

" Working drawings are being prepared for a building of 116 two-roomed flats with all conveniences in Dixon Street, Wellington, also for a group of flat buildings that will contain 100 units ranging in size from two to four rooms with conveniences in Jackson Street, Petone, and a small block of 11 units of two rooms with conveniences at the corner of Wakefield Street and the Main Hutt Road.

" For Auckland the Department has submitted to the City Council a large scheme of 124 flats ranging from two to five rooms with conveniences. These are having a frontage to Symonds and Wynyard Streets. Tenders are also being called for six flats of four rooms with conveniences at Orakei.

" *Shops.* A contract has been let for a block of eight lock-up shops with flats attached in Waterloo, Lower Hutt, and for four lock-up shops and one with living-quarters attached at Palmerston North. Tenders are now being called for five lock-up shops with flats attached in Orakei, Auckland.

" *Erection of Fences, Tool-sheds, and Garages.* The erection of fences, tool-sheds, and garages continues to be carried out after the tenants have entered into occupation of the houses. In a number of places this work has been temporarily held over in order that all available skilled labour could be devoted in the meantime to the actual construction of houses which were urgently required, but during the past year the work of providing these amenities has been undertaken generally, and is now proceeding as expeditiously as possible.

" *Hedge and Tree Planting.*—The planting of hedges and trees on occupied sections continues to be carried out in the appropriate planting season, and tenants are encouraged to provide lawns and improve their gardens and the general appearance of their sections. It is appropriate to again place on record that the majority of tenants throughout the country have done very excellent work in this respect, and in the general beautification and improvements that have been effected, many of the Department's housing schemes throughout the Dominion have been transformed into veritable garden suburbs.

" It is worthy of recording that the cumulative progress of the Department over the successive years as at the 31st March each year is as follows:—

	1937-38.	1938-39.	1939-40.
	Units.	Units.	Units.
1. Houses advertised	3,172	6,698	11,071
2. Contracts let	2,507	6,188	10,353
3. Houses under construction	1,560	2,326	2,817
4. Houses completed and handed over to the State Advances Corporation	399	3,064	6,457
	Towns.	Towns.	Towns.
5. Towns and localities, work conducted in ..	70	106	121

" It will be observed from the above figures that the total number of houses completed and handed over to the State Advances Corporation for the year ending 31st March, 1940, was 3,395.

" The work of the Department is spread amongst a large number of contractors, the number of different principal contractors to the 31st March being 291.

" At the 31st March, 1940, the total number of persons engaged on housing construction and on subsidiary work such as roads, sewer schemes, water-supply, &c., was 5,594, of which number 370 represented the staff of the Department.

" *Expenditure.* Up to the 31st March, 1940, the total net payments in respect of the purchase of land, provision of services, erection of joinery-factories, erection of houses, and all administration charges amounted to £10,647,201.

" Liabilities and commitments as at that date amounted to £3,200,565. The net expenditure for the year under review was £5,136,699.

" *Administration Costs.*—The total cost of administration of the Department of Housing Construction, exclusive of interest charges on capital moneys invested from its inauguration to the 31st March, 1940, is £275,512, of which sum £132,628 represents the expenditure for the financial year 1939-40.

" It will be seen that the administration charge is still a remarkably low one, being 2.65 per cent. of the Department's net expenditure, excluding administration, since the commencement of operations, and remains the same percentage for the financial year under review."

G. ALBERTSON,
Director of Housing Construction.