

MINUTES OF EVIDENCE.

WELLINGTON, TUESDAY, 16TH JANUARY, 1917.

GEORGE WINDER examined. (No. 1.)

1. *To the Chairman.*] I hold two leases from the City Corporation. I am one of the tenants whose leases have to be revalued. I consider it is most unfair that there is no compensation for improvements, because if I am unable to pay the increased rent I shall have to throw up the buildings. At present I pay to the Corporation as ground-rent £70 10s. a year. The rates come to £80, insurance £9, upkeep £30. The interest on the £4,000 for the two buildings I reckon at £240 a year. Depreciation at 1 per cent. comes to £40. At present I am getting £450 a year as rents from my tenants, but I do not always get that. The average would be about £350. It will be seen, therefore, that if they increase the rent any more on me I might as well let the Corporation have the buildings. I certainly think there should be valuation for improvements if the tenant does not take up a new lease.

2. *To Mr. O'Shea.*] I would have no objection to the proposal of the City Council that the tribunal to fix the new rentals should be a Judge of the Supreme Court.

JAMES AMES examined. (No. 2.)

1. *To Mr. O'Shea.*] I am the Wellington City Valuer, and have occupied that office for upwards of forty years. I am also Government valuer for the City of Wellington. I do all the valuing for the Government Departments, such as the Government Insurance, the Public Trust, and the Advances Department. I am not a land agent. In my opinion the rentals that have been obtained in the past by the City Corporation under the present renewable-lease system have been on the low side. Higher rents have been obtained by tender for land on the Reclaimed Land. Until the Leascholders' Association was formed we had no trouble. We were getting tenders of £8, £9, and £10 a foot. Mr. Izard paid £9; £8 was paid for the next section, and £8 for the next. For the King's Chambers land £10 a foot was paid. £10 a foot was paid for the Hotel Windsor section, and £12 for the "Byko" corner. In those cases we had no troubles with Courts or witnesses, or anything of that sort. Quite recently I have settled up four or five cases myself without any Court at all, and I got excellent results. For a fifty-years straight-out lease I have got from £4 to £6 a foot. For the section opposite the Wellesley Club and the one behind it, Sections 127 and 128, we got £4 a foot and £6 a foot. This was arranged practically by agreement, but actually by tender. We let the people know what the upset would be and they tendered accordingly. The term was fifty years without compensation, but there was a covenant to put up a building at £4,000. Bethune's property, Sections 159 and 160, were fixed by the valuers at £2 4s. and £2 11s. 6d. respectively. Dalgety's land, just across the street from the Wellesley Club, sold for £200 a foot. Then there were two sections sold recently facing Custom-house Quay, adjoining Messrs. Levin and Co.'s property, at £200 a foot, though the Government valuation was £100 a foot. I do consider it would be an advantage if the tribunal were changed. Two of the Courts only, to my mind, have been satisfactory: one was presided over by a Judge and the other by Mr. Fell. The value of freehold land on Lambton Quay between Woodward Street and Kelburn Avenue ranges from £350 to £500 a foot. You can get nothing under £350, and the corner section at Kelburn Avenue is £500 a foot. £400 a foot was paid for the bank-site beyond Whitcombe and Tombs. I think if a Judge of the Supreme Court were appointed to fix these matters it would be far more satisfactory. I believe there would be fewer cases sent to arbitration, as it would tend to settlement between the parties. I arranged the ground-rent of the Working-men's Club at £6 10s. a foot, and I advised the Council to allow me to settle the Royal Oak case myself. The Council agreed, and I got a very fair rent. I got 4½ per cent. on the capital value, which was, I think, £28,000. We fixed £250 a foot for that part, which is of full depth. I believe now that it is under the market value, but if I had gone to Court I would not have got nearly the value. Then, a couple of months ago, I arranged the lease of a piece of land in Wakefield Street. I reckoned the land was worth about £90 a foot. I took £15 off that and fixed the ground-rent at £3 a foot, which is 4 per cent. The land was advertised, and we had one tender, which was accepted. You cannot purchase any land in that neighbourhood for under £100 a foot. The Union Company paid about £110 for their corner.

2. *To Mr. Blair.*] In arriving at my rentals I do not take as the basis the capital value. I have not taken anything like the capital value. I make a considerable reduction on the capital value. In one case I took £15 off £90.

3. *To the Chairman.*] I do take the capital value as a sort of starting-point.

4. *To Mr. Blair.*] I make no deduction for the fact that the tenant gets no compensation for improvements. Possibly a prudent man would take that fact into consideration. To my mind, to a man in business these Corporation leases are a long way ahead of a freehold. The ground-rent is a mere bagatelle. I do not suggest that a man who can manage his business well and profitably should be charged more rent than the man who cannot do so, but to the ordinary busi-