

land, but it has not cheapened the value of sections to any material extent. Two miles out from town to-day we are selling quarter-acre sections at £300 or thereabouts.

12. Because the trams run there?—Well, of course, they would not take it if the trams did not run there; but it is not solely because of that; that does add very greatly to the value of the section, of course.

13. *Mr. Macdonald.*] That makes the demand, does it not—gives access?—It assists the demand.

14. *The Chairman.*] You consider that the people of Christchurch by obtaining money for the tramway have put themselves in a position where they are paying larger rents even if they go three or four miles away to get the houses?—That is such a very fine point. If you try to work it out on a mathematical calculation it would be difficult to say the proportion. There is no doubt that the proximity of a tram-line enhances the value of the section—that is, increases the cost of the section. Of course, a man can always live cheaper in a rented house when he gets over a certain figure—over £1 per week he can live cheaper by paying rent than by owning his house.

15. The rented house is cheaper, then?—Not in every case; only over a certain value—over £1 per week in rental value.

16. *Mr. Fairbairn.*] What is the reason for that?—It is an extremely difficult matter to get any one to pay more than £1—there are isolated cases, but they are only a small proportion—per week for a house for purely residential purposes. The large percentage of houses are let from £1 per week downwards.

17. But there must be a proportion of more expensive homes?—Yes, but the proportion of houses let over £1 to £1 5s. per week is very small compared with those under £1 per week. There is always a certain section of the community who are not sufficiently secure in their residence in the city to warrant them buying a house—Government servants, and so forth.

18. *Mr. Macdonald.*] And there is a proportionately less desire to own houses worth over £1 per week?—Yes.

19. *Mr. Veitch.*] Does that mean that more workers own their own homes than well-to-do people?—I would not be prepared to say that. The proportion of workers to the well-to-do class is very much greater, and the well-to-do class have more of the home instinct in them than the average worker.

20. *Mr. Hall.*] Do I understand you to say that you think a house letting for more than £1 per week is returning a lower percentage of profit than the smaller houses?—Yes, we always advise clients coming to us to invest in house property not to go over £500 in their purchases.

21. What would a £500 house let for?—From 17s. 6d. to £1 per week.

22. What would be the percentage for one of the more expensive houses?—It would not bring in 7 per cent. net—that is, as a general rule. Of course, there are ways of making them bring in more, making the percentage higher, by a man borrowing on the property as low as possible, and make the other man's money work for him.

23. *Mr. Veitch.*] You say that although the rating on unimproved values has not led to the cheapening of land, it has led to the subdivision of land for building purposes: is that what you meant?—Yes; I would not say that the rating on unimproved values has not had the effect of cheapening the land, because I do not think anything would have stopped the natural increase in value. The rating on unimproved value has meant this: up in St. Albans, to take an illustration, there was a big block of Church Property Trustee land—market-gardens, &c., it was used for;—under the rating on unimproved values the rates were prohibitive of the land being used for that purpose any longer, and the outcome is that, with discretion, it has been cut up and put on the market: not all at once—that would cause a glut.

24. That would have prevented an increase or forced a fall?—Yes. The land has been held by people not compelled to put it on the market at once; they would hold back some, and not cause a glut.

25. *Mr. Hall.*] Has this had the effect of driving the market-gardeners further out?—Yes. In this case it was a very good thing, because it left the land free.

26. *Dr. Hight.*] You consider the influences at work, then, are—1, the increase of population, and 2, the greater supply of money?—Yes.

27. And these have tended to increase the land-values?—Yes, and the increased facilities, such as electric trams.

28. I am referring to the general causes?—I see.

29. Have you found that the values of land not on tram services have fallen during the last fifteen years, comparing pre-tramway days with now?—Oh, no; I do not think any land round about Christchurch has fallen; there has been a legitimate rise all round.

30. Land away from tram services is dearer now than it was?—Yes.

31. And the land on the tram-lines is very much dearer?—Yes. Of course, as the land nearest the trams increases in value, other land fairly adjacent must naturally increase in value.

32. *Mr. Macdonald.*] Do you not think the rate on unimproved values has kept the price at a lower level?—No, I do not think it has had that effect. I do not think the rating on unimproved values has had any effect on the price of land, but merely on subdivision.

33. Although it has forced allotments on the markets?—Referring to land held in Christchurch in big blocks, such as by the Rhodes, Steads, and others: these people can hold their land as long as they like; and the Church Property Trustees held their lots—the Trustees were very careful not to throw it all at once on the market.

34. *Mr. Hall.*] Is the cost of roading and kerbing on these allotments very heavy?—I do not think that has anything to do with the enhanced value of land. I do not think that has had any effect at all.