

under the management of Dominion Breweries, was leased to New Zealand Breweries in December, 1939, for seven years at a rental of £110 per week and a premium of £7,000, the Government capital valuation at the time being £34,740. In respect of this hotel, Mr. Stevens gave evidence (R. 6694) that New Zealand Breweries had outbid Dominion Breweries for the lease of this hotel.

(3) The Delta Hotel at Ngaruawahia, which had previously been under the management of Dominion Breweries, was leased in July, 1933, to New Zealand Breweries for five years at a weekly rental of £35, the Government capital valuation being £3,380.

(4) The Masonic Hotel, Napier, which had previously been under the management of Dominion Breweries, was leased to New Zealand Breweries in March, 1945, at a weekly rental of £65, with a right of renewal for six years, the Government capital valuation being £49,000.

(5) The Morrinsville Hotel at Morrinsville, which had previously been under the management of Dominion Breweries, was leased to New Zealand Breweries in January, 1945, for three years at a weekly rental of £17, the Government capital valuation being £4,000.

333. Some inferences which might be drawn from the transactions in the Auckland Provincial District during the war were suggested by Mr. L. G. Tuck, the Assistant Commissioner of Stamp Duties at Auckland.

In general, we agree with the inferences drawn by Mr. Tuck and we think they apply throughout New Zealand. Some inferences may be added. The inferences which we draw are as follows :—

(1) On the whole of the transactions the prices paid for freeholds or leaseholds have been high, but have been relatively stable. There have been some reductions and some sharp increases.

(2) The prices paid are generally much higher than can be obtained for land and buildings required for businesses without a publican's license. The license is frequently worth much more than the land and buildings.

(3) Rents are usually fixed by reference to the bar turnover; the higher the bar turnover, the higher the rent. This may be exemplified by contrasting the rental for the Britomart Hotel in Customs Street, Auckland, with that of the City Club in Shortland Street, Auckland. The rental of the Britomart is £3,475, the Government capital valuation of the land and buildings being £9,300. The rental of the City Club is £1,964, the Government capital value of the land and buildings being £10,400.

(4) The values for the buildings, as shown by the Government valuations, are frequently low, indicating that the buildings are old.

(5) Prices and rents have soared above the ordinary high level when there has been competition between the brewery companies for hotels or when an hotel is situated near the border of a no-license district.

(6) In general, the breweries and hotel companies own the hotels commanding the highest rentals and, therefore, those which are most desirable from the point of view of the trade. The private individual has little chance of obtaining an hotel in competition with a brewery or hotel company.

(7) Among the hotels which give the best and most modern accommodation are those owned and managed by a brewery or hotel company. Under existing conditions it would be impracticable for most individuals to build or acquire a modern hotel.