

acted both as valuer and judge, and, as above mentioned, we think it necessary for the local valuer to assist the district valuers only in valuing typical properties for the purpose of arriving at the standard unimproved value of land in a district. We think that in fixing the standard unimproved value of a district, or part of a district, a liberal allowance should be made for the improvements on the typical farms that are taken, so as to ensure that the unimproved value of the district shall not be placed too high.

35. In the valuation of town properties we consider that the valuer should always be competent to value buildings as well as land, or should be associated with an architect or practical builder.

36. We beg further to recommend that the valuer appointed to value a country district should have a knowledge of farming and of the cost of improvements, and that, whether as regards country or town districts, the valuer selected should, where practicable, be one having a good knowledge of the district.

37. Wellington witnesses expressed the opinion that certain properties situate in the city must have been overvalued at the recent valuation, on the ground that since the previous valuation of 1906 rents in the business parts of the city had declined, while the cost of building had increased. The witnesses generally on this point argued that productivity should be the basis of valuation. The question, however, on what basis lands should be valued for land-tax, local rates, and other assessments is not a matter that has been referred to us by Your Excellency. The statute speaks of the selling-value, and it is quite possible that the market price of land in a town may be above its value, based strictly upon productivity. The witnesses who spoke on this subject referred largely to the case of leasehold properties held under the City Corporation, but two of such witnesses admitted that they did not know of any sales of freehold property in the city that had been effected below the Government valuation, one of such witnesses (a large city property-holder) adding that he knew of a great many sales that had been made round about the Government valuations, but that the present owners had found that they could not make a profit at the prices they had paid. The witness, in terms, complained of the legislation, and not of the administration thereof by the Department. The Valuer-General, in his memorandum to which we have before referred, enjoins the valuers "not to strain after high values, nor accept isolated 'boom' prices, nor values involved in exchanges of land as a standard of value, but to determine the value neither above nor below the fair selling-value, in view of the many and diverse purposes for which the values are used."

38. As regards local rating, it does not necessarily follow that where on the revision of a roll the values are considerably increased the local authority should continue to levy the rates at the same amount in the pound as they stood at under the previous valuation; and evidence has been given to us by property-owners at Titirangi, in the County of Waitemata, that the local authority reduced the rates in consequence of the increased values shown by the recent valuation. The selling-value of land is undoubtedly affected by the existence of high local rates, and the Valuer-General, in his evidence before us, stated that an increase in rates is regarded by the Department as a factor in fixing values.

#### AS TO INSPECTION OF PROPERTIES.

39. A considerable number of complaints were made to us in different districts that the valuers had not sufficiently inspected the properties when making their valuations, and in some of these cases the evidence seems to bear out the complaint. In a number of the cases, however, the property-owner did not complain of the capital value placed upon his property, but considered that he was not allowed enough for his improvements. We are inclined to think that some of the valuers have proceeded upon the method of deducting the standard unimproved value as found by them from the capital value, and treating the sum left as representing the value of the improvements, a method which, as above pointed out, would only work justice if the standard value is not fixed at too