

on the properties; and in that respect I certainly think that the objectors should have some voice in the appointment of their own assessor. It was generally accepted by the Court, if evidence of value was given on one side and equal evidence was given on the other, that the refusal to offer the property to the Government under section 31 was tantamount to an admission that the valuations were more or less correct. I desire strongly to suggest that a refusal under section 31 should be no evidence of the fair amount of the valuation. Supposing a lawyer desired to build his office adjoining the Supreme Court, it would not be possible for him to get possession of a small piece of land and erect a building only sufficient for his own office accommodation unless he was in a very large way of business. It would be necessary that he should build considerably more accommodation, for letting purposes. Therefore, if he wants to acquire a site, he must acquire a site which he cannot occupy for his own purposes only. If he offers his property to the Government, he loses a site which is good and sufficient for his own purposes and has to take a site which is not so convenient. There are many instances in which section 31 operates unfairly. There are various reasons, in addition to the one I have indicated, why a refusal to make use of section 31 should not be used as evidence of value. There is an old platitude that land is only worth what one can get out of it. In a city, the only way of getting a value from land is by covering it with buildings, so that the unimproved value of the land cannot be considered apart from the use to which it may be put. Therefore, the land must be considered in relation to what is put upon it. In approaching the question of valuations in a town, I consider it is necessary to consider it in relation to the buildings. Where land has been put to use and improved and a fair revenue is being obtained from the land—assuming the Court is satisfied it is a good use—where actual figures can be produced, they should be the basis of the value of the land. I only use this as an illustration. In the particular case in which I was interested, figures were produced to show that the purchase-price of the land was £102 per foot. The valuation of the land was about £80 per foot, an increase of £35 over the previous Government valuation. Between the periods of valuation there had been no other sales in the street. The land was increased from £55 to £85. Actual figures were produced by ourselves to show that, after going to a very great expense in erecting a valuable building, the building did not earn more than actual interest on the cost of the building, without any interest on the cost of the land at all; and that after five years. In the face of these actual figures the valuation was sustained. The Government produced one witness, who was the City Valuer. I asked him if he had valued the land and the selling-values, and he replied “No.” I asked him did he value the producing-values, and he replied “No.” I then asked him on what ground he based his valuation, and he said, “On my forty years’ experience of land in the city, and what I think it is worth.” On the other side there were our actual figures. When the Magistrate asked me if I would sell to the Government, I replied “No.” My reason was that it was close to the Supreme Court, and suited my business as a lawyer. The land was bought at an unfortunate price, and some day there may be an increase which will recoup the loss. Yet, notwithstanding the fact that there were no sales in the street and there were actual figures of reduction of value, the assessment was sustained.

2. *Mr. Campbell.*] What would you substitute for section 31?—I am a very strong believer in section 31. It is of very great value to both sides. But I think it might be matter for the consideration of the Commission as to whether a section should not be inserted in the Act providing that a refusal to take advantage of section 31 should not be deemed to be evidence against the objector. The mere fact that the objector refuses to sell to the Government should not be deemed to be evidence of unimproved value in an objection to an assessment.

3. Section 31 allows an owner to put a value on his property and to say that the Government must take it?—The objection is that the owner does not want to sell, but he does not want to be taxed and rated at more than a fair value if he did want to sell.

4. You stated the purchasing-price. How long ago was it that the land was purchased?—Five years ago.

5. And the land has not increased there since?—I do not think it has increased there yet.

6. *Mr. Myers.*] You were present, I suppose, for a considerable time at the proceedings before the last Assessment Court?—Yes.

7. Do you know that there was a considerable body of evidence called to show that Mr. Ames’s values in the city at the previous valuation were far too low?—I did not hear that evidence.

*The Chairman:* Where the property is subdivided is there any objection to separate valuations.

*Mr. Myers:* Not where they have separate frontages.

*Mr. Neave:* In one case we were able to defy the Department. There was a right-of-way, and the Department had assessed a strip of freehold in the front separately, and if we had taken the Department at its word and offered not the strip of freehold but the large area at the back the Department would have had to reduce the assessment or take the large area at the back, which was worthless.

*The Valuer-General:* As Valuer-General, and speaking with a due sense of responsibility, I have no hesitation in saying that section 31 is abused. It is abused by syndicates and people who have no idea of selling their properties, but who take advantage of the Act in order to reduce their values, the result being that in many cases the finances of local bodies are upset. I have had a return taken out showing a summary of the reductions made under section 31. It includes Karori Borough, the Karori Borough portion of the city, Kilbirnie portion of the city, Island Bay portion of the city, Ohoro portion of the city, Onslow portion of the city, Miramar Borough, and Wellington City. The total capital value fixed by the Assessment Court is £605,646; total unimproved value, £438,065; valuation of improvements, £167,581. The notices given to me under section 31, by syndicates and people who knew that the Department was so placed that it could not take the properties, produced this effect under section 31. The