

From the foregoing report it will be seen that the completed houses handed over to the Corporation for letting had, at the 31st March, 1940, reached a total of 6,459, these being located in 121 towns. As against this, there is a waiting-list of 20,290 applications, some of which have been on hand for over two years. The selection of tenants is made by Committees in the various centres after considering reports on the circumstances and living-conditions of all eligible applicants.

In most of the smaller towns the houses already provided have satisfactorily eased the demand, but in a number of the larger towns and cities, especially in Auckland and Wellington, there are, unfortunately, still many very urgent cases to be satisfied.

The maintenance and supervision of these houses, for which the Corporation's Property Inspectors are responsible, is rapidly becoming one of the most important sections of the work of the urban field staff.

BALANCE-SHEET AND REVENUE ACCOUNTS.

The Revenue Accounts have been tabulated to show the result of the year's operations in the various sections, and interest charges and management expenses have been allocated proportionately with the capital funds invested. Appropriate reserves have been made for such items as maintenance and rates, together with a proper allowance for depreciation.

The old rented properties represent mostly houses built some years ago for owners who abandoned them to the State as mortgagee, and owing to the age and state of the buildings the charges for maintenance and depreciation are heavy, the cost of repairs and renovations being particularly expensive during the first few years after the Corporation assumed control. The loss for the year in this account amounted to £21,321 12s.

The Revenue Account for new State rental houses shows a loss of £2,569 15s. 6d. for the year after making provision for maintenance, depreciation, and other items of expense, including a charge for interest which for the year averaged 1.9246 per cent.

Construction Expenses Account (£328,720 13s. 4d.) provides a progressive statement of the expenditure incurred in organizing, planning, and supervising the construction of new houses, as well as the receipts and payments for the past year. Interest charged in this account covers the appropriate portion of the cost of capital borrowed for the purpose of purchase of land, subdivision and improvements thereto, as well as the amount invested in new buildings up to the time that the houses become revenue-producing. The accumulated balance in Construction Expenses Account will in due course be apportioned to the completed dwellings asset account.

The cost of land purchased (£1,655,698 13s. 7d.) and the expenditure on the erection of the houses (£8,562,617 12s. 4d.) will likewise be apportioned to the New Dwellings Account as soon as the various blocks are finally completed. It is anticipated that an allocation of a considerable portion of this expenditure will be possible during the 1940-41 period. For the year ended 31st March, 1940, the following amounts were expended:—

	£	s.	d.
(a) In purchasing land	733,568	9	8
(b) Erection of dwellings and incidental supervision	4,373,261	14	8

A. D. PARK, Chairman of Directors.

T. N. SMALLWOOD, Deputy Chairman of Directors.

G. A. LEWIN

B. C. ASHWIN

D. BARNES

} Directors.