

J. M. Shera, Esq., Auckland.

YEs. We will probably immediately close with you if arrangements made with Union in accordance with my telegram of Saturday. Reply quickly.

Hon. Sir Julius Vogel, Dunedin.

We will probably close with Shera to-morrow. The only money required will be nine thousand—that is, Shera's equity seven thousand, and Union two thousand.

Hon. J. A. Tole, Wellington.

THE Union Company have agreed to your proposal in Saturday's telegram.

The following is a minute of the proceedings of the Board at a meeting held on the 31st March, 1885:—

Mr. Tole produced certain telegrams which had passed between him and Messrs. Shera Brothers, and reported that the purchase of Messrs. Shera Brothers' property had been completed, 40ft. frontage and 100ft. deep, for £19,000; and it was resolved to transmit £1,000 on account of the price of the property through the bank, and a receipt to be taken therefor, and that the Acting General Manager be instructed accordingly.

204. Was there any outside valuation of this property during the progress of the negotiations?—Yes; I believe Mr. Vaile and Messrs. F. J. Moss and Co. both valued it.

205. Who were they employed by?—The valuation by Mr. Moss was made at the instance of Sir Julius Vogel. On the 21st February Messrs. Moss and Co. wrote to Sir Julius Vogel as follows:—

SIR,—

Auckland, 21st February, 1885.

In accordance with your request, we have inspected the premises offered to the Insurance Association by Messrs. Shera Brothers, and have the honour to report upon their probable value.

The position is unexceptionable. It is in the best part of the city, being practically a corner section in the blocks between the Wharf Hotel and the Bank of Australasia, which blocks have become the established business centre of Auckland. It has an unusually large frontage, and is therefore more available for subdivision into offices, auction-rooms, or similar means of fitting it to produce a good rental.

The frontage to Queen Street is 40ft., and to Gilfillan Lane 101ft. By the latter it is placed in direct communication with the passage to the Exchange. The frontage to this passage is 60ft., the odd 20ft. consisting of an area 20ft. by 20ft., attached to the section on the passage-front, as per sketch attached.

The building is insured for £2,500. In order to form a better idea of its value, we asked Messrs. Grey and Mitchell, architects, to give us a general idea of the cost of such buildings, as we did not think it necessary to ask at present for a more exact valuation. We enclose their reply. At the rate of 6d. per cubic foot stated by them, the value of the building would approach £3,000.

Judging by the recent sales of property in Queen Street, the excellent position of this property, and the permanent improvements going on around it, we think the lowest estimate that could be placed upon it would be £17,500. Quite possibly it would bring £20,000 if wanted for any special purpose, as it offers great facilities for subdivision and reletting any portion not required. Its capabilities in that respect could only be ascertained by consulting an architect, which we did not feel justified in doing without instructions.

We have, &c.,

The Hon. Sir Julius Vogel, K.C.M.G., Auckland.

F. J. MOSS AND CO.

SIR,—

Mutual of Victoria's Building, Queen Street, 21st February, 1885.

In reply to your query re approximate cost of ordinary store-buildings in Auckland, we beg leave to state that the cost per cubic foot would be 6d.

This price would, of course, be susceptible of increase or diminution in proportion to the quantity, quality, and situation of the proposed works, all of which, in approximating the cost, have to be taken into careful consideration.

We have, &c.,

GREY AND MITCHELL,
Architects.

F. J. Moss, Esq.

206. Was there any other valuation?—Yes. Messrs. Vaile and Douglas addressed this letter to Mr. Shera on the 14th February, 1885:—

DEAR SIR,—

Auckland, 14th February, 1885.

In compliance with your instructions we have valued your property in Queen Street. If altered in accordance with the plan submitted, and the building increased to three stories, we estimate the gross rental at £1,732 18s. per annum. From this we should deduct one-fifth for property-tax, insurance, empties, repairs, &c., which would leave a net rental of £1,386 per annum. Calculated on the basis of this rental, the property is worth from £22,000 to £23,000—that is to say, it would pay an investor from 6 to 6½ per cent. net on that amount.

Faithfully yours,

VAILE AND DOUGLAS.

J. M. Shera, Esq., Queen Street.

207. Have you got any other record showing how the business was initiated?—No.

208. Have you nothing on the papers showing the initiation of the purchase at Auckland?—No. Mr. Tole submitted certain telegrams to the Board at its meeting in February. I do not know of anything prior.

209. Will you look among your records for any information bearing on the initiation of this purchase prior to the meeting of the 17th February?—Yes.*

210. Was the purchase completed?—Yes—on the 31st March, 1885.

211. Who were present when the purchase was completed?—Mr. Tole, the Secretary to the Treasury, Messrs. Bethune, Shannon, Bell, Fisher, and Graham. No division took place.

212. Was anything said at that meeting?—There was no counter-motion. The purchase was approved.

213. What has the association done with the premises?—Nothing at all. We are arranging for the plan for new buildings. I received the plan to-day; it is for a new front-building.

214. Making it suitable for your offices?—Yes—for our offices, and offices to let up-stairs.

215. What rental are you getting from the building purchased?—No rental; it is not occupied. The matter has been in abeyance for some time, pending the question of building.

216. Is there no one in occupation?—It is now empty. It was occupied for some time after the purchase by Messrs. Shera and the Union Insurance Company.

216A. They paid rent?—Yes.

217. How much?—They paid £3 a week for three months after the purchase, and £7 a week thereafter.

* No record previous to that of minute-book on 17th February.—D. M. L.