It is estimated that of the above a total of 700 houses should be under way in a few weeks' time, the cost of which will be between £600,000 and £700,000. This represents the work put in hand in eight months, and is not far short of the maximum amount (£750,000) authorized by the Act. With the raising of the statutory maximum of the cost of the dwellings from £850 (for concrete or brick) to £1,000, and £775 (for wood) to £900, we anticipate that we shall be able to arrange with a number of large building firms to undertake the erection of most if not all of the houses mentioned, grouping several towns together for the purpose.

Section 10 of the Housing Act enables the Board to purchase dwellings already erected, and several houses have been bought accordingly. In view of the abnormal prices of dwellings it is considered advisable to purchase only those dwellings where the value is beyond doubt, and where the dwellings would readily resell at any future time should the purchaser give up possession. The Board invariably refuses to purchase where the sale would mean the ejectment of a tenant. While the purchase of houses does not assist to overcome the general housing shortage, it is nevertheless very useful where it has been impossible to build, and where an unfortunate applicant unable to purchase a house himself would otherwise have been rendered homeless.

Due consideration has been given to the subject of town-planning, and various schemes and systems operating in other countries have been carefully studied. As the activities of the Department have in past years been limited, by the comparatively small number of applications, to erecting a few houses here and there rather than to lay out new villages or suburbs, little opportunity has so far been afforded of applying town-planning principles, such as differentiation between the main wide thoroughfares and side or residential streets, or the provision of recreation reserves and agricultural belts. With the largely increased demand for houses, however, it has become possible to pay more attention to this aspect of the question, and in the large centres arrangements are being made to carry out housing schemes on modern town-planning lines on fairly large areas of land. For example, a contract has already been let for the erection of the first fifty-five houses on a large block purchased at Papanui, Christchurch. The scheme includes reserves for shops at the entrance, open spaces for gardens and greenswards in the centre. In addition there is a reserve for a hall, and the necessary land for pumping-stations, water-supply, and drainage. The houses will be grouped on rural lines of English town-planning, and the streets will be laid out with a carriage-way for traffic, bordered by greensward planted with trees and hedges. The houses will be roofed with terra-cotta tiles, and rough-cast will cover the exterior walls. All the houses will be constructed of concrete with cavity walls, and this applies also to the houses to be erected in the other centres, with the exception of Auckland, where it is hoped to make use of bricks. Standardized plans have been prepared for varying types of houses — mostly of five rooms, but with a small percentage of four-roomed cottages—three bedroooms, living-room, kitchen, a separate bathroom, and a combined scullery and washhouse. Ample provision has also been made for cupboards and other similar conveniences. A similar scheme is being laid out for Auckland on a 37-acre block, and it is anticipated that some 300 extra houses will be built at Wellington in a suitable suburb in the same way.

MISCELLANEOUS.

The annual inspection of the dwellings already erected again shows that with very few exceptions the occupants look after their dwellings satisfactorily and are anxious to improve their properties.

The system by which the Government builds houses and sells them to applicant workers on a deposit of only £10 has been proved a financial success. For example, the total amount due on the 31st March last as shown on p. 7, which was not paid by the 16th April, was £908 15s. 7d., or £1 6s. 6d. per house,* which if entirely lost would not be great; but it is pleasing to state that in every case the arrears were covered by the amount paid off principal after deducting depreciation. Moreover, as already mentioned, the Department has been able to provide houses for its applicants for as much as £150 less than the cost would be elsewhere.

During the year the erection of thirty-four dwellings was completed, and 127 others were in course of erection on the 31st March.

RETURNS.

(*a*), (*b*), and (*c*) made pursuant to Section 35 of the Act.

(*a*.) THE MONEYS EXPENDED DURING THE FINANCIAL YEAR IN ACQUIRING LAND UNDER THIS ACT, IN PREPARING THE SAME FOR DWELLINGS, AND IN ERECTING SUCH DWELLINGS.

1919-20.

	Out of Public Works Fund (Workers' Dwellings Act to date of its Repeal). £ s. d.	Out of Housing Account (Housing Act from November, 1919). £ s. d.
Amount expended in acquiring land and dwellings already erected ..	21,838 3 3	14,223 7 2
Amount expended in preparing land for dwellings ..	26 19 2	77 8 4
Amount expended in erecting dwellings	5,204 18 5	4,687 3 11
	£27,070 0 10	£18,987 19 5

	Out of Labour Department's Vote. £ s. d.	Out of Housing Account. £ s. d.
Amount expended in administration and travelling ..	681 4 9	1,502 3 10

* On the average this amounts to 4s. 5d. per house for each year since it was erected.