

PART II.—HOUSING ACCOUNT

As a result of the acute housing shortage which has existed in New Zealand during recent years, the Corporation's duties and responsibilities under the Housing Act, 1919, and amendments and other legislation related thereto have greatly increased, both as regards the provision of loan finance and the administration of housing units erected by the Government for letting. Our report hereunder provides a brief summary of the activities with which the Corporation is concerned.

RURAL HOUSING

In terms of the Rural Housing Act, 1939, the Corporation is empowered to provide loan finance to local authorities, which in turn may grant loans to farmers within their respective districts for the purpose of erecting new houses or improving existing houses on farm properties. There are special provisions which enable a farmer to raise finance in this way through the County Council, even although his property may already be subject to mortgage. The consent of the existing mortgagees is, however, required. The rate of interest charged on loans granted to County Councils is 3 per cent., and the farmer may borrow at $3\frac{1}{2}$ per cent. from his County Council if it is operating under the scheme. These loans are arranged on the amortization system, repayable over periods up to twenty-five years. The local authority concerned arranges its borrowing on a similar basis. Building operations in rural districts have been retarded during the war period to a greater degree than in the towns and cities, and for this reason there has been little activity under the Rural Housing Act for some years. However, it is pleasing to note that there is already some revival of interest in the scheme, and it is hoped that as material and labour become more readily available, both the local authorities and the farming community in general will recognize the advantages to be gained in this method of improving rural housing.

URBAN HOUSING

The Corporation is concerned in various phases of house-building in urban areas for letting purposes, and for the purposes of this report it is desirable that each section be dealt with separately.

(a) *New State Rental Houses*.—The erection of houses under the current building scheme is the responsibility of the Housing Construction Department, which on completion of the buildings hands over the dwellings to the Corporation for administration. As the result of increased activity in the field of construction, the number of houses delivered to the Corporation has again increased to levels comparable with the pre-war standard, and it is anticipated that still further increases will be shown in the next few years. For the year ended 31st March, 1947, 2,392 new units were handed over, this bringing the total units completed to that date to 22,511. The Corporation's administration of these housing units involves :—

(i) The selection of tenants, the completion of tenancy agreements, and the collection of rent.

(ii) The supervision and maintenance of the buildings.

During recent years, when the demand for tenancies has been much in excess of the supply of houses, many difficulties have been experienced in dealing with the allocation of the new houses. The large number of applications received for tenancies has created a problem of administration which has become more difficult as the number of unsatisfied applications has increased. At the 31st March, 1947, there were 52,759