

CHAPTER II.—CHANGES IN THE PRICE OF PARTICULAR COMMODITIES.

Question 4 : In what special direction has the increase, if any, been most marked : (a) Rent ; (b) food ; (c) clothing ; (d) lighting and fuel ; (e) household necessities ; (f) attendance, &c. ; (g) education ?

Rent.

(a.) After the most careful consideration of the evidence submitted, the Commission is of opinion that the rent for an ordinary working-man's house generally of the same style and quality has increased by about 20 per cent. over the last fifteen years. The increase seems to be most marked in Auckland—a city which has also exhibited the most rapid increase in population over that period—and it is not improbable that there rents have increased by 45 per cent.

One of the most frequent complaints made by city workers is the increased rentals they have to pay. Opinions differ as to the causes of this increase. Land-values have undoubtedly risen in all the chief centres during the period in question, but during recent years the upward trend has been retarded, and in the case of Wellington there has been a decided backward movement since 1907. In the majority of cases considered, increased ground-values cannot be held responsible for more than 25 per cent. of the higher rents now charged. The reasons chiefly responsible for the increased rent charged for dwellings may be summarized thus :—

- (1.) The increased cost of building, caused by the higher prices paid for material and labour, and the more exacting requirements of the local authorities with regard to the general structural and sanitary conditions ;
- (2.) The rise in the value of desirable building lots ;
- (3.) The increased burden of rates ;
- (4.) The increased cost of new roads ;
- (5.) The general demand for a greater number of conveniences.

This last factor has not been taken into account by us in arriving at the estimated increase quoted above, as it was our object to show the increase in rent that has come about irrespective of the better standard of living.

In support of the foregoing conclusions we may cite the evidence of F. G. Ewington (page 298), who epitomizes the whole case as follows : “ This is my fiftieth year in Auckland, and forty-fifth in the land and estate agency business. In 1902 workmen's cottages of four rooms were let at 9s. per week, five rooms at 11s. to 12s., six rooms at 14s. to 15s. per week ; but now houses for workmen are scarce and about 20 to 25 per cent. dearer than they were ten years ago. Capitalists do not now generally build cottages to let to working-men, because of the unprofitableness of that class of investment. For working-men's cottage property, the outgoings are, I estimate, from one-fourth to one-third of the rent for vacancies, loss of rent, sanitation, legal expenses, rates, and incidental repairs. The discontinuance of building that class of house, and the consequent scarcity, has led to keen competition for renting cottages, and thus helped to make them dearer. I also think that the demands made by Borough Councils and local bodies for roading of land newly opened up for sale in subdivision has something to do with the increased cost of dwelling. Higher prices of land and building-materials are among the principal causes of increased rentals ; but the greater demands for more conveniences and a better style of house add to the cost.”

It is, however, very gratifying to find that a fair proportion of the workers are either owners or part-owners of their homes. Mr. Leyland, timber-merchant, Auckland, stated (see page 361), “ We are apt to forget that only a small proportion of the workers pay rent to a landlord. It would surprise you if you knew the number of houses, say in Ponsonby, in which the dwellers are the owners or own a considerable equity. In the street in which I live every house is owned by the occupier, and I know of another street where only one occupier pays rent to a landlord.”

Of the sixty-nine householders who sent in returns to the Department of Labour in 1910–11 in connection with its inquiry into the cost of living, fifty-six paid rent, and thirteen owned their houses. The same investigation showed that on the average these householders paid 20 per cent. of their total expenditure in rent.