

he notifies his desire the liability for the increased rent should thereupon attach as from one month after the date of the special order, and all back rent, if any, should be paid up with his notification, so that no advantage is to be gained by delay. If a tenant does not notify his desire to have a lease in the new form before the time for valuation arrives he should lose the right to have it, and would not in that case, of course, be liable for any increased rent.

The new lease should be granted subject to and so as to embody the provisions of the amended legislation which we have suggested as to valuation, appeal, time of revaluation, and otherwise, and should allow the form of the renewal to be at the option of the tenant, as provided by section 137, subsection (1) (b) (iii).

Where a lease is under mortgage the consent of the mortgagee to the tenant's notification should be provided for.

Short Form of Agreement.

In any case in which the rights suggested have been agreed upon, the fact may be evidenced by a memorandum endorsed on or annexed to the lease to the following effect:—

“It is this day agreed between the Mayor, Councillors, and Citizens of the City of Wellington and _____, the registered proprietor of the estate and interest subsisting under the within-written [or annexed] lease, registered number _____, that inasmuch as the said _____ has notified his desire in this behalf the said lease is now subject to the provisions of [Refer to the section of the Act providing for the extended term], and that the rent payable under the said lease is increased to £ _____ per annum as from the _____ day of _____ 19 _____ [Date of expiry of one month from date of special order]. Dated this _____ day of _____, 19 _____.”

Written consent by the mortgagees should be made requisite. Provision should also be made for the registration of the memorandum as an instrument under the Land Transfer Act, and that the stamp duty payable shall be that assessed in respect of leases on a rent equivalent to the amount of the increase.

Other Suggestions.

In its freedom from restrictions on the tenants the Wellington form of renewable lease is the most liberal of all the forms brought under our notice, and in our view contains no tenant's covenants but such as ought justly to be inserted. But there are two points in respect of which useful alterations in any event may be made in the form.

(1.) The lease provides that the value of the rental is to be “the full and improved ground rental.” In practice this phrase is not treated as amounting to anything more than the annual rental, and the Corporation admits that no effect is given to the enlarged expression. It should therefore be authorized to delete the words “full and improved.”

(2.) Determination of the lease destroys the right of renewal if the term has been put an end to by re-entry. In proper cases the Court has power to relieve from forfeiture. We think the Corporation should be authorized to alter its lease so as to expressly provide that determination by re-entry shall not affect the right to renew if the Court has relieved against forfeiture. Possibly this is implied, but all doubt should be removed. There is a provision with this object in view contained in the form of lease authorized by the Public Bodies' Leases Act, 1908 (No. 240), but it is not too well expressed.

Wellington Leases as Security for Loans.

With a view of showing that the Wellington City lease was not of an acceptable form evidence was given that lending institutions in Wellington will not advance money on the security of this lease. At one time they did so, but that was before the lessees and the Corporation became unsettled.

As against this view of the lease it is to be observed that in Dunedin money is freely lent on the class of lease prevailing there, even although the right of renewal goes to auction. The evidence is that the lenders there try to get a half per centum extra interest on that class of security, but do not always succeed. Reasonable and