

and the selling-value. People spend money on improvements that are not necessary. We have to consider their adaptability. We have had to discount improvements, because if we did not do so the value of the improvements as assessed by the owner, deducted from the capital value, would reduce the unimproved value to a minimum, and sometimes leave nothing at all. A man is not entitled to claim the whole of the improvements placed on his property.

*Witness* : I would just like to say, with respect to the statement made by the Valuer-General, that in taking exception to the adjustment by the Department as between the unimproved value and the improvements, I am not taking exception on the grounds he has put forward. The objection I take is this : We will assume a property to be fairly valued at £1,000 ; of that sum the improvements have cost the owner £800, and the land £200. When the property is being valued the capital value is assessed at £1,000, which valuation the owner accepts. But the Department values the land at £300 and the improvements at £700, or the land at £350 and the improvements at £650. In my experience they invariably underestimate the value of the improvements.

*The Valuer-General* : That is a misconception.

*Witness* : No, it is not. I will give an illustration, and I hope when I do so Mr. Flanagan will not say the illustration is valueless. I have a property at Ellerslie. The very least the improvements on the property can be valued at is £1,200. The Department valued the improvements at, I think, £500, but after a very great deal—to use a common phrase—of “barracking,” they increased the improved value to £750, and reduced the unimproved value by the difference, leaving the capital value the same. I have since sold portion of the property on which the major portion of the improvements were, and the person who purchased valued the improvements upon that one piece at £950.

76. *The Valuer-General* (to witness).] Who was the person?—Mr.— [name given to the Commission].

77. Even supposing he did, is his value more correct than the values of the Government valuer? He may have had some motive in it?—The Valuer-General always raises some point. He has a duty to perform to support the Department, but he has no right before a Commission like this to attempt to set aside all statements given in evidence.

*The Chairman* : He cannot set it aside.

*Witness* : But you see, sir, how points are followed up by the Valuer-General.

*The Chairman* : I do not see there is any objection to what he said. You said the buyer valued the improvements at £950, and the Valuer-General asked if that gentleman was in a better position to give a value than the Department. Your answer, of course, should be that the buyer put his money on his valuation.

78. *The Valuer-General* (to witness).] I find the property to which you refer is a property of 23 acres. The capital was first of all £5,000, reduced to £4,600. That was before the Assessment Court. The unimproved value was £4,300 originally, reduced to £3,900, but there is nothing to show that any sale has been made of that property or any part of it. There is no transfer in the office?—The sale was made about six months ago.

*The Valuer-General* : We would record that by our Department as no sale having been made.

*Witness* : The facts remain as I have stated them.

#### ARTHUR WILLIAM CUMMING examined.

1. *The Chairman*.] What is your position?—I am in charge of the Grammar School endowment property, but I am not officially accredited by the Board to appear before you, and I therefore really appear before you as a private citizen. I wish to refer to clause (f) of the order of reference, and would remark that in dealing with the valuations, we have always had consideration paid to our objections by the officers of the Department. The system of valuation, to my mind, is not correct. I hold a piece of ground on which I build a house, and subsequently a man sees the house there and purchases the adjoining land at a higher price than I paid for mine. Immediately the valuer comes along and puts up my land. There is something wrong about that. The land is of no more value to me than it was in the first place, nor is it saleable. Take another instance : A man takes a particular fancy to a piece of land, and calls on the owner, who perhaps has more land than he requires at the time, and, though he does not want particularly to sell, he is agreeable to sell at a price, and asks a fancy figure which the other man is able and willing to pay. The valuer comes along and raises the land adjoining, perhaps not to that figure, but *pro rata*. The other land has not increased in value, and the man on the other side of the seller might find a great deal of difficulty in finding a purchaser at the value which has been placed on his property. I also think that more latitude should be given to valuers with regard to the producing properties of the land. I speak this from a case of personal experience. Adjoining a certain section, land was sold for £40 a foot. This particular section of 50 ft. frontage had a house on it, and previous to the £40-a-foot sale was rated by the City Council at £60. To my surprise, it was brought up to £120. On inquiring I found that a special valuation had been made on the basis of the Government valuation which empowers them to charge, I believe, up to 5 per cent. I could not understand why it should be £60 one year and £120 (reduced to £100) the next, and that was the explanation. Although the land was there, and the house was there just the same, and the number of people had not increased, and the house was empty for a considerable time when I was offering it at £1 5s. a week. At present I am getting £1 7s. 6d. a week, and we are rated at £100. It seems to me there is something wrong about that. I am not finding fault with the Department, but the principle which permits that. Then, with regard to the leasehold, I am given to understand that the Department's valuers must value a piece of land as it is, whether it is leasehold or freehold. There is something wrong about that. They value the ground on the saleable value of it. Freehold land has a marketable value, but endow-