

MINUTES OF EVIDENCE.

WELLINGTON, WEDNESDAY, 25TH NOVEMBER, 1914.

LEONARD OWEN HOWARD TRIPP examined.

1. *The Chairman.*] What is your position, Mr. Tripp?—I am a solicitor in Wellington. I am also a ratepayer. I may say that lately my partner, Mr. Skerrett, appeared before the Assessment Court in a number of cases representing the objectors, a large number of whom were leaseholders and a fair proportion freeholders. He was acting for gentlemen who are interested in property practically from Lambton Quay to the Te Aro Railway-station. Before I refer to the evidence produced, I should like to say that the first objection the objectors have to the Act is that they think the constitution of the Court is wrong. The lessees and owners of property think that the objectors should have a representative on the Court. It is impossible to get justice done, we submit, unless you have a representative on the Court. Of course, we do not suggest anything against the personnel of the Court. We know they are honest men; but if a man is appointed by one side, and knows he is appointed by one side, his bias must be in favour of that side. Now, the City Council of Wellington happen to be the owners of a very large portion of the business part of Wellington. Periodically the rents of the properties have to be reassessed, and naturally they are interested in keeping up the value of city property. In fact, before this particular Court Mr. Myers appeared on behalf of the Crown, and the Corporation sent down the City Solicitor to represent them and to help Mr. Myers to keep up the values of the properties. Therefore, what chance have the lessees when both the arbitrators, one representing the Government and the other representing the Corporation, know that there are counsel sent there to keep up the values. To my mind, the Court is un-English. The objectors know that they have no chance before they go there. That is the reason why in the past there have been so few objectors. That has been my experience. We have told people that they have no chance in protesting against the values being increased. The next point is with regard to the valuing of land. We say that if capital has been judiciously expended in the shape of buildings on the land, in order to find the true value of the land you must take into consideration what it would produce, and we want this Commission to alter the Act so that this is taken into consideration. The Department, as I understand it, reads the Act that they have nothing to do with the productivity of the land. In the cases before the Court Mr. Skerrett produced witnesses to show that since 1906 land had declined in value in the business area of Wellington. He got Mr. Harcourt to go round the different places which are let in order to find out what rents were being got for the properties in 1906 and about then, and what rents they are getting to-day. The result was to show that from the other side of Lambton Quay right down to Te Aro Railway-station, since 1906, there has been a considerable drop in the rents. Mr. Skerrett produced nineteen cases—I have the list before me—and, in addition to these cases, it came out in cross-examination of the witnesses that there were many other instances where the rents had declined. As far as I remember, one was the Wellington Investment Company. Mr. Simpson gave evidence, and in the course of cross-examination he said that the rents of his building had declined. That building is immediately opposite Messrs. Witcombe and Tombs's. Another case not in Mr. Skerrett's list was the T. and G. building, opposite the Wairarapa Farmers, on Lambton Quay. The rents there had declined since 1906. The Government witnesses, Mr. Ames and Mr. L. H. B. Wilson, admitted our figures. They mentioned one case on Lambton Quay where rents had gone up, but generally they admitted that rents had declined, and Mr. Ames very frankly said: "I do not take into consideration rents. That has nothing to do with me. All I consider is, what is the selling-value of the land." Another point Mr. Skerrett proved conclusively by Mr. Swan, a leading architect in Wellington, was that since 1906 the cost of building had gone up, I think I am right in saying, from 14 to 40 per cent. It depends on the class of building. He said that in the case of expensive brick buildings the cost had gone up more than in the case of dwelling-houses. Mr. Skerrett said to the Court, "If I prove to you that rents have declined, and if I prove that the cost of building has gone up, and it is admitted by the other side; the value of the land must have gone down, because the real value of the land must depend on what it will produce, provided proper buildings are erected on the land." The Crown then called Mr. Ames and Mr. Wilson, and, I think, Mr. Shepherd. They all took the same line. They said, "We have nothing to do with the rental value of the buildings. We do not dispute your figures at all, but we say the land will sell for more." You have to remember that in Wellington there is such a large area of leaseholds, and that practically there are no sales in the neighbourhood. There are a few pieces of freehold, but they are no guide to the selling-value. There are some firms in Wellington who will not touch the leasehold. One case that is always quoted to us is Dalgety's. In that case they gave £200 a foot for a corner section next to Levin's, and which belonged to the Turnbull Estate. The reason they bought at that price was that they would not touch the leasehold. I happen to know that, because I was solicitor for Dalgety's at the time the transaction was completed. Freehold lands and leasehold lands were submitted to the directors in England, and they would not touch the leasehold. They wanted to get in at a particular place, and so they gave £200 a foot. In the opinion of the gentleman advising us, the value was about £120 a foot. That is what we say would be the fair value to-day from the producing point of view. We contend that if our arguments are correct—and we submit they are unanswerable—that if the rental value of the land has gone down—and it has never