

Town properties have been inquired for, especially in Auckland, where we have succeeded in placing a fairly good proportion at enhanced figures.

During the year we have held auction sales at the following centres:—

	£
Waikato, 26th November, 1897, realising	1,767
Auckland, 27th October, 1897, realising	7,504
Christchurch, 26th April, 1897, realising	4,654
Dunedin, 30th April, 1897, realising	5,924
Dunedin, 18th March, 1898, realising	19,476
Timaru (Eskbank), 20th April, 1897, realising	7,852
Total	£47,177

There is still good demand for small suburban allotments at Auckland. Our Surrey Hills Estate, Auckland, continues to move off satisfactorily. At Dunedin, also, there has been fair inquiry, but for sections in Musselburgh, where we have our largest and most valuable holding, there is a lull, which is partially due to the recent breach in the sand-hills, with slight inundation of the low-lying land in the neighbourhood. I anticipate, however, renewed demand at an early date.

Considering the stagnant condition of the land market during the past three years, for only two of which has the Board been in actual control, I consider the realisation to have made good progress, notwithstanding the opinion to the contrary expressed by public men. It must be remembered that the amount realised is to be compared not with the amount at which the properties were taken over, but at the actual value, the respective amounts being,—

	Per Cent.
Book cost, £2,731,706; proportion of sales to cost	11·36
Estimated value, £1,879,105; proportion of sales to estimated value	16·51

STATION PROPERTIES.

The result of the working, whilst not up to that of the previous year, is, considering the adverse season and the sale of the Arowhenua and Albury Estates, which were large contributors to revenue, very satisfactory, the profits available for the year being £43,318 3s. 6d. After adding reclamations and deducting surpluses on the previous year's produce shipments the actual amount earned is £42,748 10s. 1d.

The following is a comparison embracing the period since the institution of the Board, stations since disposed of being omitted:—

Actual Profit. £	...	1896.		...	Equal Per Cent. on Mr. Foster's Valuation.
		Equal Per Cent. on Book Cost.			
37,000	...	2·28	...	3·60	
1897.					
54,822	...	3·37	...	5·29	
1898.					
42,749	...	2·62	...	4·13	

Showing for the period referred to an average profit of £44,847, equal to 2·75 per cent. on book cost, and equal to 4·34 per cent. on my valuation, as compared with the average of the whole time the Estates Company held it of £27,504, equal to 1·68 per cent. on book cost, and equal to 2·66 per cent. on my valuation.

It will be seen by reference to the station balance-sheets that only in one instance have we failed to make a profit, and in this instance the property was small and could not be worked to a profit when all labour had to be paid for. The place has since been sold.

The working-expenses for the two years ending the 31st March, 1898, omitting stations disposed of, were as under:—

Particulars.	1897.	1898.
	£	£
Permanent improvements	4,841	8,260
Renewing pastures, &c. (20 per cent of which is charged to Profit and Loss Account each year)	11,003	9,244
Depreciation in implements and furniture	1,046	1,125
Cost of turniping	15,641	15,093
General expenses, wages repairs, rates and taxes, &c., including feed	39,766	37,796
Rent and interest	1,783	2,269
Rabbiting	2,191	1,204
Grain growing for sale	660	567
Total	76,931	75,558
Deduct expenditure on permanent improvements	4,841	8,260
Actual cost for year	72,090	67,298