

40. Land within twelve minutes of New Lynn Station at £50 per acre: do you think that would be anything in the way of a bargain, or would it be an approximately fair value?—In some cases it would be very good value, and in other cases it would be too high. There is a great variation.

41. You are not in a position to offer an opinion?—No. I do not know which particular block that refers to.

42. Coming back to the valuations: having made them, do you think the interests of the State have been sufficiently looked after in connection with those valuations?—I think so. If the Committee feel there has been a want of care in reference to this matter I should like to state the care I took to see that the State's interest was safeguarded. The Act states, somewhat vaguely to my mind, the terms regarding capital value—they are not what we are accustomed to. Section 59, subclause (3) (b), states: "From the capital value ascertained by such new valuation there shall be deducted the value (to be ascertained by valuation) of any improvements effected by the lessee and of any other improvements to which the lessee is entitled by reason of their being effected after the grant of the first lease of the land, whether such first lease was a lease in perpetuity or a renewable lease. The resulting sum is herein-after referred to as 'the present capital value.'" The idea seemed to be to make a valuation of the whole property, then to make a valuation of the improvements, and call what was left the "unimproved value." This was so far from my general usage that I wanted to be quite clear about it. I should like to impress on the Committee this fact: that in fixing an unimproved value my usual practice in all valuations is to make an unimproved value independent of the value of the improvements. It is a very important point, because it is only by that means that you can get any sort of uniformity. Where pieces of land are for sale, some of which are almost unimproved and some absolutely unimproved and some pieces have improvements, it is not a difficult matter, after finding out what is a fair selling-value for these lands, to subtract a very liberal amount for the value of the improvements. You can then fix in your mind what is a fair land-value or unimproved value. Then you can work up and down from that, according to the position of the land, the aspect of it, the quality, and the means of communication. That is the system I always adopt, because I find there is no other system it is possible to work out which treats the owner of the land fairly. Then, having fixed an unimproved value, on the top of that I place my improvements, and the two together form the capital value. In some instances, mind you, these two together do not form so high a value as the land is selling at, because when a person is buying an improved farm he very frequently will put a much higher value on the improvements than a valuer can do by the ordinary methods of valuation. You may take a piece of land the unimproved value of which, we will say, is only £16 an acre. The capital value would generally be accepted as worth £30 an acre. When we sum up our improvements on the usual basis of what they are worth to-day—their intrinsic value to-day—they might not come to more than £10 an acre. It is obvious that if we were to take £30 an acre as the value of the land and subtract £10 from that £30 and call what is left the unimproved value, an injustice would be done, because there would be £20 left. Rather is it better to fix an unimproved value, then on the top of that put your improvements and call those two together the capital value. Then if you have underestimated the improvements you are not doing it at the expense of the owner of the land. That is the system that I have always adopted, and I think it is the fairest system. On reading this section in the Act, which I did carefully before proceeding to value the sections, I saw that it would be possible, if the capital value—that is to say, the full value of improvements and land—was fixed by our Department, for some other Department to value the improvements and subtract their value from our capital value, and a loss to the State might result. Take a case which I happen to know—the case of a man holding 5 acres 1 rood. My capital value in that case was £485, made up of £285 land and £200 improvements. This man, I may state, was able to buy this property for £150, notwithstanding that my valuation was £285 for the land. But this is where the injustice might have crept in: if some other Department were to come along and value those improvements, and, instead of putting on an estimate of £200, put on an estimate of £225, which might easily be done—it is only a matter of reckoning a little more for the improvements—£25 more or £50 more—if that were deducted from my £485, instead of the unimproved value being £285 it would be considerably less. Consequently I was very careful about that, and I wrote to the Valuer-General for an explanation of it, and to find out whether our improvements were to be taken any notice of, and the answer I received he read out in his evidence, so that evidently they are. I want to make that quite clear, that the interests of the State have been safeguarded, inasmuch as I made a comparison with unimproved land that had been sold round about these lands, and on that basis I fixed my unimproved value.

43. Have you heard of land being cut up into quarter-acre sections and sold at a higher rate than that at which you valued these sections—a higher rate per acre?—Oh, yes, certainly.

44. Is it not a fact that when cutting up a block of land into building sections the owner of the land is compelled to road, and has to go to considerable expense in subdividing and surveying, and so forth?—As a general rule he has. Occasionally there is a section that does not require roading, but other expenses have to be incurred.

45. You mean a section that happens to have a frontage to an existing road?—Yes. Then again, there is always the principle of valuing a larger block at less per acre than you value a small block.

46. Is it a fact that the sections referred to as having brought very much higher prices than the values which you put upon these Crown lands were quarter-acre sections?—I think they must have been, and even then I cannot call to mind anything, unless you take a few sections round about the business part, that are suitable for business areas. There are a few shops near the