

As visualized in last year's report, a stage has been reached when due to increased construction costs the rentals fixed under the new State housing section are becoming insufficient to meet the outgoings, but it is hoped that the abolition of sales tax on building materials will be reflected in lower construction costs in the future.

It is pleasing to record that the rental payments due by tenants are being met on a satisfactory basis, and the following comparative statement will be of interest :—

Number of housing units taken over as at 31st March, 1946	20,267
Book value of property	£27,351,517
Amount of rent due on all new State rental units tenanted since first house was completed in 1937	£6,261,683
Amount of rent in arrear at 31st March, 1946	£5,273
Amount of rent written off up to 31st March, 1946	£4,166

The outstanding items in the balance-sheet are (a) the increase in loan liability from £22,443,297 to £26,813,933, (b) the capital invested in new dwellings is £27,351,517, as compared with £22,731,157. These variations are, of course, the result of taking over further completed units during the financial year, the cost of the land and buildings involved being paid from the Housing Account in settlement to the Housing Construction Department.

In accordance with section 35 of the Housing Act, 1919, the following statistical information is submitted :—

	£
(1) Payments received during the year	1,400,932
(2) Amount of arrears outstanding at 31st March, 1946 (including instalments due on agreements for sale and purchase and rentals on tenancies, old and new)	28,256

A. D. PARK, Chairman of Directors.

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} Directors.