

trators, the lessees believing, rightly or wrongly, that the Corporation seeks to evade the test laid down by the Court of Appeal and are unduly straining after excessive rentals, while on the other hand the Corporation appears to regard the Leaseholders' Association as a menacing combination bent on exploiting the city. A spirit of antagonism between the parties has thus come into existence. It will, however, be apparent that the real cause of this is not the constitution of the tribunal, but the difference of opinion as to the detailed principles and standards by which the rents should be assessed. We think it obvious that, if the basis of valuation remains thus unsettled, the chance of divergence and dissatisfaction is as likely before a Magistrate or Judge, whether sitting alone or as one of a body of assessors, as it is under a tribunal of three independent persons appointed as prescribed by the Municipal Corporations Act or the Wellington City leases.

It may be said that if a Magistrate or a Judge sits as the assessor detailed questions of principle which may arise in determining what the prudent lessee would give would in time come to be settled, and difficulties would thus be diminished; but as matters at present stand it is quite open for the parties, if they are willing, to bring any such question before the Courts and have it determined, as was done when the Court of Appeal decided that the annual rent was to be assessed in accordance with what the prudent lessee would give.

The dissatisfaction of the Corporation may therefore be summed up in this: that since the decision of the Court of Appeal its counsel and experts have not been successful in convincing the lay tribunals—or, rather, the third member thereof—that the Corporation's estimate of what after all is, within limits, a matter of opinion is sounder than the view presented by the lessees.

Observations on Methods of Valuing.

As a considerable amount of evidence was given as to the way in which values should be arrived at we summarize its effect in Appendix A, but would observe that no uniform rule or set of rules applicable in all cases can be deduced from the evidence.

Cost of Valuations in Wellington.

In addition to the Corporation's objection to the constitution of the tribunal the lessees complain that the system as at present worked involves them in unduly heavy expenses. With the payments to be made to witnesses and solicitors and counsel, and the heavy fees to assessors on account of the length of time involved, the cost to a tenant of ascertaining his rent has been shown to run from anything up to £140. The cost to the Corporation in respect of each case is from £30 to £40. Such a heavy burden on the Corporation ought to be, if it is not, a source of dissatisfaction to the Corporation also. It ought to be concerned not merely because of the amount of its own expenditure, but because the cost to the tenants must tend to diminish the rents that can fairly be expected to be given.

Cost in Dunedin.

The contrast which the cost of valuations in Dunedin presents to the Wellington cost is striking. Taking the forty-nine cases of renewals of Dunedin City leases extending over the years 1915 and 1916, the total cost of the renewals, including valuer's fee, advertising, auctioneer's commissions, and legal expenses, amounted to £1,260, or an average of £25 14s. in respect of each lease, the lowest figure being £8 10s. and the highest £62 4s. These figures include the solicitor's fees for the preparation of new leases. Of this £1,260, £706 fell on the Corporation and £554 on the lessees. It must be remembered that the Dunedin City leases involved an auction on renewal. The city pays the cost of the auction, otherwise the costs of renewal are equally divided. Thus, by the £706 falling on the Corporation and £554 on the lessees, the average cost of renewal per lease to the Corporation is £14 8s., and to the lessee £11 6s. The £1,260 is made up as follows: Advertising, £63; auctioneer's expenses and other kindred expenses, £529; valuer's fees, £765; law costs for new leases, including stamp duty, £171. The forty-nine leases referred to represent a yearly rental of £4,378, or an aggregate rental for the term of twenty-one years of £92,000. The total cost of renewal to both parties was therefore