

was there any pressure by a mortgagee or outside influence. There is one other instance. I was a witness as to values in Hobson Street. There was a property there valued by the Government at £1,410, or £29 a foot. It was sold in March, 1913, for £1,300. The purchaser spent a considerable sum of money putting electric light in and other improvements, and sold it again in May of this year, 1914, for £1,300, losing all the improvements and the commission. I am particularly requested by Mr. A. H. Miles, who has had to go to Auckland, to express his views on his valuation in Hobson Street. In a letter Mr. Miles wrote to the Department, he stated he was originally valued at £5,400 under the old valuation. Under the new valuation he was increased to over £6,000. His contention is that the selling-value of the property is not more than £5,000. The improvements are put down by the Department at £2,260. He says they should not be assessed at anything below £3,000, and probably more. He went to the Assessment Court, but the Court did not take his views, and the new assessment of the Government was sustained. But the whole of the increased value is put on the unimproved value, whilst the improvements, I believe, are reduced. That brings me to a matter already touched upon this morning—the Government valuation of improvements. I could go on quoting to you, from my experience as a land agent, case after case where the improvements are put at a ridiculously low figure. A property is sold at a lump sum. The sale is reported to the Department. They assess, in their opinion, the improvements at so-much, and the difference in the price paid is the value of the land, and the values in the locality are made on that assessment. That, to the mind of the objectors, is a most unfair way to arrive at the real assessment of the unimproved value. It is thought amongst objectors that if an objector goes to the Court and gets a reduction that reduction should be carried through the street. For argument's sake, if I go to the Court and get a reduction of £1 10s. a foot on its merits, the whole street should be reduced £1 10s. a foot. We understand it is the desire of the Department to get the rates distributed equitably amongst the owners. I can quote a case where an owner got a reduction, and the adjoining owner, who did not think it worth while to object, is paying more rates than his neighbour for the simple reason that he did not object. Then there is the attitude of the Department in quoting sales to sustain values. The Assessment Court apparently preferred to take old sales in preference to the most recent ones. I can give a very concrete example there. An owner on Thorndon Quay objected. It was pointed out that the property adjoining had been sold for £825. That was the last sale on one side of the street. On the other side the last sale was at £1,320, which included a five-roomed cottage, making the price, including the cottage, £20 a foot. Yet the Court sustained a value of £26 a foot, preferring to take the values shown by sales to the Government and wool-merchants—all buying for specific purposes, and not for the purpose of selling. They bought on the market, but for a specific purpose. It has been suggested that any one appealing under section 31 should give the Government an option for three months to acquire the property. If that suggestion were carried out it would mean that the property would be tied up for three months to be hawked about, and there would be no chance of getting more for it, for if a buyer did come he would have to be told that the Government had the option.

*Mr. Myers:* They could be allowed to sell in the meantime.

*Witness:* There is one other thing. The Act provides that the Government valuation shall be the fair selling-value. As far as I can see, the interpretation of that is not what the man ultimately gets for the place, but the maximum price he asks for it. We all ask a good fat price for our property when we want to sell, but it is when the hard cash is put down that the true value is settled. With regard to the procedure of the Court, I would like to say that I was down there many times, and I must say a great deal of time was wasted from the objector's point of view. I know that Mr. Myers did his best to bring the cases on as quickly as possible, but could not some arrangement be made for blocks of objectors to be heard on a certain day. If the Court has to lose a day that cannot be avoided. At the last sittings objectors were down there for four and five days waiting on the Court.

2. *Mr. Myers.*] You are a land commission agent and a valuer?—Yes.

3. You value buildings and you value land?—Yes.

4. You are quite competent to value buildings?—People consider that I am competent.

5. Will you not go so far as to say that you consider yourself competent?—Yes.

6. You have never been a builder or an architect?—Not in the professional sense of earning my living by it.

7. You are in the same position, then, in that respect as some of the valuers who are employed by the Government Valuation Department?—No. I must honestly say I am in a better position, because I have had buildings erected for myself. I have had to pay for them. I have to employ architects, and am constantly in touch in my business with owners and possible buyers of properties.

8. Are not the Government valuers also, by reason of their occupation and employment in the Department, constantly in touch with land and buildings in such a way as to enable them by experience, if by nothing else, to value buildings?—The evidence they gave at the Assessment Court did not prove that.

9. Valuations, after all, are absolutely matters of opinion, are they not?—Yes.

10. Is it not your experience in Wellington that if you are prepared to spend £2,000 on the building of a house the tenders for the work may vary from £2,000 to £4,000?—Speaking generally, that is very likely true.

11. Does it not follow, then, that even builders themselves differ very much in the values of buildings?—It is a mere matter of opinion.

12. Do you not know that the Government valuers, by reason of the provisions under the State Advances Act and other Acts, have to be constantly valuing buildings?—Quite so.