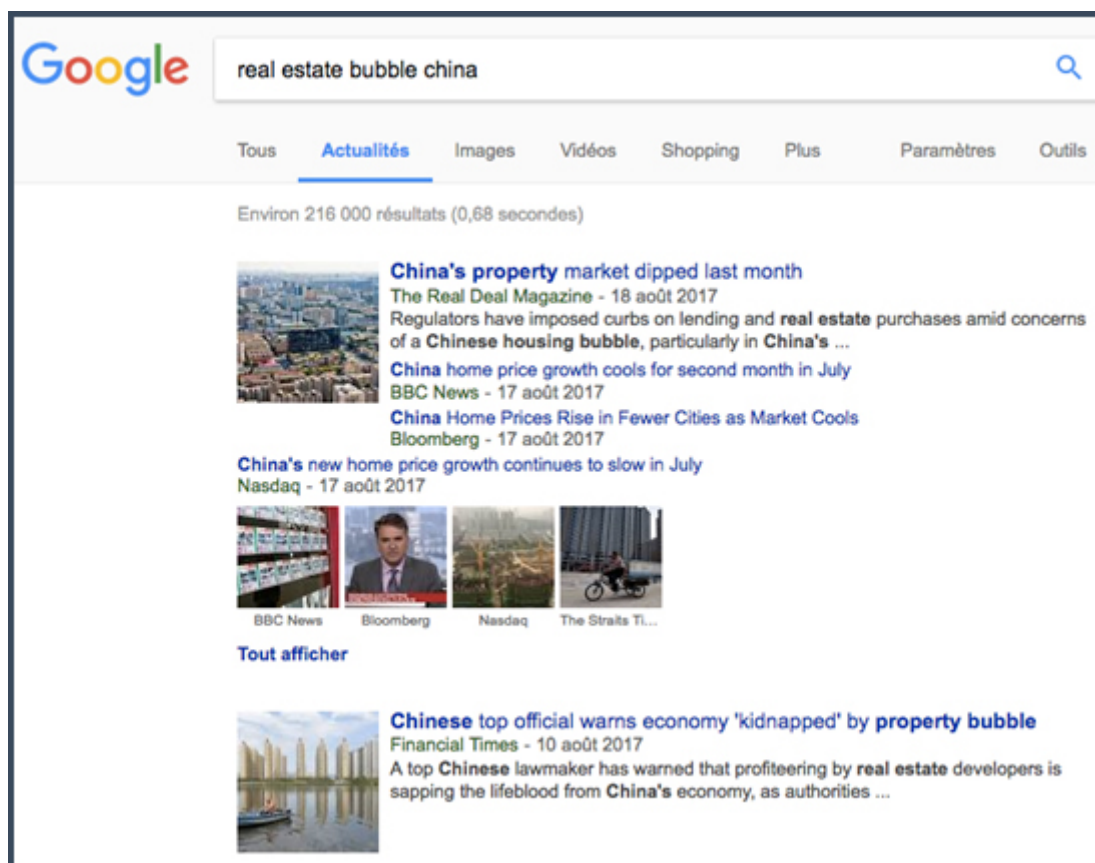
This is how the taxpayer becomes rich with unrealized and taxable gains at the mercy. This is also how real estate rises faster than household incomes.

Recently, we have seen statist attempts to perfect this system by also taxing the "fictitious rent", the rent that the "rich" owners do not pay since they spared to be ... owners. There you have saved (and paid taxes on this savings when it was being set up), paid interest to the bank, and you will be taxed on the rent you do not pay Just reward for your sacrifices.

Worldwide, some real estate bubbles are currently showing signs of weakness: China, Canada, Australia, the United States. Here is what a query gives with the keywords "*Real estate bubble*"(Real estate bubble):



And with "Real estate bubble China"



In France, younger generations, burdened with payroll taxes and taxes, are now unable to buy high-priced real estate from seniors who are considering reducing the size of their home even at low interest rates. Something must yield ...

If it is the real estate bubble, so much the better for everyone! If it is the monetary and financial system based on the quasi-free and infinite credit, which enriches only a privileged few ... so much the better.