

## PART II—HOUSING ACCOUNT

The Corporation's responsibilities under the Housing Act, 1919, and its amendments involve the administration of the State housing units being made available for letting purposes and the provisions of loan finance for housing projects. The following report summarizes the activities during the year :—

### RURAL HOUSING

Under the provisions of the Rural Housing Act, 1939, loans are available to County Councils at 3 per cent. for relending to farmers at 3½ per cent. per annum. The amount which a County Council may advance under this Act for the erection of a house has recently been increased by the Government from £1,500 to £2,000, and the suspensory loan benefits are available to applicants who comply with the standard conditions applicable to that scheme. The response to the benefits offered by the legislation has so far been poor, notwithstanding that the terms offered are attractive, and the board finds it very difficult to understand why County Councils have in the main shown so little interest in this method of providing accommodation in the rural areas. Of the 125 County Councils in New Zealand, only 44 have applied for loans, and of authorized loans totalling £795,550 only £260,256 (in respect of 360 houses) has actually been uplifted. Few of the Councils have shown any real interest since the cessation of the building subsidy which was available from June, 1940, to March, 1941. Such Councils as do operate the Act have demonstrated that it can be implemented with very considerable benefit to the farming community. As an illustration, the Raglan County Council has been instrumental in financing the erection of 50 new houses on farms within its area, and is still continuing to show an active interest. The legislation is on the statute-book, the funds are available, and it only remains for the farmers and their County Councils to take advantage of the facilities offered, and in this way make a worth-while contribution towards solving the problem of rural housing.

Loans to local authorities outstanding as at 31st March, 1950, totalled £127,638, a reduction of approximately £3,500 since the 31st March, 1949.

### URBAN HOUSING

(a) *New State Rental Units.*—During the year 3,378 additional housing units were handed over to the Corporation for allocation, and the total now under administration is 32,238. There are, however, still some 45,370 unsatisfied applications on hand. As indicated in previous reports, not all of these can be considered as being from persons genuinely in need of housing accommodation. Many are from people who are reasonably housed but who would prefer new and up-to-date houses with the State as landlord, particularly at the rentals that have been charged in the past. The adjustments made in the rentals to be charged after 1st April, 1950 (referred to in more detail later), together with the introduction of a more liberal lending policy, will no doubt induce many of the applicants to erect their own dwellings. The projected sale of sections in the housing blocks should also be an encouraging factor in this respect.

After a full review of the housing position, and in pursuance of its policy of assisting in as full a measure as possible those on the lower income brackets, the Government decided that those applicants whose income exceeds £520 per annum will not in general be eligible for tenancies of State rental houses.

(b) *Cost of Houses.*—It was to be expected that in a period of rising costs and prices the cost of erection of houses would show a rising tendency, but it has perhaps not been generally realized the extent to which costs have actually risen since the housing scheme was first instituted. The following table shows the cost of erection of a typical four-roomed house containing 839 square feet of floor space on a flat section year by