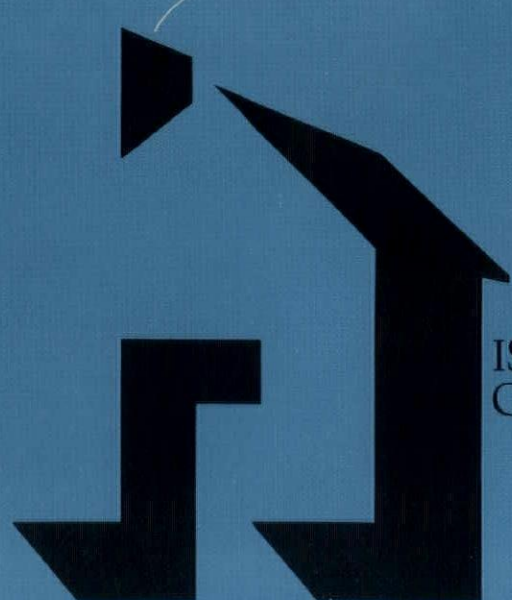


October 1974

House & Home

The Single Family House



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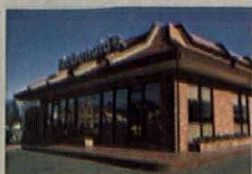
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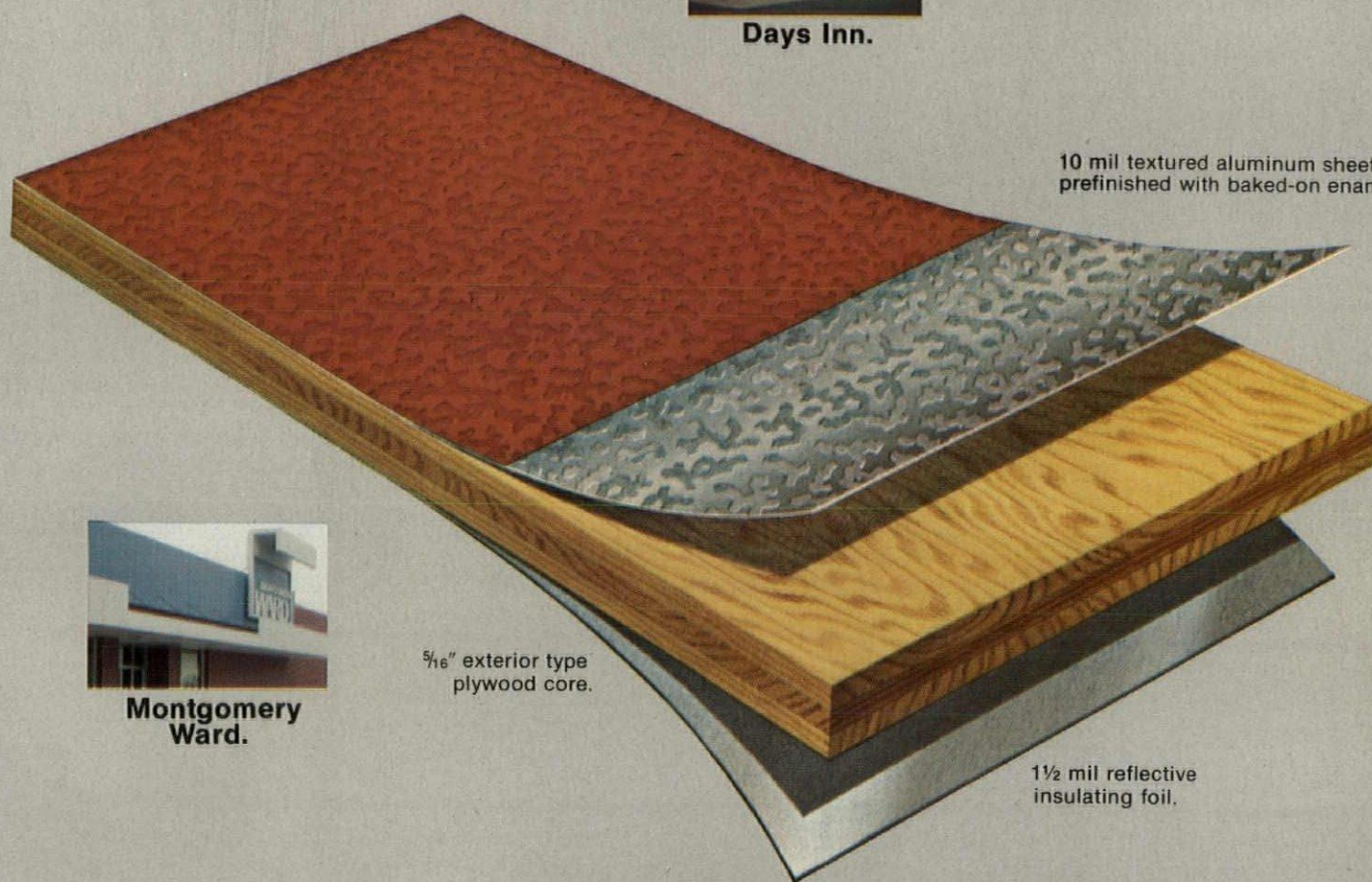
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Leaders at summit: Lew Cenko and Alan Greenspan.



For more pictures, see page 9.

At summit, housing gets word: Don't expect too much too soon

Near the end of the Administration's day-long pre-summit conference on housing and construction, Rep. Barber B. Conable Jr. (R., N.Y.) said he now understands how "the homebuilders are expected to be the Kamikazes of the battle against inflation."

Conable was responding to a terse statement by the housing analyst Anthony Downs of Real Estate Research Corp. in Chicago, who said flatly that housing was "inherently" the industry that had to swing up and down to keep the rest of the economy stable.

Downs was one of several non-industry experts among more than 70 industry leaders who met at Stouffer's Inn in Atlanta Sept. 12 to consider what the Ford administration could or should do now to help the American homebuilder and his buyers.

'Outlook: Grim.' Chairman Alan Greenspan of the Council of Economic Advisers set the tone for the conference at the outset with the observation, "It is unlikely that we will see a great deal of improvement in the rate of inflation over the next few calendar quarters," and he added: "The outlook for housing starts is grim."

Greenspan listed several negative factors in the mortgage-money markets and explained:

"They make it difficult to believe that housing starts will be much above 1.2 million units at seasonally adjusted annual rates for the second half." [August starts actually fell to a rate of 1,126,000.]

The economist avoided giving any recommendation of his own, but he warned against "dealing with current problems in a way that would distort the allocation of capital permanently."

The vicious circle. When the day was over, considerable agreement had been reached on the need to balance the budget by cutting federal spending or raising taxes—or both. And industry leaders wound up hoping—but without much evidence—that they would get more than token help from Washington.

But Downs articulated the dilemma touched on by other conference participants:

- If the Administration "does something" for housing, the remedy can only increase the demand on the money markets for funds.

- This in turn will drive up interest rates or keep them at present levels longer.

- These rates will keep the financial squeeze on builders and developers, driving more of them out of business—and freezing more potential customers out of the homebuying market.

Wide range of views. Among those who spent all day trying to de-horn this dilemma—besides President Lew Cenko of the National Association of Home Builders—were representatives of the bankers, consumers, the Senate and House of Representatives, materials producers, labor unions, housing sponsors, real estate brokers and investors, building code officials and local housing officials—plus an even larger group of participants primarily interested in non-residential construction.

"This," said Downs, "is not an anti-inflation conference; it's a pro-housing conference." Then he went on to give an overview that, he suggested, might cost him some of his housing-industry clients. "Housing production is inherently, and always will be, a counter-cyclical industry that inescapably declines in periods of rising economic activity," Downs insisted. "We should accept this situation, partly because it benefits the economy as a whole by promoting overall economic stability."

Danger of borrowing. Downs went on to say that it wasn't fair for the housing industry to bear the brunt of anti-inflationary



Mini-conference: Senator Brooke, Greenspan, Secretary James Lynn.

policy, but he also said that borrowings of Fanny Mae, Ginny Mae and Freddy Mac "must be constrained."

The major recommendation of several conferees was for more intervention by government agencies to steer funds to home mortgages. But Downs said that "to propose expanding their borrowing by billions is to propose higher interest rates in general, and thereby to postpone the real cure for housing ills—which is lower interest rates—through the defeat of inflationary conditions and expectations."

Proposals. Under the prodding of Housing Secretary James T. Lynn, who organized and chaired the conference, nine housing-related associations agreed to a nine-point statement that stressed the "depression" of the residential builders and mobile home manufacturers, caused by "the unavailability and intolerable cost of money."

The joint statement's recommendations, which "should be acted on immediately," were:

- Pass new legislation to exempt from income tax some portion of interest earned on savings to encourage savers to keep their funds in thrift institutions.

- Arrange for special assistance from Freddy Mac to provide more 8¾% mortgage loans—with a comparable program to develop apartment projects.

- Make available Fanny Mae construction-loan advances for single-family homes, just as the corporation does for multifamily projects.

- Issue FHA builder commitments so as to assure lenders of permanent mortgage availability and thus ease the "very high interest rates for construction loans."

- Persuade the Federal Reserve to infuse more liquidity into construction and development-loan markets.

- Allow a mortgage tax credit for investors in mortgages.

- Pass legislation to encourage pension funds to invest more money in residential mortgages.

- Grant the fed new authority to vary reserve requirements for different kinds of loans and to lower the reserve requirement

for mortgage investments.

- Revive the old government-subsidized housing programs, including the controversial Sections 235 and 236 mortgage-subsidy schemes.

\$10-billion question. Senator Edward Brooke (R., Mass.) made the strongest pitch for a specific piece of legislation designed to help housing quickly. He and co-author Senator Alan Cranston (D., Cal.) would establish a housing trust fund with up to \$10 billion from the Treasury. The money would "spur the sale of 350,000 more homes" in the next 12 months, Brooke said. Half the funds would be for new housing, half for financing purchases of existing houses.

But Senator William Brock (R., Tenn.) immediately asked, "Where does the Treasury get the \$10 billion? From the thrift institutions and savers? You take the money out of the thrift institutions, which are already losing money at the rate of \$1 billion a month?"

Lynn's warning. Toward the end of the day Secretary Lynn, speaking carefully at a news conference, gave the word once again: The housing industry should not get its hopes up.

The first problem, Lynn said, is credit—"the availability and cost of credit." He said the summit conference had come up with some options he had not seen before, but he reiterated the theme: The Administration does not want "to give such massive assistance (to housing) that all we do is chase our tail and make disintermediation worse."

'Not a hell of a lot.' Cenko said in an interview that the summit conference was "a teaching thing" to give President Ford "time to decide." The NAHB chief thought that "with this many people churning, somebody might strike a spark." He figured that the Administration might move to do something soon but "might not give us a hell of a lot." Jobs, rather than housing, will be the key to any Administration action, he said.

—DON LOOMIS
McGraw-Hill World News,
from Atlanta

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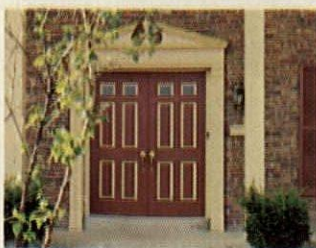
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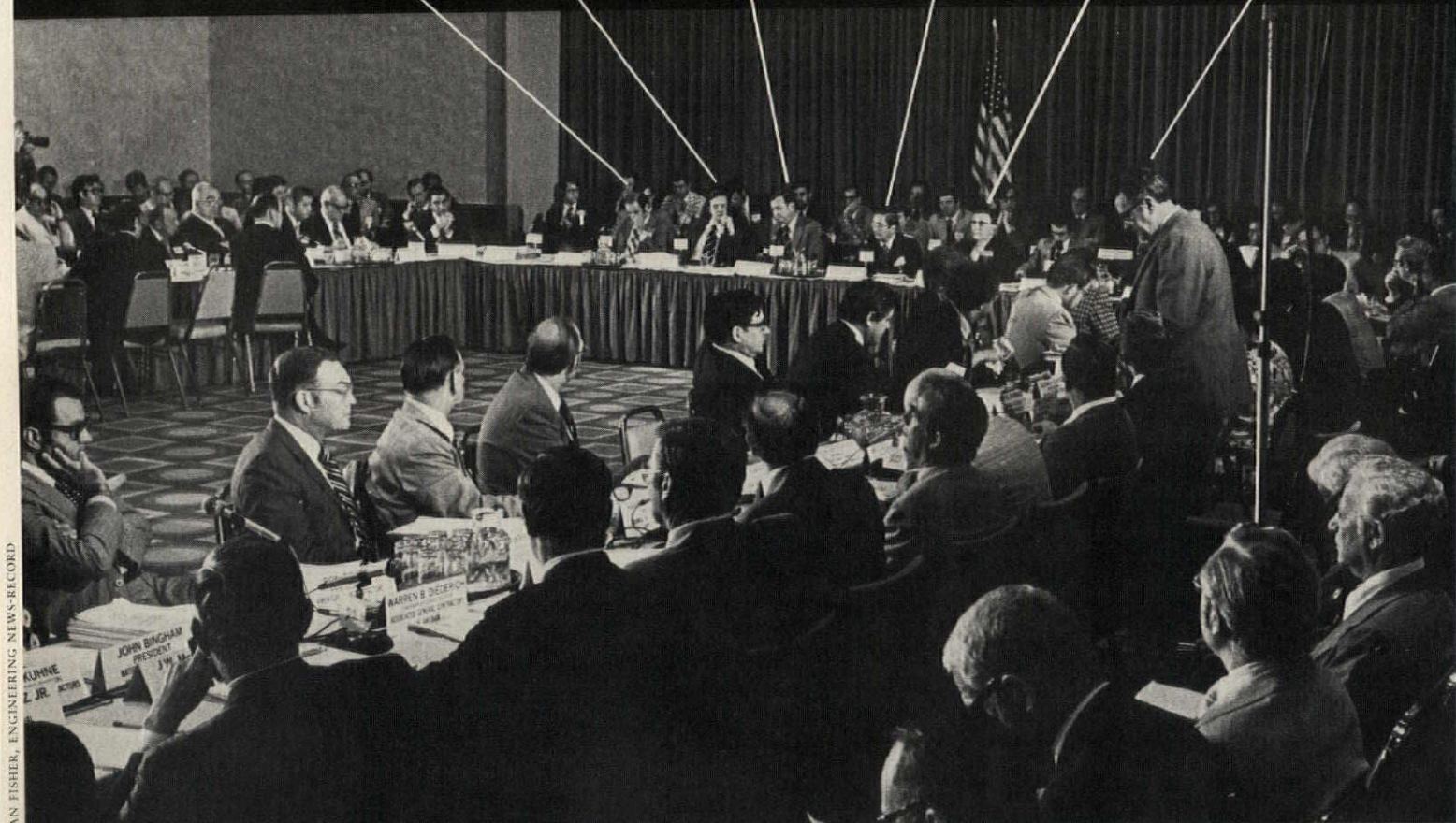


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Housing's march on Atlanta: The confrontation

Senator Biden Senator Brock Senator Talmadge Secretary Lynn Rep. Barrett NAHB's Cenker



STAN FISHER, ENGINEERING NEWS-RECORD



Summit brought 70 of building industry's leaders together to make emotional—and often angry—pleas to government for help. Government panel listened but reaction was cool. At top left is Senator Brooke. Next is panel of Senator Brock, in shirtsleeves, with Sec. Lynn and Rep. Barrett. Senator Biden is at top right. President Lew Cenker makes NAHB's proposals at left. At right, Builder Eli Broad voices one of conference's most persuasive appeals, warning of social unrest if average man can't buy a home.

HUD PHOTO



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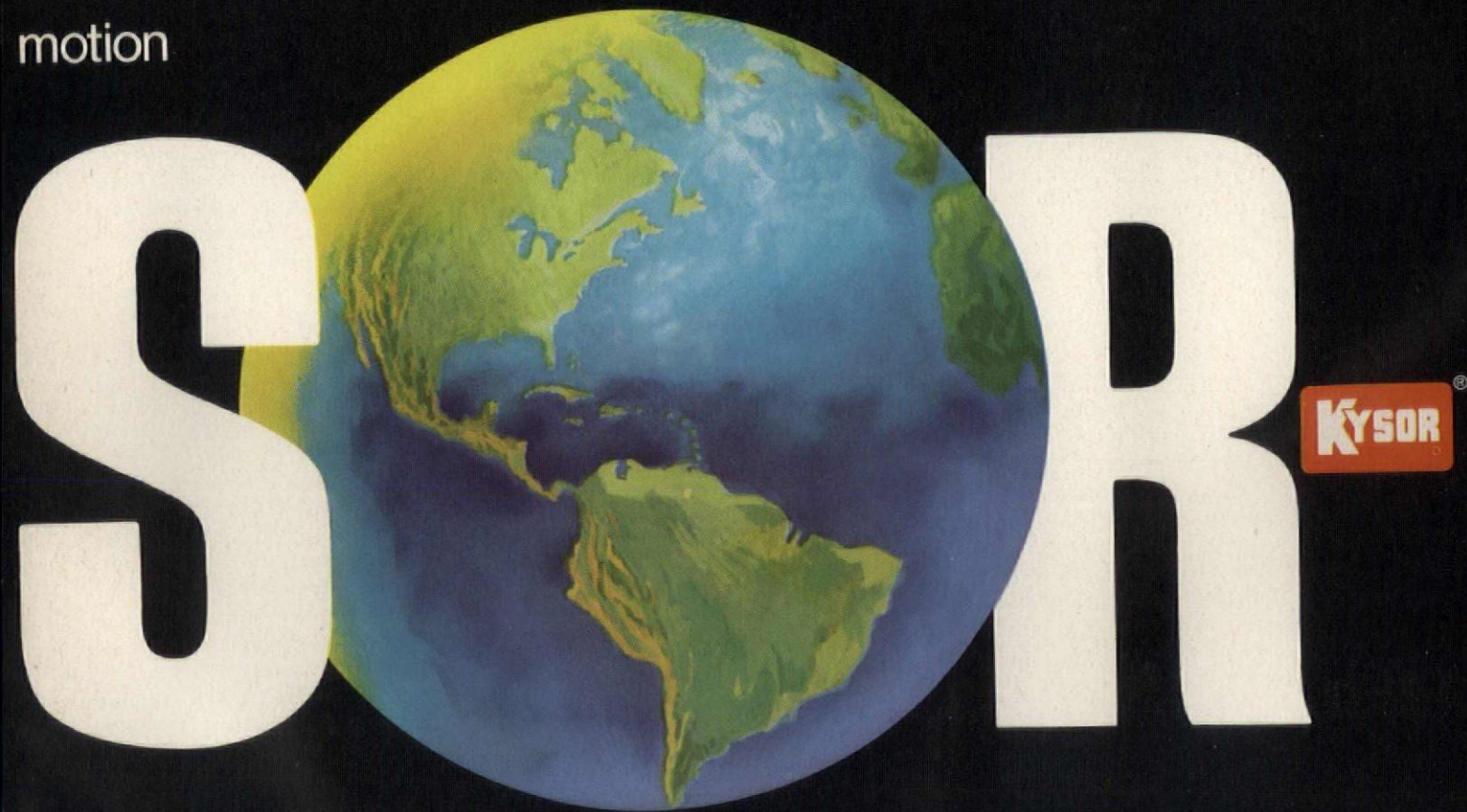
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They're going to have to spell out housing needs for low- and moderate-income families, indicate the number of units and kinds of units required to meet those needs, and indicate generally where such housing should be located.

The housing plan—which they will then be expected to live up to—is certain to be one of the most controversial requirements of the new Housing and Community Development Act of 1974—the first major piece of legislation President Ford signed into law [NEWS, Sept.].

David Garrison, a staff expert of the National League of Cities and National Conference of Mayors, says the housing plan "is the major substantive requirement" imposed on local officials by the new law. The President said he hoped a "complete and welcome reversal" in the way the government helps communities would give the new act "far-reaching and perhaps historic significance."

Development plan, too. The housing plan is required as a separate but integral component of the three-year community development plan that the communities must file—and for which they must get HUD's approval—to become eligible for their share of \$2.5 billion that is authorized for the current fiscal year under the new community development block-grant program.

These grants become available beginning January 1, and from now until the end of this year cities and other localities will be getting together the applications that must be approved by HUD in Washington before the new federal money can be spent.

The block grants require no local matching funds from the recipients, as was the case with the old categorical grants. The new outlays range from \$10 million for New York City for this fiscal year to \$43.8 million for Chicago, \$1.4 million for Omaha and \$300,000 for Gainesville, Fla. More than 1,200 cities and

towns—plus a dozen or more urban counties—will be getting funds.

Spending guidelines. The grants are to be spent under a community plan directed primarily at providing decent housing, a suitable living environment, and expanding economic opportunities "principally for persons of low and moderate income."

The grants can be spent for eliminating slums and blight, for code enforcement and demolition, for conservation of the housing stock and improvement of community facilities, and for other purposes, including expanding community services for poor people and poor neighborhoods.

Mayors and other elected officials have been waiting for years to see the money flow start—and should have relatively little difficulty submitting a plan to spell out how their block-grant money will be spent.

Writing the checks. Once the community's development plan—and the housing plan—have been submitted to HUD and approved, HUD opens the line of credit that allows the city to start writing checks for construction projects and programs. The regulations and guidelines were to be rushed out by HUD by the end of September, and, according to Assistant Secretary David O. Meeker Jr., HUD will be ready to receive applications and begin approving them after January 1.

But between now and then a city or locality must submit a detailed housing plan that (1) accurately surveys the housing stock and assesses the housing needs of poor people, the elderly, and the handicapped; and (2) specifies a realistic annual goal for subsidized housing, including the proportion of new, rehabilitated, and existing housing, the sizes and types of housing needed; and—most important—indicates the general location of such housing.

Public hearings. In order to win HUD's acceptance for his plans, the mayor must certify that he has disseminated information about the funds and how they are to be spent and, in addition, hold public hearings on community development and housing plans.

This means that more work—and more responsibility—must be taken on at the community level, since HUD's own responsibility is minimal. For HUD, according to the law, must approve an application unless HUD officials find the plan is clearly inconsistent with facts and data about the locality, or unless HUD finds the activities spelled out in the plan are plainly inappropriate.

The crunch could come, though, if cities don't follow through on their plans. The first time around, HUD is certain to bend in favor of getting the applications approved. But after a year or two, if HUD determines that a city's housing plan is not being followed, it can cut down or cut off the annual grant. The city must file an annual report on its progress and HUD is required once a year to determine whether the locality is carrying out the program substantially as described in its application.

New approach. This is far different from the way low-income housing was being handled under previous laws. Up to now, the city didn't have to have a plan. Local housing authorities and other agencies authorized to sponsor housing subsidy programs would accept project applications submitted to them by developers and approve or reject them. Political pressure from the neighborhoods that became the site of low-income projects was tough for politicians to withstand, leading to furious political fights and turndowns of project applications.

Now a developer comes in with a project that conforms to a locality's own plan, as approved by HUD; if it's approved locally, okay. But if a zoning commission then turns it down, HUD must rule whether the city has violated its own plan. Unless the situation changes, HUD will then be required to cut back on the city's community development block grant.

One problem that worries spokesmen for the cities is that FHA officials aren't used to dealing with local officials; their experience is almost entirely confined to dealing with private developers. While the federal role is simple and seemingly uncomplicated, "this is not to say that HUD officials can't do their job

badly," one city lobbyist suggested.

Subsidy. The subsidy program that must be used to fulfill a city's housing plan is—for all intents and purposes—the leased housing program now known as Section 23, but renamed Section 8 under the new law.

The key to the program is the "fair-market rent" that HUD has determined for each of hundreds of housing markets. The HUD subsidy amounts to the difference between this rent (which can be as high as \$700 a month, according to one HUD official, in high-rent areas like New York) and 15% to 25% of a family's gross income. To get needed housing, the HUD secretary can approve rents which are 10% or even 20% above the fair market level.

Disputed rent scales. The proposed rents were published in *The Federal Register* in July. Sheldon Lubar, assistant secretary for housing production and mortgage credit, said that HUD had received 20 to 40 complaints that the rents were out of line in a particular area.

"We are re-evaluating them," he said, "and we will be at the market."

States' role. The officers of HUD are counting heavily on state financing agencies to expand their role in the program. Also, state agencies and local housing authorities can issue bonds of their own and get 40-year annual contribution contracts; private developers are eligible for only 20-year contracts. Developers, however, can go directly to HUD's officials with their proposed projects, which then can be approved if they conform to the city's housing plan.

There's no question that the new Section 8 program is the housing subsidy program, and that the old Sections 235 and 236—while still on the books—are still on the shelf as far as the Ford administration is concerned. Under the law, the Section 236 multifamily program is to be used if the HUD secretary finds that Section 8 housing isn't meeting a locality's needs. But Secretary James T. Lynn says that if a city's housing plan "isn't going to work under Section 8, it won't work under Section 236."

—D.L.

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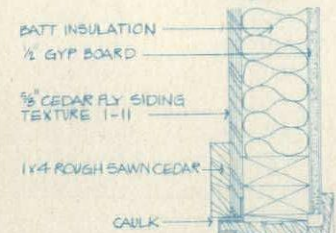
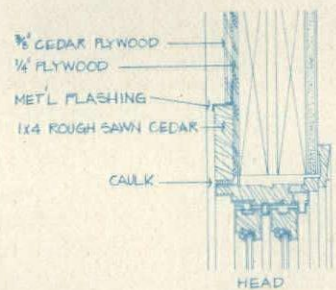
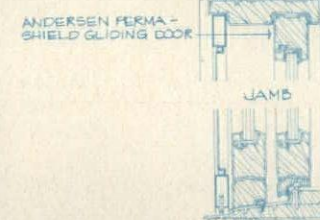
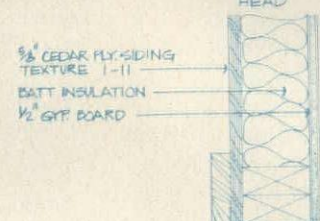
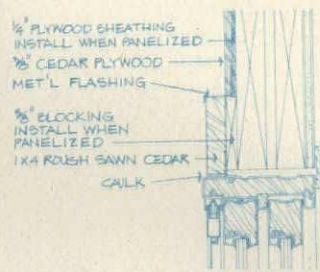
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Moonlighting clerics find a new ministry—managing apartments

"Bless you, my son—and the rent is due."

So might a greeting go to a tenant from the newest addition to the property management business, the resident minister-manager. Remanco Inc. of Chicago, a thoroughly secular manager of 7,000 rental units in 15 states, is trying this innovation in an effort to solve one of the rental industry's perennial problems: how to find qualified managers who work cheaply enough to permit their hire.

Robert Miller, president of Remanco, put it this way:

"The people we need are those who have professional skills in dealing with people. Where can you find a college graduate with such abilities to work for \$8,000 a year?"

Answer: In church. The Lutheran ministers he's been hiring work for rather more than that—a salary of \$7,800 to \$10,800 annually, a free \$250- to \$275-a-month apartment with paid utilities, life insurance in the amount of their salary, full non-contributory hospitalization coverage and 12¢ a mile when they use their cars on company business.

But Miller seems to think they're the solution.

"We had a tenant complaint letter every week in our Fort Wayne operation before we switched to a reverend for our resident manager," he explained. "Now we haven't had a letter of complaint in six months."

Stability. The turnover in at least one of Miller's four ministerially managed complexes has dropped to 15%-18%, although 25%-30% is considered normal. And the minister's denomination doesn't seem to bother tenants of other faiths.

Before turning to ministers, Miller said, he'd tried other sources of low-cost labor: widowed women, divorced women, husband-and-wife teams. The results were often unsatisfactory—high tenant turnover and frequent operational headaches, all of which cost the company money.

Clerical find. "We first noticed the potential ministers have for this sort of job some years ago in Milwaukee," Miller recalled. "We had a complex there that happened to be adjacent to a



The minister-manager at new Remanco complex in Yonkers, N.Y. is Donald C. Kretschmar, 30, (shown above and, with some of staff, below) formerly pastor in nearby Lutheran parish. He reports, "Tenants really seem to like the idea that I'm a minister."



church. The minister lived in the complex and when he went down to the pool to relax, it was like Christ coming to the water. Over a period of months we noticed our turnover rate improving. Tenants told us they wanted to renew because they had made a lot of friends through this minister."

Religion. Miller has worked through the Apartment Ministry Task Force of the Lutheran Church Council, an organization concerned with bringing religion to the notoriously non-church-going apartment dweller. Miller hired the first four minister-managers for jobs in Yonkers, N. Y.; Lisle, Ill. and Fort Wayne, Ind.

Miller found himself tapping, he says, a large pool of young clerics (he was looking for men 27 to 30) eager to become resident managers and to contribute services in a real-world environ-

ment. Nor do they necessarily regard such work as a stopgap while waiting for a parish to open up.

Nine more ministers are being hired for Remanco properties on the East Coast and in the Midwest. "In the next three years we expect 75% of our resident managers to be clerics," Miller said. All are Lutheran, so far, but Remanco is also soliciting ministers of other denominations.

Acclimation. "I'm not really

months to check on him. The cleric also must attend management seminars once or twice a year.

Good marks. Most observers of the experiment seem excited by it. The Rev. Richard T. Hinz, chairman of the Lutheran apartment ministry task force in Washington, D.C., wants to enlarge its scope.

"We intend to present the idea to the strategy and action committee, a forum for the 12 mainline Protestant denominations," Hinz disclosed. "We foresee all demoninations, including Catholics and Jews, taking an interest."

Joyce Houser, director of membership services at the National Apartment Association, also in Washington, expressed equal enthusiasm:

"Outside of Remanco we don't know of anyone trying this, but it sounds like a tremendous idea. The problem with the resident manager in the industry is becoming more and more acute. Any attempt to upgrade . . . is much needed."

Miss Houser said NAA recently started a certification and training program to alleviate the shortage of managers, but she conceded: "This idea sounds like it's even better than ours."

On loyalty. William Sally, vice president and general manager for the property management division of Baird & Warner, the big Chicago real estate company, is more cautious. "The use of ministers . . . might appeal to other owners of properties," he said, "but for ourselves, we're not sure. Ministers might just have two loyalties instead of one. We're trying instead to pay our resident managers more and move them up into the company faster."

But Remanco's Miller sees some benefit to such divided loyalties.

"A tenant," he explained, "isn't going to come up to a minister and say, 'You s.o.b., my hot water doesn't work.' With minister-managers we have at last established a certain credibility for the landlord. The tenant can't help but get the feeling that here is a man who doesn't only represent the owner."

—MIKE KOLBENSCHLAG
McGraw-Hill World News
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Flight of Fancy



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Britain's housing crisis: Inflation is a pain in the affluence

Last year a British homebuilder put up 54 single-family units 100 miles from London and near the Dorset coast. They were designed to sell for \$60,000. Now he's having a hard time moving them at \$34,000.

John Martin, an accountant from Manchester, is looking for a house in suburban London, where he was transferred earlier this year. He's reconciled to paying \$20,000 for a plot and at least \$70,000 for the house, and he considers himself lucky to find an 11% mortgage for 25 years. The house he has in mind is a three-bedroom bungalow that wouldn't sell for more than \$60,000 in even the higher priced areas of the United States—New York's Westchester Co. or the Washington suburban area of Fairfax County, Va.

Government aid. Martin and the homebuilder know as well as the most sophisticated economist that Britain's once-stable housing industry has reached a crisis from which it may never fully recover. Nevertheless, the Labor government is claiming some success in pumping funds into lending institutions, and mortgage companies themselves are, as one industry source put it, "trying to talk themselves into recovery."

"I'm frankly not optimistic," says David Eaton, the private-housing sales manager for George Wimpey & Co. Ltd. It is Britain's largest homebuilder and has about 7% of the market.

Housing has been one of Britain's steadiest economic sectors ever since it emerged from the depression in the 1930s. Building societies, comparable to savings and loan associations in the United States, offered a reasonable return on investment, and speculation in property was considered safe.

Inflation and affluence. In the 1960s a combination of factors began unsettling the industry. As Britain began to import more manufactured goods, inflation soared. At the same time, newly affluent consumers put more money into both building-society shares and home purchases.

The last Labor government tried to invoke some economic restraints but wound up with a recession in 1968 and 1969. A reverse in policy, known as reflation, was initially put into ef-



British family tries to sell its house. Many Britons bought extra houses for investment when prices were rising. Market fell, and now sellers quite often cannot find buyers.

fect by the Conservative government, which took power in 1970. Its move coincided with an unprecedented rise in materials and labor costs.

"At that point there was great confidence in the housing market," says Associate Director Norman Smith of the Home-Builders Federation. In the view of many, however, "confidence" was an understatement.

Sales trickery. What happened was that, by 1971, prospective home buyers were falling victim to gazumping. The word is a corruption of a Yiddish term and in this instance meant that, once a seller had agreed to sell a house at a specified price, he would look for another buyer willing to pay more.

The seller never had to look very far, for buyers feared that prices would go even higher if they waited to make a purchase. In normal times a seller would hesitate to gazump a prospect for fear of losing him, but in the early 1970s homebuyers were actually lining up at the building societies and real-estate agents.

The fear of rising prices itself spurred purchasers to buy as fast as they could. Thinking that it would be a good investment, many bought more than one house.

Interest rates. The same inflation that was putting more money into the hands of consumers had the predictable effect of pushing up interest rates.

Back in April 1963, a person could invest in building society

shares at 3.5% interest. One of the two key differences between S&Ls and building societies is that the latter offer tax-free investments. This means that the 3.5% was actually worth 5.71% to the taxpayer.

The actual tax-free interest rate that societies offered had climbed to 8.51% by April 1969 and had moved above that by late 1972. In 1972 the societies had an average monthly inflow of about \$360 million, and by early 1973 the figure had reached \$480 million.

Costs. The cost of materials and labor also skyrocketed. Using 1970 as an index point of 100, the cost of bricks had exceeded 150 by late 1973 and in April of this year stood at 177. Cement had risen only 27% between April 1970 and April 1974, but timber had climbed by a whopping 173%.

Labor costs in the homebuilding industry rose 25% from 1970 through 1971. And by the end of 1973 they were 70% above the 1970 level.

The great housing boom might still be going strong except that the vast inflow of capital into building societies began to decrease last year, just when materials and labor costs were increasing at their fastest. Many industry officials blame the Conservative government's inflationary policy for driving up interest rates to a point where the societies could no longer compete with other borrowers.

In the late 1960s they could let a homebuyer have a 6% mortgage, but by the end of 1973 the societies had to charge 11%.

Building curbs. Smith and the Home-Builders Federation also point out that by 1973 many local governments' new regulations on sewers and other planning restrictions had helped scare investors away from land development. And as money became tighter, land values fell.

"In June of 1973 housing starts were about 21,000," says Smith, "but then they began gradually to slow down. Now they're about 9,000 a month."

The upward spiral had quickly reversed, and many consumers who had bought a second house for investment found themselves hard-pressed to keep up mortgage payments because anticipated income boosts were

thwarted by the Conservatives' wage freeze. Now the depressed market has also prevented them from renting the second house for as much as they could last year and from selling it at anything but a loss.

Rescue effort. At the end of 1973 the housing industry had a quarter-million houses in various states of construction, while the building societies had a declining supply of mortgage funds to offer prospective buyers. In the first few days of 1974, in fact, the societies suffered a net outflow.

When the Labor Party took power last February, officials named housing as a virtual disaster area that would be given high priority. Harold Wilson's ministers vowed to increase spending in the public-housing sector and soon announced that \$1.2 billion in loans would be made available to the money-short building societies.

Refusal of aid. A second key difference between the societies and S&Ls is that the former offers a much more limited means for the British government to inject capital into the housing industry. Britain has no equivalent of Fannie Mae or the Home Loan Bank Board.

In a move that would surprise many American bankers, some building societies refused the government loan because it was made with the stipulation that mortgage rates not exceed 11%. By July 1, only \$720 million had been lent.

Anthony Crosland, secretary of state for the environment, believes the loan plan has been a success.

Crosland points out that building societies committed themselves to \$516 million in mortgages in May, an increase of \$146 million over the previous month.

Smith is less optimistic. Of the government loans he says: "These have eased the lending position considerably and encouraged confidence." But he says government loans don't represent a permanent solution.

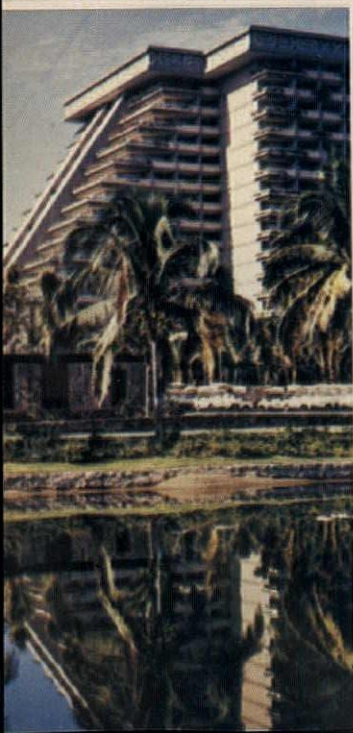
Builders' tactics. Homebuilders are making many substantial changes to encourage buying. Wimpey's Eaton, who believes that an increase in wages is vital to a resurgence of

TO PAGE 36

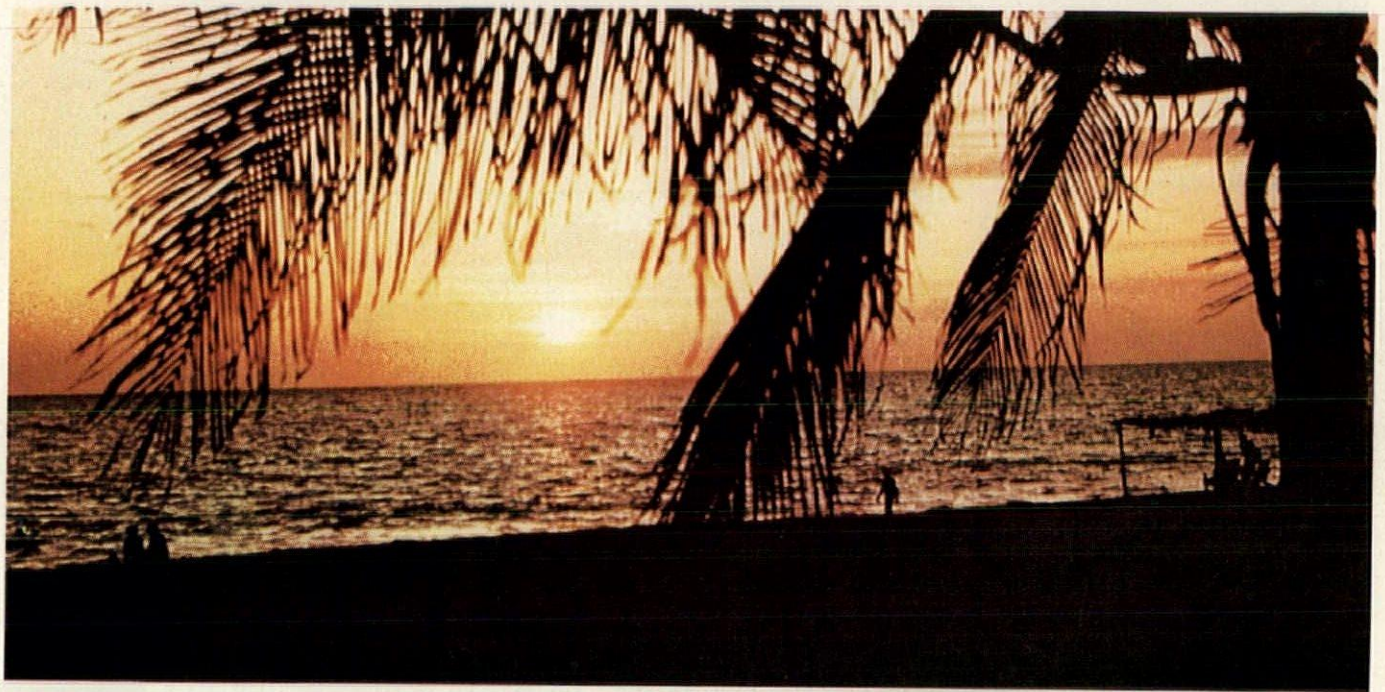
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It is a particular pleasure to extend to you, on behalf of our country and of the Mexican people, a cordial welcome to Mexico at a time when we are involved in an expansion of our tourism facilities.

Mexico has long enjoyed an enviable reputation as an ideal vacation land for tourists. Now, and for the past three years, Mexico has been engaged in the development of many exciting new areas to further intrigue even her most ardent admirers.

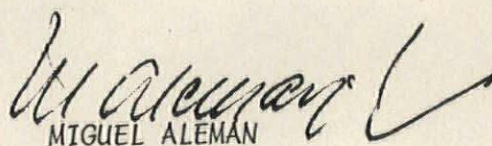
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The private sector has answered the challenge by planning and constructing a wide variety of hotel, condominium, private housing and commercial zone projects to meet the demands of today's discerning tourists.

Soon, such names as Cancún, Zihuatanejo, Ixtapa, Manzanillo, Bahía Kino, Cabo Bonito, Rincón de Guayabitos, San Blas and Puerto Angel will be taking their place alongside the old standbys like Mexico City, Acapulco, Guadalajara, Puerto Vallarta, Mazatlán, and The Caribbean Islands, such as Cozumel and Isla Mujeres, as tourist destinations. Yes, a great deal has been done. We invite you to join with us both in the development and the enjoyment of the tourist facilities in this wonderful land of ours.

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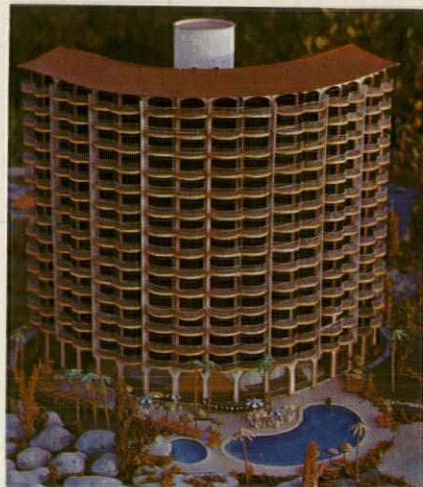

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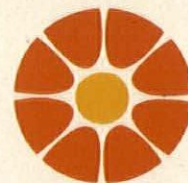
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on Mexican real estate trust legislation

The new opportunities offered to the foreign investor under the terms of a Presidential Decree of April 1971, have attracted many hundreds of home purchasers, condominium buyers and development investors to Mexico. Nevertheless, there still is confusion in the minds of many interested foreigners concerning the nature and spirit of Mexican Real Estate Trust Legislation.

First, it is important to observe that the Mexican Constitution specifically prohibits foreign ownership of land within 100 kms. of its borders and 50 kms. from its coastline. Thus, the possibility of foreign ownership within these limits does not exist. However, the many outstanding natural attributes of the country and its more than 6,000 miles of coastline offer resort development opportunities far in excess of the country's financial ability to develop them. And this inability to develop areas with high resort potential inhibits Mexico's overall economic growth. Therefore, the current Administration sought an instrument which would permit foreign participation in development, without violating the Constitution. The result is the Mexican Trust Legislation under question.

In essence, the trust is a legal instrument whereby a landowner (settlor) delivers land title to a trustee for a 30 year period for his exclusive use as beneficiary, under conditions of trust agreed upon by the settlor and the beneficiary. During the period any piece of property is in trust, it is not 'owned' by anyone, but full rights of 'possession', as determined in the trust agreement, inure to the beneficiary who may be either a foreigner or a Mexican citizen. The beneficiary may develop, lease, rent or convey beneficiary rights to anyone, foreigner or national and may sell the land outright to a Mexican citizen or fully-owned Mexican company by simply instructing the trustee to execute the transaction. In any trust operation, the responsibilities of the trustee are varied and complex. Recognition of this fact prompted the Mexican Government to limit the right of trusteeship to authorized banking institutions known as trust banks. Trust banks operate under the strict control of the Mexican Central Bank and the Banking and Insurance Commission, which serves essentially the same functions as the United States Securities Exchange Commission. This insures that only highly reliable institutions may become trustees in land transactions.

THREE TYPES OF TRUSTS: There are three types of trusts which are of primary interest to the foreign investor: the Family Trust, the Multi-Family Trust and the Development Trust. A brief example of the procedures followed in each type of trust will provide a clearer understanding.

1. The Family Trust. Suppose you wish to purchase a home or a piece of land to build a home. After selecting the land, you would negotiate a sales arrangement with the current owner as though you were going to purchase the land. It should be stressed that the purchaser is responsible for ensuring that land title is clear, and therefore it is advisable to engage a qualified Mexican law firm. Once you have this assurance, you and the landowner approach a trust bank, of which the Banco Comercial Mexicano is a prime example, and a trust agreement is drawn up. As a rule, the conditions of the trust are specified by the beneficiary and agreed upon by the settlor. In the trust agreement you become the beneficiary by paying the amount specified for the land. The original owner becomes the settlor, and the Banco Comercial Mexicano becomes the trustee. The actual land title remains in the hands of the bank, but the use of the land (within the stipulations of the trust) remains under your control. You may rent or sell the property simply by authorizing the trustee to execute such transactions. It must be noted, however, that outright sale of the land may only be executed to a Mexican citizen or company as defined in the Mexican Constitution.

2. The Multi-Family Trust. In this case you or a group of investors would like to purchase a piece of land, construct a multi-family building, such as a condominium, and sell the units. The procedure here is similar to the Family Trust, with the following exceptions. Since this is a commercial venture, it is highly probable that authority for this type of



One of Banco Comercial Mexicano's many resort developments.

transaction would only be granted to a 51% Mexican-owned company. Secondly, blueprints, statements of total planned investment and credit arrangements must be submitted. Thirdly, your promotion company becomes the primary beneficiary, the bank remains the trustee and the initial property owner is the settlor. As the condominium units are sold, the final beneficiaries, or the purchasers of the condominium units, receive a document of conveyance of beneficiary rights in which all pertinent details of the transaction are stated. This document assures the condominium purchaser of full usage rights to the property described in the certificate and, as in the case of the Family Trust, the final beneficiary may rent or sell the condominium or may convey the beneficiary rights to other foreigners. A variation of this includes the use of Certificates of Participation which in some instances facilitates this operation.

3. The Development Trust. You and a substantial group of investors have located a sizable piece of raw land which you wish to develop. Again, the initial procedures are very similar to those of the other two types of trusts. However, such projects usually involve rural land and the size and nature of the property determines the length of time necessary to obtain authorization for the project. It is almost certain that this type of project will require 51% Mexican venture capital.

Each Development Trust agreement must be drawn up according to its specific needs, but in general the initial promoters are beneficiaries to a Master Trust agreement which is kept flexible so that a number of different transactions can be undertaken within the scope of the Master Trust. For example, a Master Trust might call for the promotional group to provide for the infrastructural needs of the area and grant permission for the conveyance of beneficiary rights for specific purposes such as hotels, houses and condominiums. In every case, the final beneficiary has the full rights of use according to the terms of his Certificate of Conveyance.

We have necessarily simplified some of the trust procedures, particularly in the case of the Development Trusts, but the nature and spirit of the Trust Legislation is evident. Foreign participation in resort development is welcome. And we at the Banco Comercial Mexicano, Mexico's first full-service bank, stand ready to serve you in any aspect of trust development. For additional information, circle the reader's service card number on this page.

Resort Development in Mexico



Aerial view demonstrates vast potential of Nuevo Vallarta's extensive coastline.

**NUEVO VALLARTA
PHASE I OF BAHIA DE BANDERAS
TRUST DEVELOPMENT**

Nuevo Vallarta is a first! For the first time in Mexican history, government and private enterprise have joined together to develop a resort center which offers the guarantees of the Federal Government plus the innovative concepts and business practices of the private



The Trust is also charged with aiding local economic development.

sector. Just 7 minutes north of the Puerto Vallarta airport, at the mouth of the Ameca River, the Nuevo Vallarta phase of the Bahía de Banderas project is well under way. Chosen because of its ready accessibility and its outstanding topographic features, the property consists of some 1,150 acres of land with nearly three miles of beach frontage on the Pacific Ocean.

Its most prominent feature is an estuary that opens to the Pacific Ocean virtually at the center of the property. This estuary, which connects a lake just north of the property with the ocean, adds approximately five miles of water frontage to the property and when added to the $\frac{3}{4}$ mile of river, the total water frontage is $8\frac{3}{4}$ miles.

Nuevo Vallarta's timetable calls for the completion of access roads to the property, water, sewage and electrical power installations by December 1974. Each parcel of land sold will be serviced by paved access roads and all utilities underground as a part of the projected 24 million dollar initial infrastructural program. The development objectives call for the creation, from the presently raw land, of a deluxe resort complex designed with the concept of exclusivity for its users adapting the highest possible quality standards. One unique aspect of the design program is the plan for self-contained modular development sections which will have their own shop-

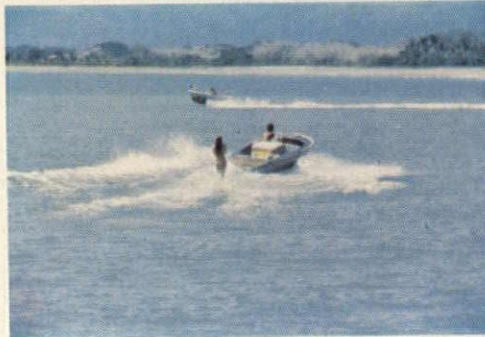
ping areas, hotels, houses, condominiums and other facilities to make each modular village an independent operating unit. In addition, the area will have an 18-hole golf course, a major yacht marina, tennis clubs, recreational centers, private clubs and virtually every conceivable resort entertainment.

Previous Obstacles Overcome. Puerto Vallarta, on Mexico's west coast, is an established resort destination of world renown. Notwithstanding its universal popularity, the development of the area around Puerto Vallarta has been considerably slower than anticipated due to a complex land tenure problem that affected the most desirable resort properties



↑
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ON NUEVO VALLARTA - PHASE I OF BAHIA DE BANDERAS TRUST DEVELOPMENT



The Trust recognizes the need to blend progress with local charm.

north of the famed port city. Thus, while demand has been quite high, the inability of developers or real estate brokers to obtain clear title or even clear right to usage of the land, made meaningful large-scale development impossible. Despite these drawbacks, the number of tourists and the demand for facilities have steadily increased. The International Airport at Puerto Vallarta now receives 85 flights weekly from all over the world. An excellent highway services the area from the north and from Guadalajara, Mexico's second largest city. The ultimate in modern ferry-boat service is available from Mazatlán, La Paz and Cabo San Lucas, while luxury cruise liners make the trip from Los Angeles.

Government Coordination. The serious problem of area development has been under careful government study since the mid-1960's, but it was not until late 1970 that action was taken to implement a long range development plan. First, coastal lands most suited to resort development were taken into trust by the Federal Government from the cooperative farmers that previously owned them. This trust, known as the Bahía de Banderas Trust, was assigned the specific responsibility of coordinating the economic and social development of the area. Later, special legislation was passed making it possible for foreigners to enjoy equity interest rights previously denied them by the Mexican Constitution. These basic steps set the stage for the booming, multi-phased resort development program that is currently under way.

Area Potential. Analysis indicates that there are currently some 2,000 tourist accommodations in Puerto Vallarta, of which only about 1,200 are class AA or A. Current figures show a shortage of over 2,000 quality hotel and condominium accommodations which, if installed before the end of 1975, would maintain a profitable level of occupancy. This, incidentally, takes into account only the existing transportational services which can and will be increased as needed. The Nuevo Vallarta project is designed to accommodate from 40,000

to 50,000 inhabitants, which reflects the current assessment of projected demand.

Nuevo Vallarta, S.A. is the company designation for the joint government-private enterprise venture which is charged with the development and marketing of Nuevo Vallarta. The firm is staffed to provide potential investors with such services as architectural design, engineering, construction contractors, financing and marketing.

Nuevo Vallarta is, however, only one of the many projects which the Bahía de Banderas Trust is undertaking to bring about the economic and social development of this vast coastal area. In addition to the several tourist centers that are planned, new industries are under development and a program of agricultural diversification, which is supplanting traditional crops with export crops, is steadily growing.

There is every reason to believe that this remarkable coastline from Puerto Vallarta north through the entire trust is entering into an unprecedented era of prosperity and growth, and the Bahía de Banderas Trust will be in the forefront of these activities. For further information circle the reader's information card number or write:

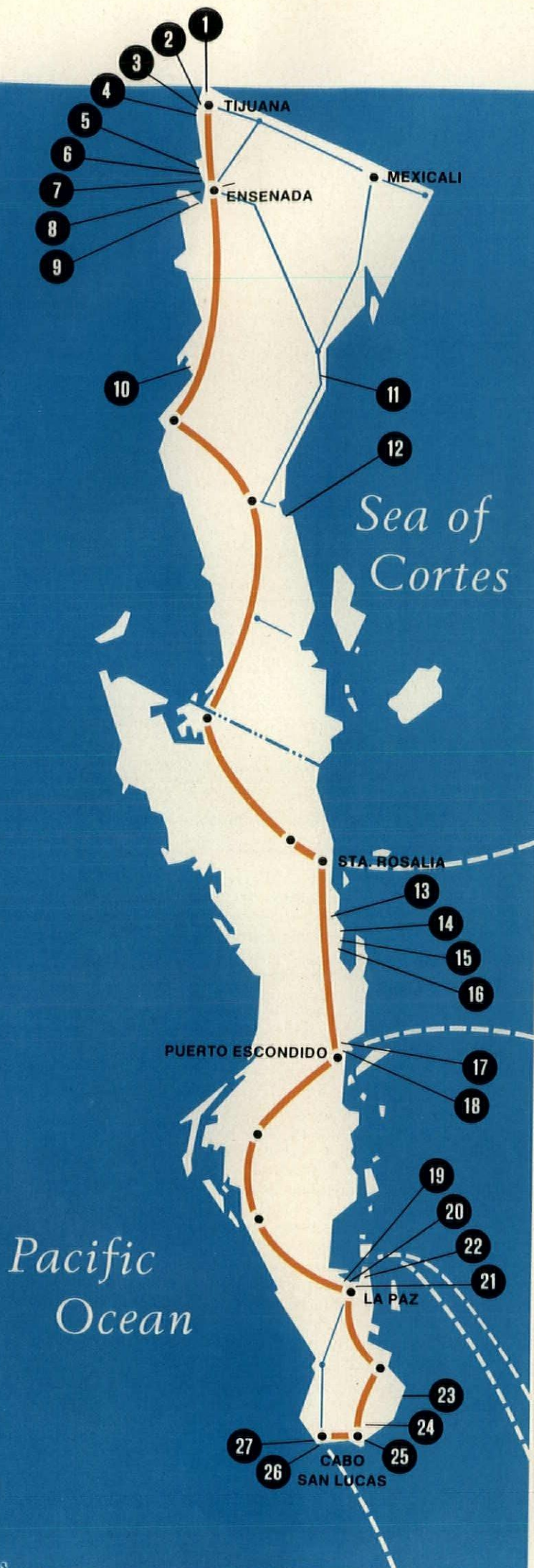
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Rancho Santa Anita. Lic. Arturo Puentes Flores. Isabel la Católica 44 México 1, D.F. Tel. 418-9020

9. PUNTA ESTERO

Grupo Sofides. Ing. Jorge Henriquez. Rincón del Bosque 63.

Mexico 5, D.F. Tel. 531-4515

10. SAN QUINTIN

Yates y Turismo, S. A. Lic. Enrique Pani. Reforma 369-1. Tel. 533-6120. Mexico, D.F.

11. SAN FELIPE

Lic. Eduardo Tonela. Monte Altair Esq. Alpes. Mexico 10, D.F. Tel. 540-2933

12. PUNTA WILLARD

Punta Willard, S.A. Reforma 752.

Mexico D.F. Tel. 514-0741

13. MULEGE

Banco Nacional de Obras y Servicios Públicos. Carlos García Ramos. Insurgentes Norte 423-1. Tel. 583-0022 Torre Nonalco, México, D.F.

14. EL LLANITO

15. EL COYOTE (ADELAIDO)

Yates y Turismo, S. A. Lic. Enrique Pani. Reforma 369-1. Tel. 533-6120. Mexico, D.F.

17. NOPOLO

18. PUERTO ESCONDIDO

Grupo ICA. Ing. Felipe Pescador. Minería 145. Mexico 18, D.F. Tel. 516-0460

19. CAMPESTRE LA PAZ

Arq. Rosell de la Lama. Insurgentes Sur 1915-602. Mexico, D.F. Tel. 550-2809

20. CENTRO LA PAZ

21. PUNTA LA PAZ

ADELAMEX. Rio Guadalquivir 50-2o. piso. Mexico 5, D.F. Tel. 533-6309

22. COSTA BAJA

Ing. Gilberto Valenzuela Jr. Campos Eliseos 385-8. Mexico 5, D.F. Tel. 540-0789

23. BAHIA DEL RINCON

FONATUR. Sr. Jerome Smith. Palma 1, San Angel Inn. Mexico 20, D.F. Tel. 548-2816

24. SAN JOSE DEL CABO

Banco Nacional de Obras y Servicios Públicos. Carlos García Ramos. Insurgentes Norte 423-1. México, D.F.

25. MISION VIEJA

Sr. Ernesto Alvarez Murphy. Cofre de Perote 205-10o. piso. Mexico 10, D.F. Tel. 540-0547

26. CABO BELLO

Sr. Mariano Mariscal. Lafayette 40. Mexico 5, D.F. Tel. 545-6328

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Nacional Financiera, S.A. Dept. de Fideicomisos. Ing. Roberto Cornejo. Venustiano Carranza 25. Mexico 1, D.F. Tel. 518-1680

CODIBAC

Commission for the Integral Development of Baja California.

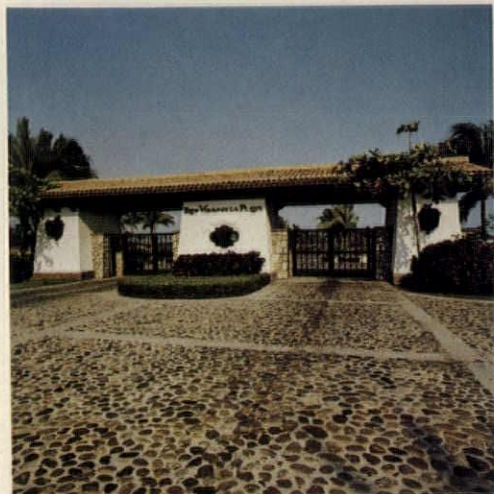
↑
the
Curtain's
going
UP!



TRES VIDAS en la Playa

Resort Development in Mexico:

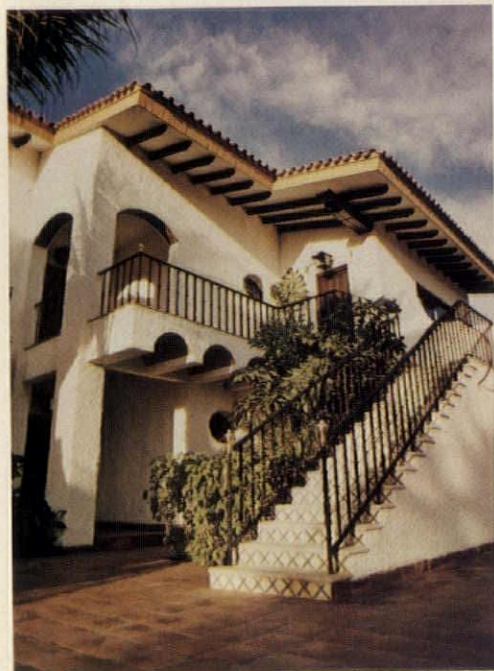
Elegance, exclusivity and expanding horizons



Ten minutes from the Acapulco International Airport, stretched along the beach between a peaceful lagoon and the rolling waves of the Pacific lies one of the world's most elegant and exclusive private resort clubs, Tres Vidas en la Playa.

Tres Vidas en la Playa, which means three lives on the beach, promises its membership relaxation, recreation and social communication. Its design and decor give evidence that this club was conceived for those discriminating members who know how to live and enjoy life.

From the imposing entrance with its neatly uniformed security guards, the Tres Vidas guest enters a completely different Acapulco. The rolling fairways of the American style golf course stretch out to the left while the blue Pacific Ocean blinks between the one and two story villas which stand between the road and the glistening white beach on the right.



The architecture is contemporary Mexican colonial with white stucco buildings and red tiled roofs that blend perfectly with the tropical landscaping. Straight ahead lies the recreational center of the club where two excellent restaurants, a number of small shops and boutiques, auxiliary services which include barber shops, beauty salons, sauna rooms with massage tables, and a swimming pool with a swim-up bar make up the nucleus of the completely self-sufficient resort complex.

The interiors of both the recreational center and the private villas feature high, wood-beamed ceilings and polished tile floors with furnishings and decor that combine with the architecture to provide an 'ambiente' of tasteful elegance and a feeling of unrestrained comfort.

The recreational facilities include two championship golf courses, one American style and the other patterned after the Scotch design. Hawaiian pro Jimmy Ukauka is always on hand to provide excellent instruction and tips on improving the game. There are 13 tennis courts with Don Budge, the only tennis grand slam winner, on hand to provide professional instruction. Naturally, with the lagoon nearby, there is fresh water fishing and excellent water skiing and sailing on the lagoon. A 45 ft. yacht is available for fishing or for simply cruising



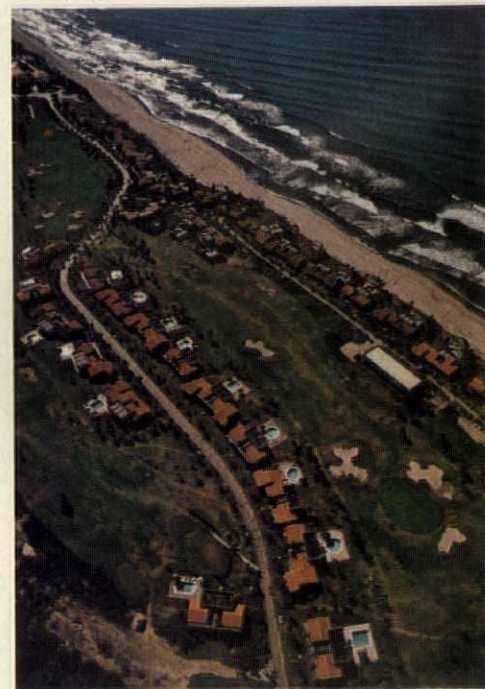
the tropical lagoon. The 65 ft. Enchantress is available for fishing and cruising in the Pacific. Other sports, such as horseback riding, hunting and skeet shooting are also available to club members.

With this imposing schedule of activities and the secluded, intimate atmosphere provided at Tres Vidas en la Playa, it is not surprising that its membership includes some of the most important executive officers from America, Mexico and Europe. The current composition of club membership is 40% American, 30% Mexican and 30% European. Tres Vidas en la Playa was initiated in 1969 and has operated as a pri-

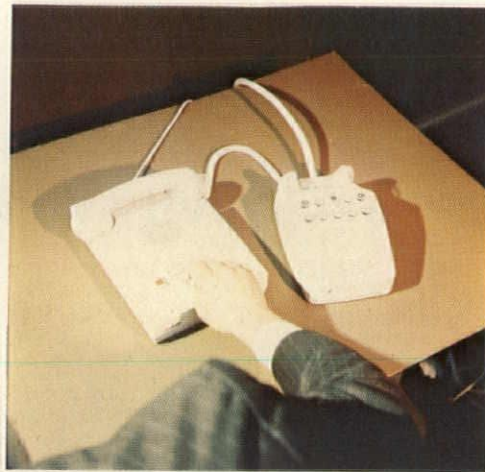
ate club to which founder members enjoy the rights of green fees, tennis courts and complete recreational facilities. Members have a special priority for the rental of one or more of the 100 private villas, each with its own swimming pool, or the 200 club suites with their semi-private pools. During the busy season, the club caters exclusively to members and their guests, but during the off-season (May-October), it is made available to the public through a membership promotional program.

This year, management has initiated plans which will greatly expand the club's membership and facilities through a modification in operating procedure. These plans include the construction of 292 additional two bedroom villas with living room, kitchen and bath, which will be offered for sale. Thus, the 300 existing units will remain the property of the club, but the additional units will be sold and the purchasers will become club members. Other installations planned include more tennis courts and restaurants, complete convention facilities (current facilities are limited to groups of about 100), additional public space and many new swimming pools.

Tres Vidas en la Playa is truly a haven for the busy executive and his family who seek relaxation, recreation and companionship in elegant surroundings with an exclusivity that is rarely encountered in today's busy, commercial world. As a result of the new plans for expansion, applications for membership in the world's most exclusive club are now being considered. For further information circle the reader's information service number on this page.



Resort Development in Mexico:



What lies behind the phrase 'A Bank with Modern Ideas'..

"The Bank With Modern Ideas" is not a mere advertising slogan for the Banco de Comercio. It is a motto summing up the progressive programming and operations of a dynamic institution that offers its clients a wide range of financial services, backed by the most advanced technology available.

CUSTOMER CONVENIENCE

Banco de Comercio provides the one-stop type of banking facilities that the modern, busy client demands, both at home and abroad. Whether the activity involves a simple deposit or a complicated international financing operation, it is quickly and efficiently executed with the aid of electronic equipment.

Payment of check by computer. Take, for example, the 'talking computer.' It is the only one in Latin America and is a veritable electronic brain which verifies whether a check is covered by deposits. The computer investigates, among hundreds of thousands of accounts, the one relevant to the operation and, within seconds, responds with a 'voice' answer. Check-cashing is no longer a chore.

Self-service deposit and payment. Waiting in line at teller's windows to make deposits is another drudgery that Banco de Comercio has eliminated. Now there is a self-service counter available and clients may deposit checks to their accounts or make credit card payments by simply putting them in a special envelope and leaving it at the counter. A special coupon attached to the envelope is filled out and detached by the client to serve as a receipt. This service is similar, of course, to the continuous deposit service, which consists of specially installed strong-boxes attached to the outside of branch office buildings. This allows the public to make deposits, or certain pay-

ments managed by the bank, on a 24-hour basis including Sundays and holidays.

Drive-in services. The telebank offers deposit, payments and cashing services to persons in automobiles. The client drives up to a television screen and conducts his business in a matter of seconds via pneumatic tubes which rapidly exchange money and documents for receipts.

Electronic savings accounts. An electronic computer has also been put to work in the bank's savings account system to speed and facilitate operations. Only a few minutes are required to open or add to a Bancomer Electronic Savings Account.

The Bancomer Credit Card. This is another major service that is electronically computed and controlled. 'On line' video terminals have been established to supply information to major consumer outlets concerning the credit-worthiness of card holders. Bancomer Credit Cards are recognized in more than 34,000 establishments throughout Mexico, including international airlines.

Nationwide service. Aside from basic banking activities, Banco de Comercio's more than 540 offices throughout the Republic engage in development financing, insurance underwriting and real estate management.

Trust operations. An integral part of the Bancomer system and of particular interest to foreigners is a resort development trust. This allows non-Mexicans to use lands along the nation's borders or coasts — which are prohibited from outright foreign ownership — for periods up to 30 years. The bank's Trust Department is fully authorized to establish and manage such so-called 'tourist trusts' and it has co-sponsored several international conferences to promote the program.

INTERNATIONAL PROJECTION

In the area of international activity, Banco de Comercio has representative offices in New York, Los Angeles, London, Madrid and Tokio. It is also a shareholder in the Libra Bank, a multinational institution with headquarters in London and created to help provide financing to developing nations.

One of the basic reasons for establishing offices abroad has been the promotion of Mexican business in the form of exports, 'in bond' assembly plants and joint investment ventures. The foreign offices thus must provide a wide range of information concerning Mexico's economy and financing facilities.

Directly supporting Mexican exporters, the Banco de Comercio's International Division offers the clients an entire packet of facilities ranging from credits for the import of production equipment and goods, the financing of inventories and the processing of documents, to the provision of trade insurance.

In order to encourage international participation in the Mexican economy, and to promote foreign sales, Banco de Comercio has a large information center to keep close tabs on all possible market conditions: demand, supply, price, quality requirements, transportation, documentation needs and monetary exchange regulations.

The bank also publishes an information bulletin which circulates among principal international banks.

Representatives of the Banco de Comercio travel throughout the world to attend international monetary conferences, trade fairs and banking conventions to aid in bringing together Mexican and foreign business interests for their mutual benefit.

'The Bank with Modern Ideas' is always on the job looking for more ideas.

↑
the
Curtain's
going
UP!

on Mexico's booming northwest...

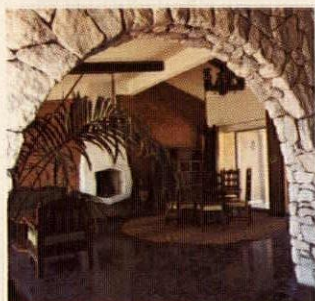
Kino del Mar, Paraiso Kino, on the Sea of Cortes

If you've been considering beachfront property, either for your own use or for commercial development, Kino del Mar Paraiso Kino will definitely be of interest to you.

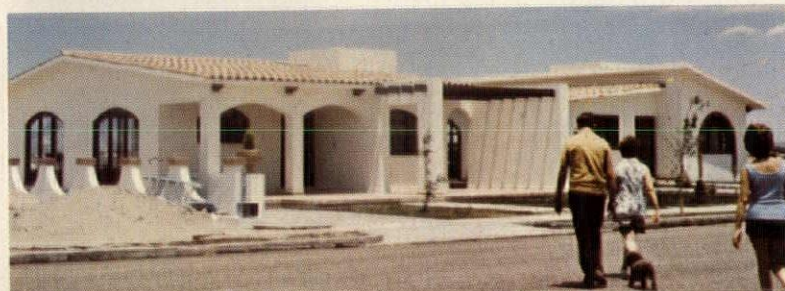
Situated on beautiful Bahía Kino, Kino del Mar is only 290 miles from Tucson and

is readily accessible by air from Los Angeles and the entire western United States.

Among the major attractions in the area are big game fishing, swimming, skin diving, water skiing, hunting and a practically humidity-free climate featuring 360 days of sunshine and cool breezy evenings. And its northern location, protected by the Baja California Peninsula, provides a year round sailing paradise. Kino del Mar has been underway since 1970. During that period over 20 million dollars have been invested in infrastructural development. There is now a plentiful supply of some of the purest water in Mexico and a special electrical sub-station. For this exciting new project the development of underground utilities and water line installations, to preserve the natural beauty of the area, are guaranteed by a completion bond.



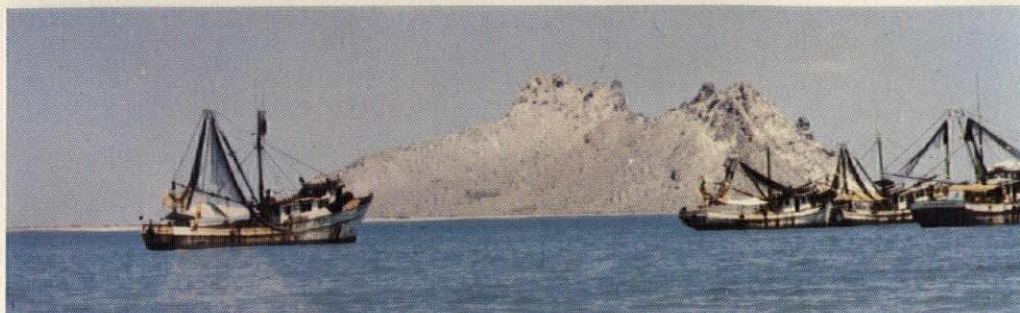
The fireplace is not a prop, for Kino's evenings are pleasantly cool.



Modern Mexican colonial architecture is typical at Kino del Mar.

As of this printing 48 condominiums and private homes are under construction. The styling features Mexican Colonial architecture with special Moorish touches inspired by the desert-like setting. This combination provides a unique, exotic effect which is pleasantly reminiscent

of Mediterranean resort areas. Hermosillo, gateway to Bahía Kino, offers the complete facilities of an international airport and there is a 4,000 ft. paved airstrip at Bahía Kino with an ample asphalted tie-down area to provide access to private plane owners.



Obtain HUD property report from developer and read it before signing anything. HUD neither approves the merits of the offer nor the value, if any, of the property.

giant lobsters abound in Bahía Kino's waters!

Resort Development in Mexico:



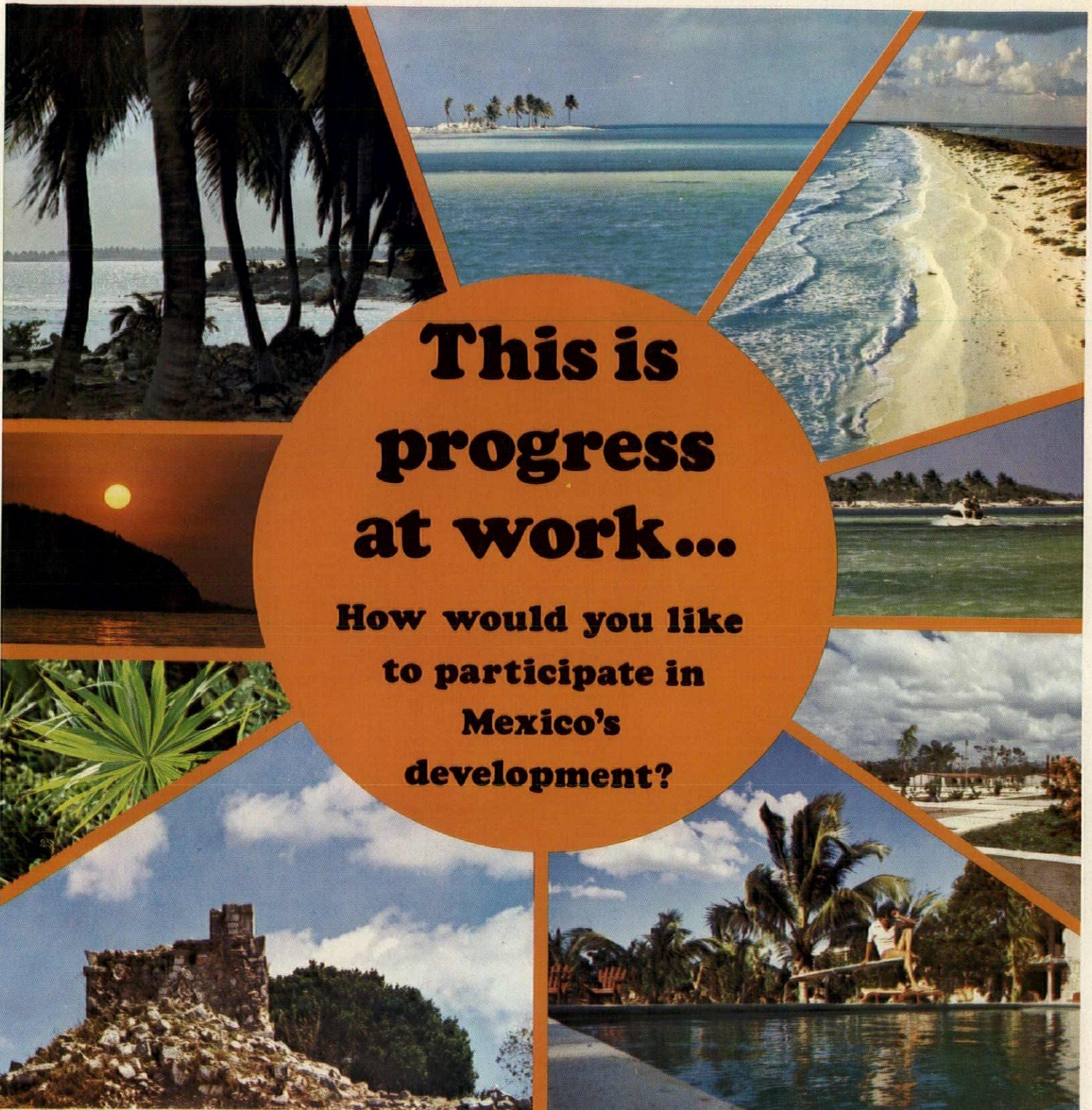
Since Kino del Mar is located on a peninsula, a majority of the houses and condominiums have a two way view of the water. To the west, the Sea of Cortés and to the east, the estuary of the Sonora River, which provides excellent sailing and is rich with crabs and clams which are yours for the taking.

Foreign participation welcome: As a result of a Presidential Decree issued in April of 1971, the Mexican government has made it possible for foreign citizens to participate in coastal resort developments of this nature. Either private citizens or commercial developers can secure an equity interest—not a lease—in beach front property in old Mexico through a Master Trust handled by an authorized Trust Bank. Kino del Mar-Paraiso Kino land title is further insured by U.S. title insurance to provide the purchaser with maximum protection.

With the recent restrictions placed upon the development of beachfront properties in the three major western states of the United States, Kino del Mar-Paraiso Kino provides a pleasant answer to the beach lover's dream. Become a part of the fast-growing Mexican resort development Panorama!

Write to:
Grupo Marín
Blvd. Rodríguez y Veracruz
Hermosillo, Sonora





**This is
progress
at work...**

**How would you like
to participate in
Mexico's
development?**

Photos: Cancún Island

Mexico is one of the world's greatest centers for the development of tourism. It offers everything the demanding person requires: superb climate, rich cultural heritage, miles of unspoiled white sand beaches... and above all, and most important... political and economic stability.

Many foreigners have participated in the development of Mexican tourism by employing the services of a Bank Trust.

Banco Nacional de México with a banking experience of more than 90 years, has a Trust Division that was, established over 40 years ago. In the last three years this Division has executed numerous trust operations in housing developments, condominiums and hotels in tourist zones all over the Mexican Republic, thus assuring a safe and professional handling of your operations in Mexico.

For more information regarding Banamex Trusts, please contact:

TRUST DEPARTMENT
Isabel la Católica No. 44
MEXICO 1. D.F.
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A large, stylized sun is embroidered on a blue, textured fabric. The sun's face is a solid, textured red, and its rays are made of thick, yellow-green threads. The background fabric has a fine, grid-like texture.

House & Home's
Second Annual
Conference on Resort
Development Opportunities

IN
MEXICO

Acapulco, November 25, 26 & 27

House & Home's Second Annual Conference on Resort Development Opportunities in **MEXICO**

Acapulco,
November 25, 26 & 27
The Princess Hotel

Last year, if you had attended House & Home's Mexico Conference, you'd have discovered a boom market on the brink, with all the opportunities—and problems—that a boom creates.

This year, you'll find that the boom is maturing and growing. More and more foreign tourists—especially Americans—have discovered Mexico's superb climate and lovely gulf and oceanfront land. And as a result . . .

. . . the Mexican government is increasing the number and scope of programs aimed at encouraging foreign investment in resort areas

. . . the Mexican financial community is actively working to facilitate foreign participation in resort development

. . . the Mexican building industry is seeking joint-venture partners who will bring both financial strength and development know-how to resort projects

. . . and more and more Mexican resort areas are being opened or expanded to take advantage of the increasing influx of tourists

But working in Mexico, either as a developer or an investor, you have to know the rules of the game. And they're very different from the rules you're used to.

That's why at House & Home's conference you'll find out about . . .

. . . the regulations governing foreign investment in the coastal areas which constitute much of Mexico's finest resort land

. . . how to avoid the problems that can arise from the so-called "ejidal lands"

. . . what the 30-year trust is, how it works, and what are its implications for the future—both immediate and distant

. . . how to take advantage of the Mexican government's investment and preliminary development in some of the country's prime resort areas

. . . what the opening of the new highway that runs the length of Baja, California, is doing to tourism in Mexico

. . . how the U.S. investment community currently sees the opportunities—and the problems—of resort investment in Mexico

. . . how to identify the Mexican market areas that leading developers—both Mexican and U.S.—have found to be the strongest for resort sales

. . . how to negotiate the legal maze of SEC, HUD and state blue-sky regulations necessary to market Mexican resort projects in the U.S.



Most important, the conference is a forum where for three days you'll have the chance to sit down and talk in informal sessions with Mexican bankers, government officials, landowners, architects, planners and builders who make up the resort development community, and who could end up as your partners in a Mexican resort venture.

You'll hear from these and other experts



Max Huntoon
Managing Editor
House & Home
Conference Director



Antonio Enriques Savignac
Director &
Special Trustee
Fonatur



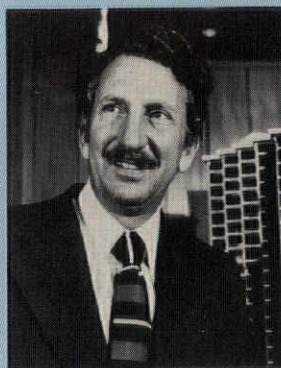
Jorge Couttelenc
President
Nacional
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Real Estate
Commissioner
State of California



John J. Mooney
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Division of
Corporation Finance
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Assistant Director
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de Mexico



Mario Casco
Chief Executive Officer
Commission for
Development of
Baja, California

House & Home's SECOND ANNUAL CONFERENCE
ON RESORT DEVELOPMENT OPPORTUNITIES
IN

MEXICO



Conference Headquarters: Acapulco Princess Hotel y Club de Golf, Acapulco, Mexico

Conference Registration

To register, please complete and return the coupon below to Mexico Conference, House & Home, McGraw-Hill, Inc., 1221 Avenue of the Americas, N.Y., N.Y. 10020. Or you may register by calling (212) 997-6692. Registration must be made in advance of the conference. All registrations will be confirmed by mail. Residents of Mexico may register by contacting RKL y Asociados, Rio de la Plata 48, Mexico 5, D.F.

Fee

The full registration fee is payable in advance and includes the cost of all luncheons, workbooks, and meeting materials\$395.

Cancellation

Registrations may be cancelled without charge up

to 10 days before the conference date. Registrations cancelled later than this are subject to a \$50 service charge. Substitution of attendees may be made at any time.

Hotel Reservations

While all attendees should plan on arriving in Acapulco Sunday November 24th at the latest and departing Wednesday November 27th in the afternoon at the earliest, the Acapulco Princess is holding a limited block of rooms for those who wish to arrive as early as the 22nd or stay as late as the 28th. If desired, House & Home will make arrangements for room reservations at the Acapulco Princess for those attendees whose conference registration is received by October 31st. Check box in coupon below. A \$50 deposit, payable to the Acapulco Princess, must accompany each room reservation made through House & Home. If space at the Acapulco Princess is unavailable,

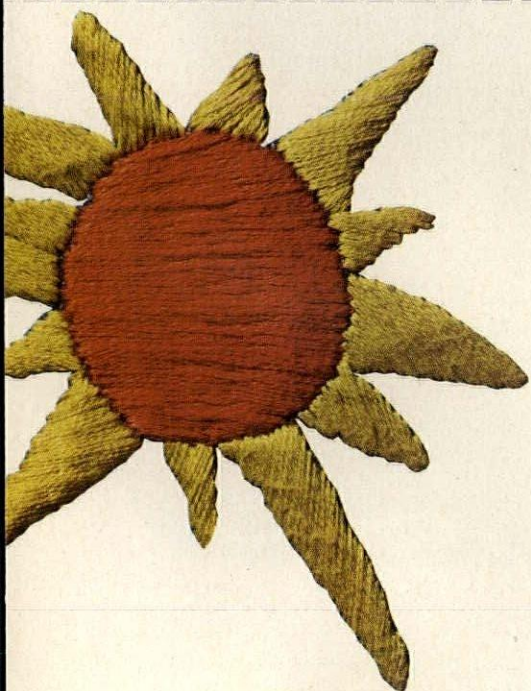
House & Home will recommend other comparable hotels in Acapulco. Hotel space in Acapulco is tight, so to be sure of the accommodations you want we recommend that you make your reservation now.

Dress

Acapulco is an extremely casual place with suits and even sport coats virtually against the law. For the ladies, anything goes as long as it is cool, colorful, casual and comfortable.

Tax Deduction of Expenses

An income tax deduction is allowed for expenses of education (includes registration fees, travel, meals, lodgings) undertaken to maintain and improve professional skills. See Treasury regulation 1.162-5 Coughlin vs. Commissioner 203F. 2d 307.



A 10B

Mexico Conference

House & Home
McGraw-Hill, Inc.
1221 Avenue of the Americas
N.Y., N.Y. 10020

Gentlemen: Please register me for your second annual Conference on Resort Development Opportunities in Mexico to be held November 25-27 at the Acapulco Princess Hotel y Club de Golf, Acapulco, Mexico.

- Check payable to House & Home enclosed.
- Bill me

See hotel reservations section above and check one box.

- I'll make my own hotel reservations.
- Enclosed is my check payable to the Acapulco Princess Hotel, covering the deposit fee for _____ room(s) at the Acapulco Princess Hotel. I will arrive on ____/____ and check out on ____/____.

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone (Area Code) _____

Additional registrations from my company:

Name _____

Title _____

Name _____

Title _____

Alas for Alaska, the Pipeline State: homes needed, can't be had

"Early this year mortgage bankers predicted 5,000 housing starts for the greater Anchorage area during 1974," said Robert A. Riddell, director of the U.S. Department of Housing and Urban Development in Alaska.

"A later survey by our insuring office indicated about 3,000 starts during this period. Now even this prediction is optimistic. We will be lucky if we see 1,500 starts."

In a community where the average family spends more than 30% of its income on home ownership, a cut-back in home construction can have a serious economic effect. That's especially true when the difficulty is compounded by the pressures of Alaska's pipeline construction. Pipeline crews often have to live in tents.

Obstacles. The market-place confusion that the housing figures relate is not peculiar to Anchorage. While the state's housing needs are surging because of the construction of the trans-Alaska pipeline, the private sector's capacity to provide those homes is shrinking.

The rising cost of materials, higher wages, tighter mortgage money and the lack of buildable land are all problems that affect the lower 48 states, but they are magnified in a state as remote as Alaska.

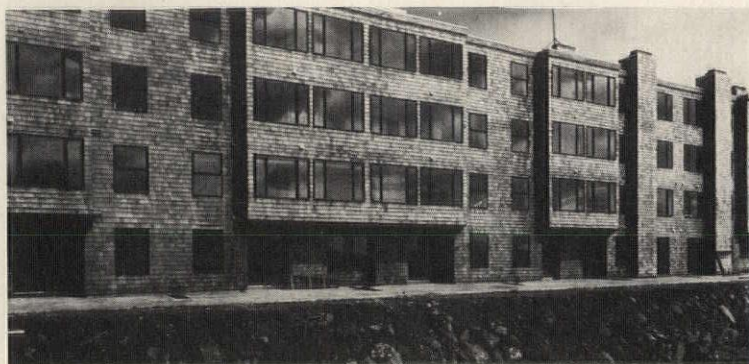
The state has its particular problems, too. The climate allows only a short building season and demands special consideration in house design. Temperatures of 50 and 60 below zero, with permafrost soil conditions, add to the complexity.

Financing. The screw tightens when it comes to mortgaging.

"It costs me 14% plus 2 points for my money," said Chuck Homan, vice president of the Alaska division of Coast Mortgage Co. of Seattle. "We now have about 250 homes under construction, but this is running behind last year. Some of my best builders, guys who consistently build a quality house at a profit, are sitting on the sidelines. They are being pushed out."

Alaska's usury laws, which do not allow interest rates higher than 10% for any loan of less than \$100,000, add to the crunch.

"The FHA's financing is out of the question for almost all our



The Harbormaster, a condominium with view of small-boat harbor in Ketchikan, Alaska; Developer was Team Research & Planning Co. of Seattle; lender was Alaska Federal S&L. Prices range from \$51,950 to \$55,500.



builders," says Mick Dyer, president of the Alaska Home Builders Assn. "Our average house sells in Anchorage for \$60,000-up. This is a typical split-entry of about 1,600 square feet. With the FHA's maximum financing at \$49,500, it is just not competitive. Conventional financing is the only way, if you can get it."

Price rises. Most small builders cannot get the financing they require. One builder in the four-to-five-houses-a-year category said his \$45,000 house of last year was now selling for \$55,000. Yet his profits were expected to drop 20%. He could not get the financing to stock up on building materials or to buy land for building later.

"One of our members," said Dyer, "who has consistently built more than 200 houses a year, planned for 300 this year. He will actually build only 35."

Homan, looking at the problem from his vantage point as supplier of money, sees no break for the small builder.

"The usury law, our interest-differential cost (the difference between revenues from money lent at previous lower interest rates and the cost of today's capital) and the shortage of money nationwide all aggravate the situation," he said. "Our home office has even requested a cutback in loans."

One mortgage company has cut its staff 35% in 40 days.

Industry's new look. The large builder and the builder-developer are at a distinct advantage. But the tight market has forced changes in the make-up and operation of many building companies and of what they are building.

William Gamel, partner in EGE Enterprises in Anchorage, compares the average Alaskan builder to himself: "He is in his early to mid-thirties and has probably been building for less than ten years."

But unlike many of his fellow builders, Gamel has gone into developing his own land and has hired four men who formerly had their own building companies. One decided to pack it in last year. "I decided to quit when I paid my foreman \$26,000 and paid myself \$5,000," he said.

Small builder's exit. Aside from the obvious economies of developing one's own land, builder-developers like Gamel can get more favorable treatment from lenders. Homan points out, for example:

"I would much prefer to make one large loan for a large development than several smaller ones."

Dyer forecasts the end of the builder in the low middle range, perhaps up to 40 homes a year. He explains:

"We will always have some of the small custom builders, but those who cannot afford to so-

phisticate their operations with up-to-date accounting and budget procedures—perhaps with computers—and those who cannot maintain sizable inventories will be forced out."

Materials. Carrying inventories as a hedge against shortages has become a way of life since the energy crisis, but Alaska's logistics compound the problem. Much of the state is reachable only by air or sea. The small highway system is prone to rock or snow slides and washouts.

Construction of the Alaska pipeline is also taking a toll of supplies and building materials. Freight is frequently backed up in Seattle ports to await delivery, and many shippers are diverting their business from the usual commodities in favor of more profitable ventures. One barge company took its six barges off the Anchorage run to take supplies to Prudhoe Bay.

Land. In Anchorage, the largest growth area and commerce center for a state one-fifth as large as the rest of the United States, it would seem strange to talk about a shortage of buildable land. But that is exactly the case.

Anchorage is on a triangular peninsula with water on two sides and military and mountains on the other.

"We've used almost all of the buildable land," says Dyer, "and now we are building on what would normally be considered undesirable land."

Permafrost has been found in the soil. One house was unknowingly built above a permafrost layer that was 20 feet below ground level, and it sank two feet in 45 days. The heat radiating from the house had melted the permafrost. Reputable builders are now taking soil borings on all lots.

And—inflation. The shortage of land and the phenomenal growth of the population have of course led to rapid inflation in the price of lots.

"A lot of 8,000 to 9,000 square feet that cost the developer \$11,000 or \$12,000 in 1973 is now costing him \$15,000 to \$16,000. This is for prime building land, but the lower cost of poor land is offset by the cost of excavation, filling or other operations to make the land usable.

The shortage of both prime

TO PAGE 36

Alas for Alaska: housing badly needed, can't be had continued from page 35

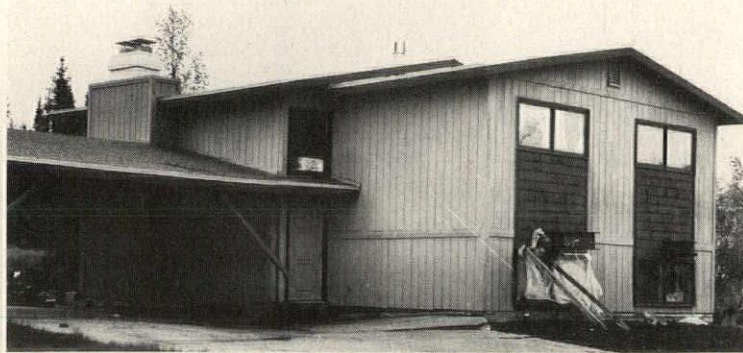
land and financing has swung some builders and developers in Anchorage away from the traditional single-family residence to condominiums on the drawing boards.

Market demand. Condominiums are not traditional Alaskan residences, and they are aimed at upper-income families. The tide of people from the lower 48 states has provided a ready market for condominiums, however, and one development of 16 townhouses on 1½ acres sold out in two weeks.

Labor is, of course, an essential part of the Alaskan equation. Many of the best workmen have gone to work along the pipeline, where they can put in six or seven 12-hour days a week. Gamel claims he is paying 25% to 50% higher wages this year than in 1973.

No easy entry. Most outside builders coming to Alaska have not done well, says Homan. He cites the severe climate, logistics, the lack of large markets and improper marketing as the cause.

"I recently lost a 51-house prefab development project in the critically needed \$48,000 to \$50,000 bracket," Homan goes on, "because the builder, Pacific Home Builders of Portland, couldn't get shipping." And he says he has had similar difficulties in projects with CHG Inter-



House on ice typifies problems of buildings in Alaska. This house was constructed above an ice seam in Anchorage. It settled 2 feet. Builder jacked it up and replaced the foundation, but it sank again. He then bought it back.

national of Tacoma and the Hebb and Narodick Construction Co. of Seattle.

Builder Gordon Hobbs of Tigard, Ore. seems to have found the secret, however. His Pacific Coast Home Builders is placing 30 prefab units near Fairbanks and is competing successfully

with local contractors. The Hobbs company shipped before the present crunch and is handling the entire placement and sale effort by itself.

The weather takes a toll. Christiana Western Structures, a division of the Christiana Companies of Santa Monica, Calif.

Soon available in your town: retrofitted housing

Never heard of retrofitting?

An Associated Press item says it may become commonplace among homeowners ere long.

The Federal Energy Administration (FEA) term, the AP notes, means "improving an existing home to reduce energy consumption"—that is, adding more insulation, and all that sort of thing.

Those folks at FEA must have hired someone from the

aerospace industry, where the word has long denoted the installation of new and improved equipment in older aircraft. The same fellow apparently dubbed an experimental computer service Project Conserve. Underneath its sci-fi name it analyzes energy use and recommends home improvements to owners. (Conserve, AP reports, is being tested in Danbury, Conn. and Topeka, Kan.)

put up 50 modular units in Anchorage, using sandwich-wall construction coated on the outside with a urethane paint. The winter cold cracked the paint severely and all 50 homes required repainting.

The result of this setback, plus poor marketing, says Homan, was that the company made no money on the project and dropped its option for 200 more lots. We now have only a couple outsiders inquiring about possibilities in Alaska," Homan says.

Tomorrow. Yet the market is there—if only it could be supplied. From February to May, more houses were sold in Anchorage than were offered for sale. That dug deeply into the inventory. In June, there was only a 30 to 45-day inventory of houses.

Homes in the \$40,000 to \$50,000 category, unavailable under current market conditions, will continue to provide a potential market. The emergence of the native corporations in Alaska is important, for financially sound entities will almost certainly open up new markets for housing in the bush and in Alaska's many rural villages.

The future is promising indeed, but right now, homebuilding is out in the cold.

—LEE HARRISON
McGraw-Hill World News,
Anchorage

Housing crisis in Britain: Inflation is a pain in the affluence continued from page 18

the industry, says his company is scaling down the size of its houses. It hopes to make the units more attractive to prospective buyers, whose savings have been eaten away by inflation, and to building societies, whose ability to lend has rarely been more meager.

Builders such as Wimpey are also relying more on timber, and Eaton predicts that the trend will continue. "It's certainly not that timber is cheaper," he says, "but it offers a way to speed construction. That's a key factor in any labor-intensive industry."

Wage increases. Eaton and others in the sales end of the industry have also relied on the Labor government to let wages rise. Here the changes look good. The 7½% pay-raise guideline, inherited from the Conserva-

tives, expires this fall, at a time when Wilson may call a general election. In July increases of 100% to 200% were approved by

the pay board for cost-of-living allowances for workers in London. The move affects two million employees and means that

those in central London may now get a \$960 yearly allowance and those in suburban London \$480.

Political challenge. Few in the industry doubt that the crisis will be overcome by any but political solutions.

"The basic problem is how to hold mortgage rates down and still make loans available for houses that are increasing in price," says one building society executive.

In the next few months Britain will see either the success or failure of the government's loan plan and of homebuilders' cost-cutting moves.

"But until confidence is restored," warns Smith, "no solution is going to be permanent.

—DON EDIGER
McGraw-Hill News, London

NEW HOUSING ORDERED FROM BUILDERS

(Seasonally adjusted, average quarter in 1970 = 100)

	All new housing	Public housing	Private housing
1971 quarterly average	102	85	117
1972 " "	116	87	141
1973 " "	107	79	130
1973 first quarter	130	78	175
second "	108	87	126
third "	102	82	120
fourth "	86	70	100
1974 first quarter (prelim.)	78	78	78

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Thousands of lives might have been saved with installation of devices like Kwikset's new early-warning Fire Alarm.

The Kwikset Fire Alarm (No. 355) can actually alert occupants to the existence of fire before there is any noticeable flame or smoke. Only an ionization detector will do that.

The Kwikset alarm's ionization process constantly monitors the air and sounds a loud, intermittent piercing alarm as soon as it de-

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The Kwikset Ionization Fire Alarm (No. 355) can be installed on the ceiling in a few minutes. The special, long-life battery which powers the alarm eliminates wiring and permits simple and easy installation. When it's time to replace the battery, the unit's internal alarm will give a beeping warning signal intermittently every minute for a duration of seven days.


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For further information on Kwikset Fire Alarm, contact Kwikset-Anaheim, Calif.

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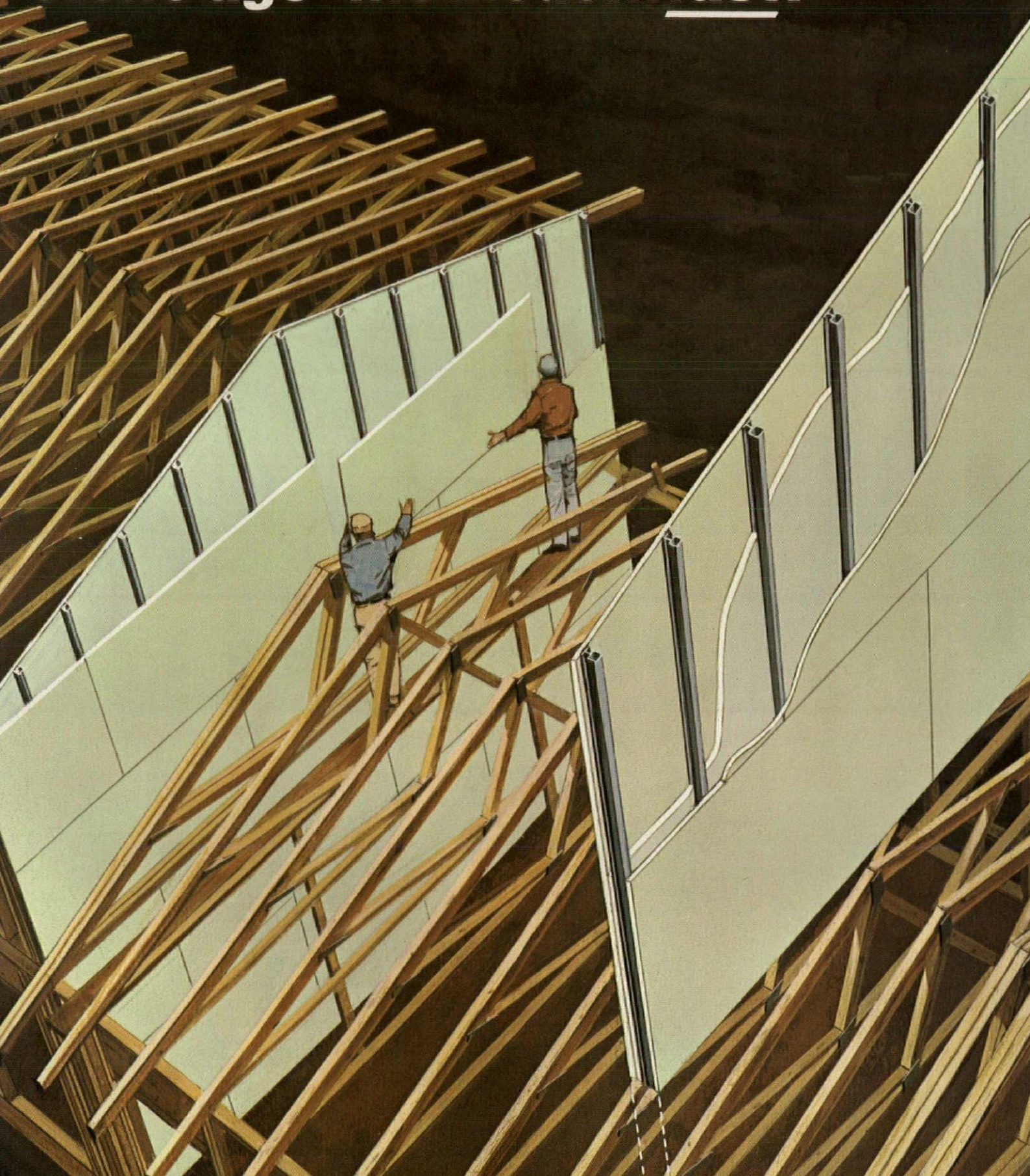


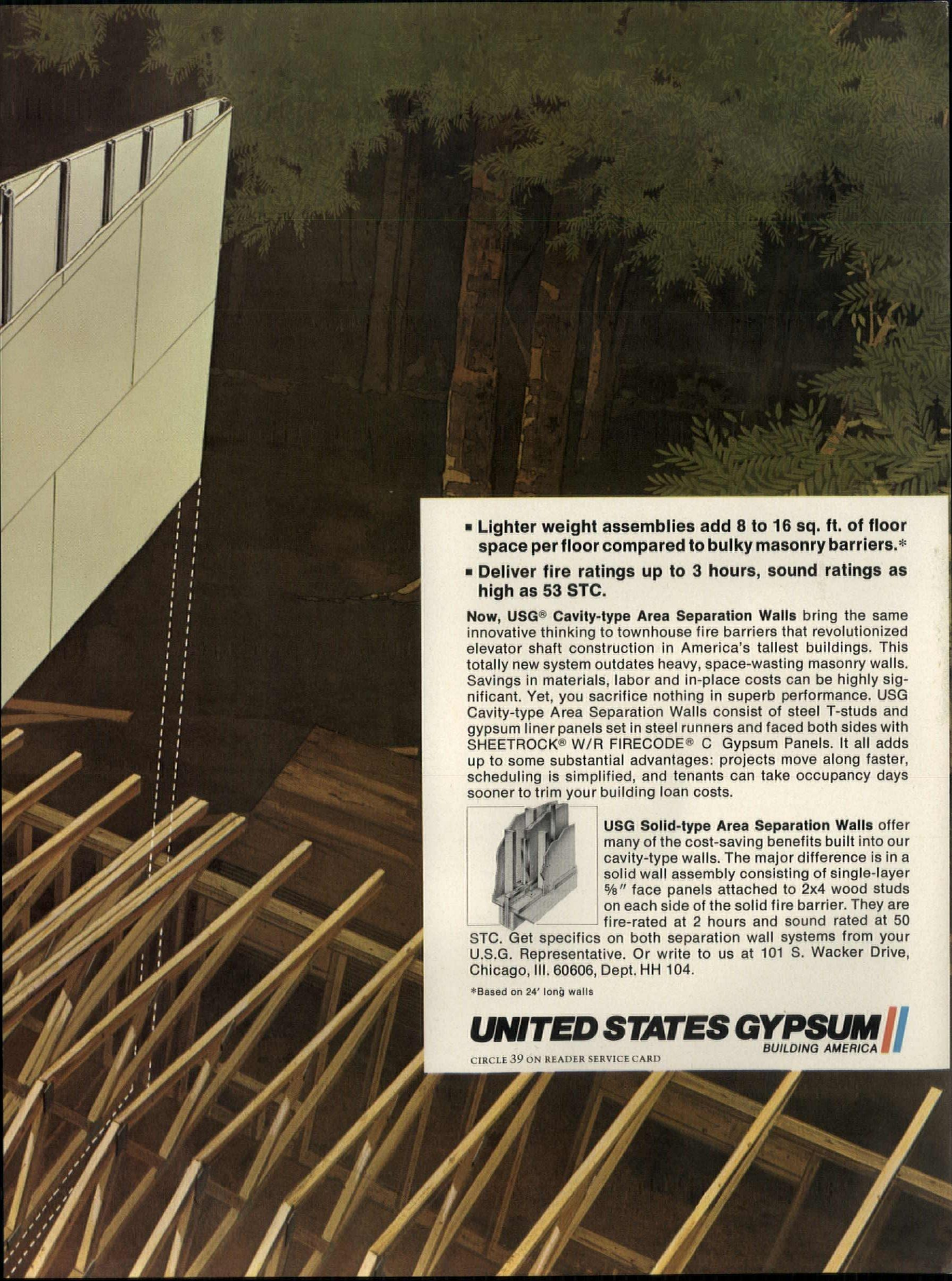
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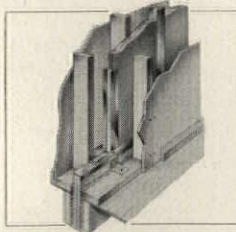
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E → A Subsidiary of Emhart Corporation
E → In Canada-Kwikset Lock Division, Belleville, Ontario

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“stone age” methods... fast!***



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CIRCLE 39 ON READER SERVICE CARD

Courts are asked: Must builder protect buyer from himself?

If a planned unit development isn't paying its way, can a builder alter his plans to finish the project?

Is there a fiduciary relationship between builder and buyer that obliges the builder to protect an unwary buyer?

And must a builder duplicate his models down to the smallest detail?

These are questions at the heart of a growing number of lawsuits against homebuilders in the Chicago area. Irate homeowners in five suburban developments don't think that builders can alter plans in mid-project. They do think builders are obliged to protect the buyer from himself. And if the builder displays a model, the buyers maintain he should build the sale houses exactly so—down to detail.

Defendant builders. The buyers are acting independently of each other but are relying on the same attorney, Mark J. Muscarello of Wotan & Muscarello, Elgin, Ill. They are asking the courts for millions in settlements and punitive damages in separate suits against the Illinois divisions of the Tekton Corp. of Oak Brook, Ill.; Centex Corp. of Dallas; and Levitt Residential Communities Inc. of Lake Success, N.Y.; and a local condominium builder, Hollywood Builders of Skokie, Ill. Muscarello comes to these suits fresh from winning a multi-million dollar judgment against the Larwin Corp. of Beverly Hills, Calif., for shoddy construction in its Greenbrook subdivision near Chicago [News, Apr. '73].

The suit against Tekton focuses on its posh Lake Hinsdale development in Willowbrook, 30 miles west of Chicago. The project is a mix of townhouses and condominium apartments selling at \$50-\$60,000.

According to twenty owners, Tekton's slogan for the development, "All that life should be," is something less than accurate. They claim that while Tekton promised a fixed mix of townhouses and condominiums, the firm changed its mind in mid-development and sold off land to another builder. They think Tekton disregarded pre-annexation agreements as to what was to be built—and so violated the fiduciary obligations of the



Lake Hinsdale dispute involves charge by owners of Tekton townhouses (left) that Pulte units (right) are incompatible with project. Tekton owners also say that the Pulte units, with backs to lake, spoil view from the Tekton side.



buyer-builder relationship.

Tekton defense. Robert Russo, Illinois division president for Tekton, admits that Tekton did change its mind, but he feels the switch was made in above-board fashion.

"Our selling-off of the townhouse sites did not change the mix," Russo said. "We did go into the village and ask to switch some townhouse areas to condominiums, but the owners had the right to come to the meetings. When you have a plat approved, all changes must be made through the municipality. Most village board meetings aren't too interesting, however, so the owners don't come."

In June of 1970, Russo says, Tekton sold land in the Lake Hinsdale development to Pulte Home Corp. of West Bloomfield, Mich. "And because condos were going well," he said, "we wanted to build more of them on the land we retained."

Tekton has built 63 townhouses and 195 condominium apartments. The company has platted another 180 condominiums, and it has sold 10 townhouse sites and sites for 520 highrise condo units to Pulte.

Muscarello disagreed with Russo. "Owners at Lake Hinsdale aren't getting what they were promised," Muscarello insisted. "The architecture of the Pulte units is incompatible with that of the Tekton units and the ratio of townhouse to highrise condominium units has been changed without consulting the homeowners. They (Tekton) promised something that they did not deliver."

Promises. Promises. Owners at another Tekton development, Bartlett Green—the first HUD-backed condominium project in Illinois—claim that Tekton broke promises to them too. The

group of a dozen homeowners hasn't sued yet, but its members claim Tekton again violated a fiduciary relationship.

Pat Christman, an owner, says Tekton salesmen promised her and her husband a number of things they didn't deliver.

"They told us we would have access to the club and pool as part of our maintenance charges, but we have to pay \$75 extra for the privilege," Mrs. Christman said. "They told us our townhouse would be built on a treated slab covered by plywood. Instead they put carpeting down on an untreated slab without plywood and the water seepage is turning my gold carpeting black."

Never again! Mrs. Christman summed up:

"It was our first home and we were impressionable. We had read the nice ads and listened to the slick salesmen who told us how great life could be in a condominium townhouse. They didn't show us things like the bylaws and the declaration of condominium ownership because they felt that somebody might just read it and they'd never sell a one."

She will never live in a condominium townhouse again, Mrs. Christman says. "They sell it to you as your own home but you quickly find out that it isn't yours."

Russo says of Mrs. Christman and her neighbors:

"I visited the development and so did the FHA, but we still don't know what's wrong with the units. We're ready to stand by our warranty, but I have owners who are unhappy and I don't know why. They won't tell me."

Complaints for Levitt. Problems are also emerging at the Hollywood Builders and Levitt condominium developments. Ten Levitt owners at Sheffield

Manor have accused the builder of cheating on parking spaces for guests, of permitting shoddy construction that opened the way to wall cracks and water seepage, and of making their homes uninhabitable.

Thirty owners at Barcelona II in Skokie claim in their suit that Hollywood Builders cheated them on parking spaces, promised oak window sills and frames but delivered pine, and sales-pitched an Olympic swimming facility but built a pool of puddle size.

Manny Kramer, president of Hollywood, said in reply: "We've been building homes for 25 years and we're in an interesting age of consumerism. Our specs are fine and above standard, but when we put in a commercial grade of carpeting it immediately becomes a point of comparison."

Kramer calls the condominium a unique concept and maintains that every condominium structure in Florida has at least one lawsuit pending. He says that people who have bought a Buick condominium have Cadillac tastes and go so far as to crawl on their hands and knees into pantries to make sure that painters didn't miss the bottoms of shelves.

Detached houses. Will Liebow, regional vice-president for Centex in Illinois, says condominium builders aren't the only targets for buyers. Liebow and Centex are entangled in a suit filed by 13 single-family owners in the Winston Grove development in Elk Grove Village. Complaints include failure to take soil tests, cracked and sagging walls and floors, structural problems in concrete foundations and footings, variances from models and late delivery.

TO PAGE 44

Fred and June have a new kitchen



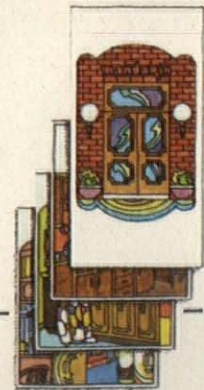
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East Green Office Commons
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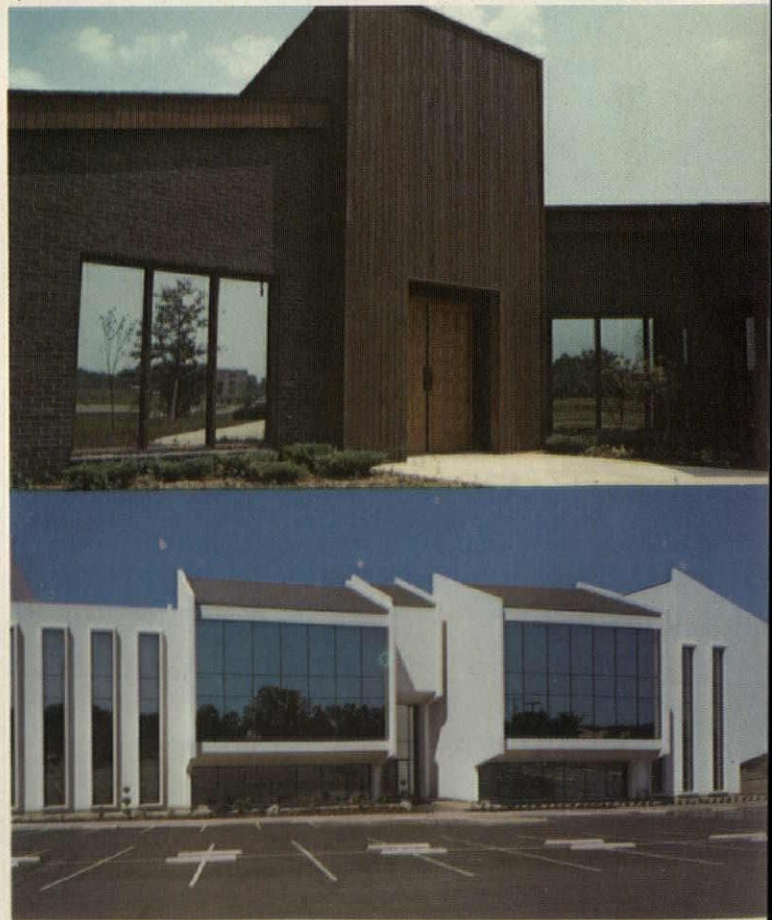
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PPG
INDUSTRIES

Color of a dollar: Court decrees house-price equality for blacks

Century-old civil-rights laws may let federal courts monitor homebuilders' profit margins.

The U. S. Court of Appeals in Chicago has ruled that, just as it is against the law to refuse to sell to blacks, it is illegal to charge prices in developments aimed at the black market that are higher than those in comparable subdivisions where most buyers are white.*

Universal Builders Inc. of Chicago may appeal the ruling to the U. S. Supreme Court, and if it does, it hopes that builder groups will join the action as friends of the court.

Case history. The suit was brought on behalf of blacks who bought 1,300 new South Chicago houses built on scattered sites by Universal over a ten-year period ending in 1968.

The plaintiffs asked for damages, contending the prices they paid were high because of the heavy demand for housing among Chicago's upwardly mobile blacks. But District Judge Joseph Sam Perry said that "exploitation for profit" was not covered by civil-rights statutes as long as the houses were being offered at the same price and terms to all comers, black or white, and he threw the case out of court before a jury could decide it.

Reversal on appeal. The appellate court, however, says that Perry is wrong:

"When a seller in a black mar-

*Sidney and Julia Clark vs. Universal Builders Inc., 72-1655, U. S. Court of Appeals, Dist. 7, 219 S. Dearborn, Chicago

ket demands exorbitant prices and onerous sales terms relative to the terms and prices available to white citizens for comparable housing, it cannot be stated that a dollar in the hands of a black man will purchase the same thing as a dollar in the hands of a white man. Such practices render plaintiffs' dollars less valuable than those of a white citizen—a situation that was spawned by a discarded system of slavery and is nurtured by vestiges of that system."

Lawyer Ronald S. Samuels, who argued the suit, calls the ruling "probably one of the most sweeping decisions since Jones

California housing agency vetoed

Governor Ronald Reagan has vetoed a bill to set up a California housing finance corporation to make loans for low- and middle-income housing developments. The veto was sustained by the legislature in Sacramento.

"Though I recognize the need for increased housing—especially for low- and middle-income Californians—this bill has serious defects," Reagan said.

California is one of only 14 states with the highest possible bond credit rating (AAA from Moody's and Standard & Poor's). Reagan feared, after studying data supplied by California's treasurer, Ivy Baker Priest, that this rating would be jeopardized if the housing agency's proposed issue of \$150 million in bonds was added to the state's interest burden.

vs. Mayer. The decision in that Supreme Court case in 1968 held that the 1866 law giving all citizens the same real estate rights as white citizens still provided an effective bar to refusals to sell to blacks. The lawyers for the builder agree on that point. While focused on housing, the reasoning applies equally to retailers and others who zero in on black markets.

Overcharges. The appellate judges were convinced that Universal's prices for the Chicago housing were too high by a parade of five appraisers. The most conservative of these experts pegged the \$20,000 houses

as being priced at \$3,700 above their going market value; the top estimate put the overcharge at \$6,500.

In addition, the judges were concerned because the black buyers were not allowed to buy through a deed and mortgage arrangement, common in Chicago's white suburbs. The blacks had to take a land contract that gave them no equity until it was fully paid off and that even demanded permission from the selling companies for such minor improvements as fences and storm windows.

Universal still will have a chance to convince a jury that it had "some legitimate, non-discriminatory reason" for the higher prices and tougher terms. But the appellate judges buy the statistics put together by the economist Richard Freeman, which attribute price differences between Universal's Chicago housing and that which a related company built in the suburbs not to cost differences, but to gross profit margins running well above the industry norm of 15% to 19%.

The average direct costs of Universal's housing for blacks were listed as \$553 below those of the houses in Deerfield, Ill., but the average sales price was \$2,500 more. That left Universal with an average gross profit in Chicago that was almost double the profit realized in the white suburb.

—DAN MOSKOWITZ

McGraw-Hill World News,
Washington

(According to Moody's one reason for the state's high rating is that "the state does not use its credit to back agency obligations.")

Social aspects. The governor voiced these other reservations:

"There is strong doubt this measure would benefit those who need relief the most, low-income Californians. Our estimates indicate that applicants with incomes of \$11,000-\$16,000 (the highest among those eligible) would receive all but a tiny percentage of the loans.

"(The bill) would grant relief to big businesses and financial institutions—by shifting lending risks to the state—at the expense of all citizens of California."

—TOM ARDEN

McGraw-Hill World News,
Sacramento

Courts are asked: Must builder protect buyer from himself *continued from page 40*

Mrs. James Strate said she and her husband bought their home on the builder's reputation for delivering a sound product, brochures sent to her in the mail, and advice from a friend. She claims Centex promised delivery 90 days from date of purchase but took a year to complete the dwelling. "They told us we should start moving from California to Chicago," she said. "This we did, and for the next six months we lived in a motel."

House in a bog. Once the Strates did move in, they listed some 95 items on a walk-through check list. Centex crews have visited the Strate home 40 times, but she claims problems

such as cracks and water seepage persist.

"They built the house in a peat bog," Mrs. Strate maintained.

Liebow denies Centex ever told the Strates to move from California to Illinois, but he admits, "We can't deny that we were late." He says of the bog, "The fall of 1972 was the wettest on record in Illinois. There were also pockets of peat that were very very deep, but we mucked them out and replaced the peat with good clay."

A way of life? Liebow says the Winston Grove owners are really suing because of small problems such as bad miters in corners and chipped moldings.



ATTORNEY MUSCARELLO
'They sell a pretty picture'

"I'm not sure that suing the builder isn't getting to be a way of life," he added.

Muscarello concedes that suing the builder may indeed be

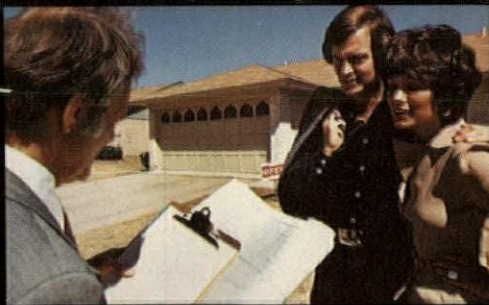
coming to be a way of life, but he claims it's the builders' own fault.

"They sell people a pretty picture and then don't live up to it," he said. "They protect their profit often at the expense of the buyer. 'Buyer beware' was a fair concept when people were horse traders, but the situation in which the builder knows everything about home construction and the buyers know little or nothing is a nightmare. "We have the professional builder versus the amateur buyer.

"Innocent, naive, and trusting young Americans are being taken." —MIKE KOLBENSCHLAG
McGraw-Hill News, Chicago

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S&L Leagues choose new officers

The United States League of Savings Associations has just nominated Lloyd S. Bowles as its president for 1975, replacing George B. Preston.

Bowles will be installed at the league's convention in San Francisco Nov. 10-15. He is chairman of the board and president of Dallas (Tex.) Federal Savings, and he serves on the annuity board of the Southern Baptist Convention. He is a deacon of Park Cities Baptist Church.

Robert H. Hazen has been nominated for the vice presidency that Bowles leaves. Hazen heads Benjamin Franklin Federal S&L in Portland, Ore. He is also half of the league's first father-and-son act; his dad, Ben H. Hazen, was league president in the mid-1950s.

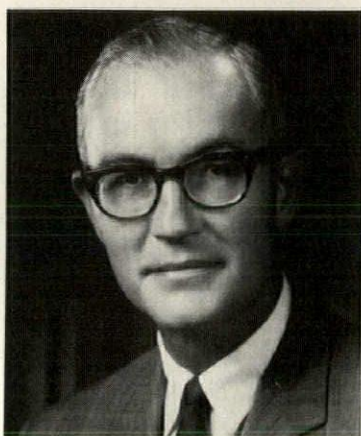
The league has 4,630 member associations and they represent 98% of the \$273 billion total S&L assets. League headquarters is in Chicago.

National League. The National Savings and Loan League has named Edwin G. Alexander as its president, and he will replace Gilbert G. Roessner. Alexander is president of Majestic S&L in Denver, Colo.; of Commerce S&L in Shawnee, Kan.; and of First S&L Shares Inc., a holding company.

Arthur Tonsmeire Jr., president of First Federal S&L of Mobile, Ala., and a director of the Federal Home Loan Bank of Atlanta, succeeds Alexander as the league's vice president. Tonsmeire is a past president of the Alabama Savings & Loan League and has been chairman of the



U.S. LEAGUE'S BOWLES
Taking over in San Francisco—



NATIONAL LEAGUE'S ALEXANDER
—and in Honolulu

National League's legislative committee and a member of its board of directors and its executive committee.

The league's headquarters is in Washington, D.C., and it has almost 500 members. It will elect the new officers formally at its convention in Honolulu Oct. 14-16.

Controversial accord with GAC wins an OK

The Federal Trade Commission has accepted a negotiated settlement that requires GAC Corp., the Miama-based land developer, to provide cash and land refunds to buyers of its lots.

All five commissioners approved the deal in spite of complaints from other law enforcement officials that the FTC was going too easy on GAC. In proposing the settlement last spring [NEWS, March], the FTC had cited GAC for using misleading tactics in selling land in Florida and Arizona. Much of the land cost buyers \$1,500 to \$2,000 a lot.

The settlement requires GAC

to refund \$2.8 million in cash and provide replacements, in other GAC developments, for lots valued at \$14 million.

The refund provisions were attacked as too meager by the attorney general in Iowa and by the interstate land sales office of the U.S. Department of Housing in Washington, D.C.

The GAC subdivisions include Rico Rico in Arizona and nine developments in Florida: Barefoot Bay, Cape Coral, Golden Gate, Golden Gate Estates, North Golden Gate, Poinciana, Remuda Ranch Grants, River Ranch Acres and River Ranch Shores.

Carriage house — a tasteful Traditional design

Give your Colonial, Williamsburg, Early American, Cape Cod, or any traditional model, the delicate eighteenth century look with our complete Carriage House Line. Everything from towel bars to locksets. Remember that the small additional costs for attractive, quality hardware will buy you much more than hardware. It sells. It's memorable. Touchable. Don't mess with it.



Don't mess around with hardware... choose a style that will help you sell

Monterey... a strong Mediterranean touch

Call attention to your Spanish, Italian or California contemporary models with this exciting line. Hardware is everywhere in the home, and we coordinate the styles for you so that every room will impress a buyer with your attention to detail. Our hardware will give your model that distinctive touch, the look that separates you from your competitors.

Bonaventure... a French accent

If you have built a Provincial model, accent it with our beautiful Bonaventure collection. Complete total-home line that will remind buyers at every turn that your model is unique. If you think that hardware is just another "little product", think again. It's one of the strongest memory aids any good merchandiser can select.

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CIRCLE 49 ON READER SERVICE CARD

Specify Alsons... the shower system that's a feature.



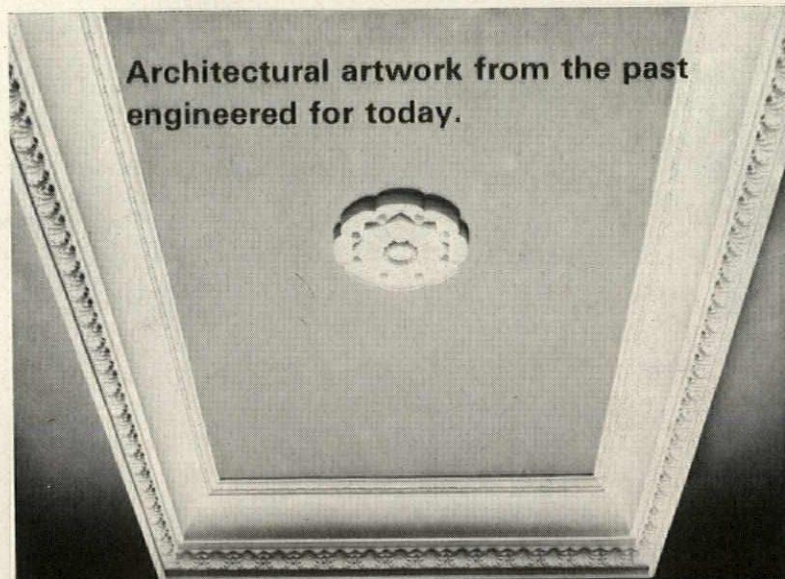
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PERSONAL SHOWERS

Alsons Personal Shower Systems give you a feature to sell... make your bathrooms more attractive... and give your buyers something extra... all for a modest cost. New designs include hand showers with push button water-savings control in systems to fit every bath need, design and decor. Write Alsons, The Personal Shower Specialists, for color Catalog No. 183.

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No. 114 CEILING CORNICE MOULDING
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Crisp in detail, this light weight moulding ships
beautifully and installs as a single member.
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CIRCLE 50 ON READER SERVICE CARD

Homebuilders on the move

The Del E. Webb Corp. names a chairman to replace the company's founder, who died last summer [News, Sept.]. The successor is **Robert H. Johnson**, 58, who has been president and chief executive officer of the big Phoenix-based building combine.

Another Phoenix builder, Hallcraft Homes, gets a new president and director, **Lewis J. Wright**. The post was vacated August 6 by **James H. Cederquist**. Wright, 47, comes in from Tekton Corp. of Oakbrook, Ill., where he had been executive vice president and chief operating officer since 1968. (Tekton, a division of Union Camp Corp., builds in the Midwest, Florida and Arizona; Hallcraft, one of homebuilding's ten biggest, operates primarily in the Southwest, including California.)

Hallcraft also has a new senior vice president of finance: **Phillip K. Moore**, previously vice president of finance at Alex Robertson Co., a developer based in Irvine, Calif.

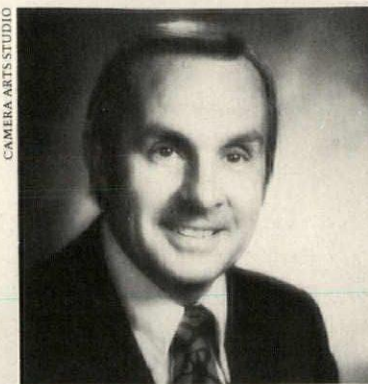
National Homes Corp. (Lafayette, Ind.) also has a new president and chief executive. He is **James J. Shaw**, 49, a former vice president of Gulf & Western Industries. He succeeds Frank Flynn [News, Dec. '73], who continues as chairman and chief executive of the big housing manufacturer.

The Larwin Group, the California-based national builder, promotes **Michael I. Keston** to senior vice president in charge of operations. Larwin's president, **Richard L. Weiss**, made the appointment an expression of hope: "We are confident that (he) will contribute significantly to re-establishing and sustaining Larwin as a leader in the housing industry." Keston joined Larwin in 1970, and has held several executive posts in the company.

In Los Angeles, Sunrise Corp., a condo developer, moves **Clarence R. Graham** up to senior vice president, after a year with the company as vice president and assistant to the president.

And another California company, Grant Corp. of Newport Beach, chooses yet another senior vice president (of operations). He is **David M. Brown**, formerly the president of Kaufman & Broad's Illinois division.

The Associated Building In-



HALLCRAFT'S WRIGHT
A new president

dustry of Northern California (ABI) gets into the vice-presidential act, too, with the addition of **Stanley C. Smith** as executive vice president of its northern division, headquartered in Santa Rosa. Smith, 31, has been executive v.p. of the Alameda Chamber of Commerce.

One more vice president: **Burt H. McIntosh**, at U.S. Home Corp. of Texas (a western arm of U.S. Home Corp. of Clearwater, Fla.). Prior to joining U.S. Home, McIntosh was president of Gilcrease Corp., an Oklahoma developer, and an executive with Arlen Realty Corp. and Del Webb.

Finally, NAHB's ex-President **George C. Martin** yields his post as board chairman of the Home Owners Warranty Corp. (HOW) to **Lloyd E. Clarke** of Boca Raton, Fla. Clarke, also a past NAHB president, has been on the new company's board since its inception in September 1973. Martin remains a member of the board.

Carl Gellert, 75, dies; San Francisco Builder

Carl Gellert, who once said he could stand on any hill in San Francisco and look down on some home or apartment he had built, died August 24. He was 75.

In 1922 Gellert and his brother Fred founded a small family construction outfit in San Francisco. Over about 50 years that business mushroomed into the Standard Building Co., a development empire responsible for building 20,000 homes.

One of Gellert's most noted triumphs was the Serramonte Shopping Center in Daly City, Calif. Built in 1969, it was one of the first completely enclosed, climate-controlled centers in the nation.

the final touch

a Weiser lock on the entrance
reflects quality throughout the home.



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DIVISION OF NORRIS INDUSTRIES
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EL CID STYLE IN
ANTIQUÉ BRASS

CIRCLE 51 ON READER SERVICE CARD

n '73, ilders bought xtured Insulite's olors.

Now there's more!

Much more. Such as a new grey color and the best color-matched application system in the business! All this and you still get patterns that are striking, woodgrains that are convincing and a break on cost as well.

Our colors—green, russet, gold and now grey—paint profits into houses, and our color-matched application system adds to these profits. We've got the first nailing gun designed to drive our color-matched aluminum nails without a hitch, and that's worth something. It's the Duofast #IN 125 nailing gun. Plus we've got all the color-matched accessories you need

and that's worth something, too. If you liked our colors, get our system. Your building supply dealer has it, so call him. If he doesn't, drop us a line: Boise Cascade Wood Products Division, Portland, Oregon 97201.



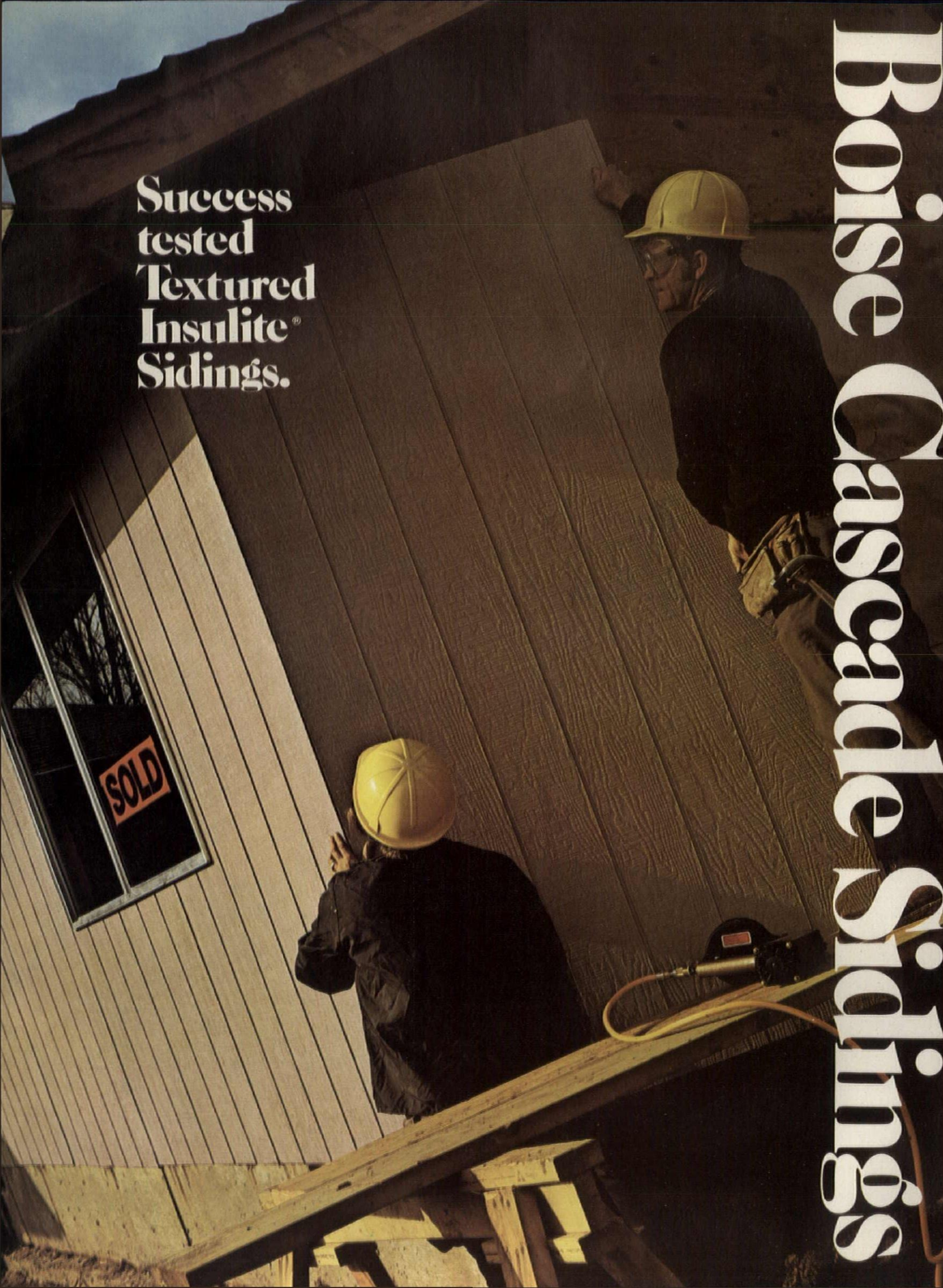
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Success
tested
Textured
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Siding.

Boise Cascade Siding's





Standing on 72 heavily wooded acres, Crowfields is a showcase for new ideas in luxury condominium development. The 160 uniquely clustered two and three bedroom townhouses and villas will occupy only 25% of the land, leaving much of the natural beauty unspoiled. The rough-cut siding and stone architecture is designed to blend with this rustic setting. Recreation facilities include two lakes, heated pool, clubhouse and landscaping that complements the surroundings. Architect: Lawrence J. Traber



“We found it didn’t cost much more to use the best cabinets in our kitchens... and it really makes a difference to our clientele.”

*Robert E. Grant and George W. Beverly, Jr.
Beverly-Grant, Inc., Asheville, N. C.*

“When you’re selling \$50–75,000 condominiums with large rooms, big balconies and beautiful kitchens, it doesn’t pay to use cheap cabinets. People who are accustomed to fine surroundings know quality when they see it. And they know if you’ve skimped.

“That’s why we checked out a lot of cabinet manufacturers and actually got samples. We thought the Scheirich cabinet was the best looking and the best made of them all. These Kingswood Oakmont cabinets even have hand-finished doors.

“And one of the nicest things about dealing with

Scheirich is the on-time delivery. When they gave us a date, we got our cabinets by that date.”

See your Scheirich distributor or write H. J. Scheirich at our main plant. H. J. Scheirich Co., P. O. Box 21037, Louisville, Kentucky 40201.

SCHEIRICH CABINETRY
FINE FURNITURE FOR THE KITCHEN AND BATH

Homebuilding industry's stocks plunge to a 7½-year low

HOUSE & HOME's value index of 25 leading housing stocks has fallen to its lowest point since December 1966, when the industry was in the grip of its severest mortgage-credit crisis.

The index dipped to 87.67 from 108.89 in the month ended September 3. The reading in December 1966 was 78.57. Share values of January 1965 equal 100.

Building and mortgage companies led the retreat. Kaufman & Broad, the big bellwether of the builders, fell another 1¼, to 2½, off 68% from a year's high of 14¾.

Here's the composite graph.



SHARE PRICES OF JANUARY 1965 = 100

Here's how the five companies in each group performed.

	Sept. '73	Aug. '74	Sept. '74
Builders	282	91	73
Land develop.	142	84	71
Mortgage cos.	1,065	204	155
Mobile homes	573	312	259
S&Ls	130	62	51

Company	Sep. 3 Bid/Close	Chng. Prev. Month
BUILDING		
Alodex—d	OT ¾	—
AVCO Comm. Devel.—d	PC ¾	— ¼
American Cont. Homes	OT 2	— 1½
American Urban Corp.	OT 5	— ¼
Bramalea Con. (Can.)—d	TR 3.20	— 1.05
Campanelli Ind.	OT 1¼	— ¼
(New America Ind.)		
Capital Divers (Can.)	OT 27	— 138
Centex Corp.	NY 5½	— 1¾
Cenvek Communities	AM 5½	— ¾
Cheezem Dev. Corp.	OT 1½	+ ¼
Christiana Cos.	AM 1	— ¾
Cons. Bldg. (Can.)—d	TR 2.20	— 40
Dev. Corp. Amer.	AM 4½	—
Dev. Int. Corp.—d	OT .062	+ .032
Edwards Indus.	OT 2	— ½
FPA Corp.	AM 3¾	— ½
Carl Freeman Assoc.	OT 2	— ½
Frouge Corp.	OT 5¼	—
General Builders	AM 1¾	— ¾
Hoffman Rosner Corp.	OT 1¼	— ¼
Homewood Corp.	OT 4½	+ ¼
Hunt Building Corp.	OT 1¾	—
Kaufman & Broad	NY 2½	— 1¼
Key Co.	AM 1¾	— ½
Leisure Technology	AM 2	—
Lennar Corp.	AM 4¼	— ½
McCarthy Co.—d	PC 1¾	—

Company	Sep. 3 Bid/Close	Chng. Prev. Month
McKeon Const.	AM 1½	—
H. Miller & Sons	AM 7¾	— 1¾
Mitchell Energy & Dev.	AM 13¼	— 1¾
National Environment (Sprout Homes)	OT ¾	— ¼
Oniolo Homes Corp.	AM 5¼	— ¾
Prell Corp.—d	AM 1¾	—
Presidential Realty	AM 5½	— ¾
Presley Development	AM 2½	— ½
Pulte Home Corp.	AM 1¼	— ¼
F. D. Rich Hous. Corp.—d	OT 1¾	—
Robino-Ladd Co.	AM 1¾	—
Rossmoor Corp.—d	AM 5¼	+ ¼
Ryan Homes	AM 8½	— 2
Ryland Group	OT 5¼	— ¼
Shapell Industries	NY 6¾	— ¾
Shelter Corp. of America	OT 1	— ¾
Standard Pacific	AM 2½	— ¼
Universal House & Dev.—d	PC .937	— .188
U.S. Home Corp.	NY 3½	— ½
Valley Forge Corp.	OT ¼	— ½
Washington Homes	OT ½	— ¼
Del. E. Webb	NY 3	— ¾
Westchester Corp.—d	OT ¾	—

SAVINGS & LOAN ASSNS.		
American Fin. Corp.	OT 9¾	— 1¾
Calif. Fin.	NY 1¾	— ¾
Empire Fin.	AM 8½	— 1½
Far West Fin.	NY 3½	— 1¾
Fin. Corp. Santa Barb.	AM 6	— 1¾
Fin. Fed.	NY 6¼	— 1½
First Charter Fin.	NY 5½	— ½
First Lincoln Fin.	OT 1½	— ¼
First S&L Shares	AM 6	— 2¾
First Surety	OT 2¼	— ½
First West Fin.	OT 1¼	— ¼
Gibraltar Fin.	NY 6¼	— ¼
Golden West Fin.	NY 5½	— 1½
Great West Fin.	NY 7¾	— 2¾
Hawthorne Fin.	OT 4	— 1
Imperial Corp.	NY 5	— 1½
Transohio Fin. (Union Fin.)	NY 4½	—
Trans World Fin.	NY 3¾	— 1¼
United Fin. Cal.	NY 4¼	— 1½
Wesco Fin.	NY 11¾	— 1¾

MORTGAGING		
Charter Co.	NY 18½	— 8¾
CMI Investment Corp.	NY 7¾	— 3¾
Colwell	AM 2¼	— ¾
Cont. Illinois Realty	NY 4¾	— 1¼
Fed. Nat. Mtg. Assn.	NY 12½	— ½
Financial Resources Gp (Globe Mortgage)	OT 1	—
FMIC Corp. (formerly First Mtg. Ins. Co.)	OT 4	— 1¾
Lomas & Net. Fin.	NY 4¾	— ¾
MGIC Inv. Corp.	NY 9½	— 2¾
Palomar Fin.	AM 7	— ¼
Western Pac. Fin. Corp. (Formerly So. Cal. Mort. & Loan Corp.)	OT 1½	— ¾
UPI Corp. (United Imp. & Inv.)	AM 1¾	— ¾

REAL ESTATE INV. TRUSTS		
Allison Mtg.	NY 6¼	— 4½
American Century	AM 3½	— ½
Arlon Property Invest.	OT 3¾	—
Atico Mtg.	NY 5½	— 2¼
Baird & Warner	OT 5¾	— 2½
Bank America Rlty.	OT 8½	— 3¾
Barnes Mtg. Inv.	OT 3¼	— 1¾
Barnett Mtg. Tr.	NY 4¾	— 2¾
Beneficial Standard Mtg. AM	7¾	— 5¾
BT Mort. Investors	NY 3¾	— 1¾
Builders Investment Gp.	NY 5¼	— 3¾
Cameron Brown	NY 2¾	— 2½
Capitol Mortgage SBI	NY 3¾	— 1¾
Chase Manhattan	NY 8¾	— 9½
CI Mortgage Group	NY 2	— 2½
Citizens Mtg.	AM 3¾	— 1
Citizens & So. Rlty.	NY 6¼	— 5¾
Cleve. Trust Rlty. Inv.	OT 3¼	— 1¼
Colwell Mtg. Trust	AM 3¾	— 1½
Conn. General	NY 11¼	— 2¾
Cont. Mtg. Investors	NY 1	— ¾
Cousins Mtg. & Eq. Inv. NY	3¾	— 3
Diversified Mtg. Inv.	NY 2¾	—
Equitable Life	NY 10¾	— 3¾
Fidelco Growth Inv.	AM 7¾	— 1¾
Fidelity Mtg.	NY 1¾	— ¼
First Memphis Realty	OT 6	— 3
First Mtg. Investors	NY 2	— ½
First of Denver	AM 5¾	— 4½
First Pennsylvania	NY 4½	— 4
Franklin Realty	AM 2¾	— ¾
Fraser Mtg.	OT 8¼	— ¼
Gould Investors—d	AM 6¼	— ¾
Great Amer. Mtg. Inv.	NY 3¾	— 2
Guardian Mtg.	AM 4½	— 3¾
Gulf Mtg. & Realty	AM 4¾	— 2
Hamilton Inv.	OT 2½	— 3¾
Heitman Mtg. Investors	AM 5½	— 1¾
Hubbard R. E. Inv.	NY 13	— 1½
ICM Realty	AM 10	— ½
Larwin Mtg.	AM 3¾	— 1¼
Lincoln Mtg.	OT ¾	— ¼

Company	Sep. 3 Bid/Close	Chng. Prev. Month
Mass Mutual Mtg. & Rlty.	NY 8½	— 1
Money Mtg. Inv.	NY 4½	— 1½
Mortgage Trust of Amer	NY 4	— 1½
National Mortgage Fund	NY 3¾	— ¾
Nationwide R.E. Inv. (Galbreath Mtg. Inv.)	OT 4¼	— 2¾
North Amer. Mtg. Inv.	NY 7	— 2½
Northwest Mut. Life Mtg. & Rlty.	NY 12	— 1¾
PNB Mtg. Rlty. Inv.	NY 4¾	— ¾
Palomar Mtg. Inv.	AM 1½	— ¼
Penn. R. E. Inv. Tr.	AM 7¾	— 2¼
Property Capital	AM 5¾	— 1½
Realty Income Tr.	AM 7½	— 2¾
Republic Mtg. Inv.	NY 3¾	— ¾
B. F. Saul R.E.I.T.	NY 5¾	— 1¼
Security Mtg. Investors	AM 1¼	— ¾
Stadium Realty Tr.	OT 2	— ¼
State Mutual SBI	NY 5¾	— 1¾
Sutro Mtg.	NY 4	— 2½
Unionamerica Mtg. & Eq.	AM 2¾	— 1¾
U.S. Realty Inv.	AM 4¾	— 1¼
Wachovia Realty Inc.	NY 5¾	— 2¼
Wells Fargo Mortgage	NY 5¼	— 2¾

LAND DEVELOPERS		
All-State Properties	OT ¼	—
AMREP Corp.	NY 3	+ ¾
Arvida Corp.	OT 5	— ½
Atlantic Imp.—d	OT 3½	—
Canaveral Int.	AM 7	— ½
Cavanagh Communities	NY ¾	— ¾
Crawford Corp.	OT 4½	— ½
Dellona Corp.	NY 3¾	— ½
Disc Inc. of Amer.	OT ¾	— ½
Fairfield Communities	OT 1¾	—
Gen. Development	NY 3¾	— ½
Getty Financial Corp. (Don the Beachcomber)	OT 1¼	—
Horizon Corp.	NY 2½	— ½
Landmark Land Co. (Gulf State Land)	AM 1¾	— ¼
Land Resources	OT ¾	— ½
Major Realty	OT 2	— ½
McCulloch Oil	AM 3	— ¾
Sea Pines Co.	OT 4	— ½
South Rlty., Util.—d	AM 4¾	— ¼

MOBILE HOMES & MODULES		
Champion Home Bldrs.	AM 2½	— ¾
Commodore Corp.—d	AM 1¼	—
Conchemo	AM 8	— 1¼
De Rose Industries—d	AM 1½	— ¼
Fleetwood	NY 4¾	— ¾
Golden West—d	AM 1¾	— ¾
Moamco Corp.	AM ¾	— ½
(Formerly Mobil Americana)		
Mobile Home Ind.	NY 2½	— 1½
Monarch Inc.	OT 7	—
Redman Inc.	NY 2¾	— 1
Rex Noreco	NY 1	— ½
Skyline	NY 11¼	— 1¾
Town & Country	AM 1½	—
Zimmer Homes	AM 2½	—
Brigadier Ind.	OT 1	— ¾
Environmental Commun.	OT ½	— ½
Hodgson House	OT 1	—
Liberty Homes	OT 1¼	—
Lindal Cedar Homes	OT 1	— ¾
Nationwide Homes	AM 5	— 1½
Swift Resources	AM 1½	— ¾
Sheltr Industries—d	OT ¼	—

DIVERSIFIED COMPANIES		
American Cyanamid	NY 19¾	+ 1¾
Amer. Standard	NY 9¾	— 2¾
Amterre Development	OT 1	—
Arlon Realty & Develop.	NY 1¾	— ¼
AVCO Corp.	NY 3¾	— ¾
Bendix Corp.—a	NY 23¾	— 3½
Bethlehem Steel	NY 26¾	— 4¼
Boise Cascade	NY 12¼	— 1½
Building & Land Tech.	OT 1¼	—
CNA Financial (Lawin)	NY 5	— 2
Castle & Cooke (Oceanic Prop.)	NY 11½	— ½
CBS (Klingbell)	NY 32¾	— 3¾
Champion Int. Corp. (U.S. Plywood-Champion)	NY 12¼	— 3¼
Christiana Securities	OT 101	— 36½
Citizens Financial	AM 1¾	— ½
City Investing	NY 6¾	— 1¾
(Sterling Forest)		
Corning Glass	NY 50¾	— 9¾
Cousins Properties	OT 4	— 1¾
Dreyfus Corp. (Bert Smoker)	NY 4¾	— ¾
Environmental Systems	OT ¼	—
ERC Corp.	OT 15¼	— 1¼
(Midwestern Fin.)		
Evans Products	NY 3½	— 2¾
Ferro Corp.	NY 20	— 1¼
First Gen. Resources—d	OT 1/16	— ½
First Rlty. Inv. Corp.	AM 7	— ¾
Fishback & Moore	NY 17¾	+ 4¼
Forest City Ent.	AM 3¾	— ¾
Flag Industries	AM 1¾	+ ½
Frank Paxton Corp.	OT 8½	—
(Builders Assistance Corp.)		

Company	Sep. 3 Bid/Close	Chng. Prev. Month
Fruehauf Corp.	NY 18½	— 1¾
Fuqua Corp.	NY 6	— 1½
Georgia Pacific	NY 28½	— 4
Glasscock Products	AM 2	— ½
Great Southwest Corp.—d	OT ¾	+ ¼
Gulf Oil (Gulf Reston)	NY 17	— 2½
INA Corp. (M. J. Brock)	NY 21	— 2¾
Inland Steel (Scholz)	NY 30½	— 3½
International Basic Econ.	OT 2½	— ¼
International Paper	NY 36¾	— 8¾
Inter. Tel. & Tel.	NY 17¾	— 1¼
Investors Funding—d	AM 1	— ¾
Killeam Properties—d	AM 1¼	+ ¼
Leroy Corp.	OT 2	— ¼
Ludlow Corp.	NY 9	— 1¾
Monogram Industries	NY 5¼	+ ¼
Monumental Corp. (Jos. Meyerhoff Org)	OT 9	— 2¾
Mountain States Fin. Corp.	OT 4¾	— ¾
National Homes	NY 2	— ¾
National Kinney (Uris Bldg.)	AM 2¾	+ ¼
NEI Corp.—d	OT 2½	— ½
Occidental Petroleum (Occ. Pet. Land & Dev.)	NY 8½	— 1¼
Pacific Coast Prop.—d	AM 7/16	— 1/16
Perini Corp.	AM 4½	— ¼
Philip Morris	NY 42¾	— 5¼
Pope & Talbot	NY 10¾	— 2¼
Republic Housing Corp.—d	AM 1½	— ¾
Rouse Co.	OT 3	— ¾
Santa Anita Consol.	OT 8¼	— ¼
(Robt. H. Grant Corp.)		
Shareholders R.E. OT	12	— .03
(Shareholders P.E. Group)		
Tenneco Inc. (Tenneco Realty)	NY 18¾	— ¾
Time Inc.	NY 34	— 2½
(Temple Industries)		
Tishman Realty	OT 12	— 2¾
Titan Group Inc.	OT ½	— ¼
UGI Corp.	NY 10½	— 2
Weil-McLain	NY 6¾	— ¾
Westinghouse (Coral Ridge Prop.)	NY 10	— 2½
Weyerhaeuser (Weyer. Real Est. Co.)	NY 30¾	— 3¾
Whittaker (Vector Corp.)	NY 2½	—
Wicks Corp.	NY 10½	— ¾
SUPPLIERS		
Armstrong Cork	NY 18¾	— 4½
Automated Bldg. Comp.	AM 2¾	+ ¼
Bird & Son	OT 22½	— 4
Black & Decker	NY 27	— 3
Carrier Corp.	NY 6¾	— 1¾
Certain-tee	NY 7½	— 1¾
Crane	NY 28¼	— ¾
Dexter	NY 14½	+ 1
Dover Corp.	NY 27½	— 6
Emerson Electric	NY 25¾	— 6¼
Emhart Corp.	NY 16	— 1
Fedders	NY 4¾	— ¾
Flintkote	NY 12¾	— ¾
GAF Corp.	NY 7½	— ¾
General Electric	NY 37¾	— 6¾
Goodrich	NY 18¾	— ¾
Hercules	NY 30	— 4
Hobart Manufacturing	NY 14¼	— 3
Int. Harvester	NY 20½	— 2¾
Johns Manville	NY 15¾	— 1¾
Kaiser Aluminum	NY 16¾	— 1¾
Keene Corp.	NY 2¾	— ¼
Leigh Products—d	AM 5½	— ½
Masco Corp.	NY 28	— 7
Masonite Corp.	NY 22	— 6½

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Celcon is pleasant to touch. It has warmth and smoothness and color. Form and function.
And it's tough as nails.

Celcon acetal copolymer resists hot water and hard knocks. It won't chip, the color is molded-in. Strong detergents or even drain cleaners won't dull its good looks. It's very hard to scratch. And very easy to clean.

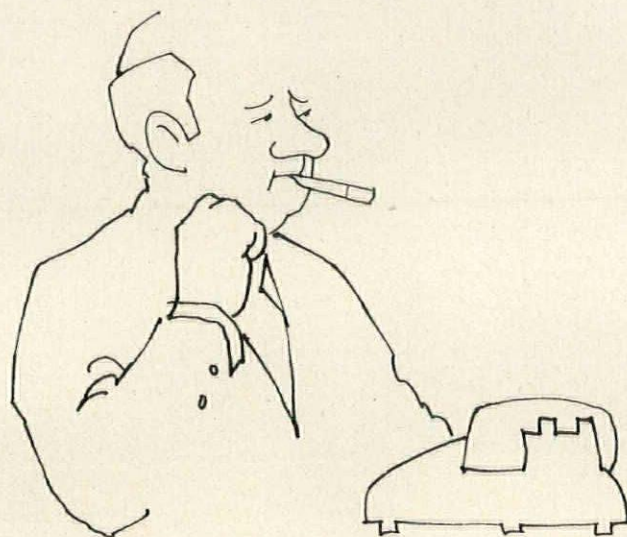
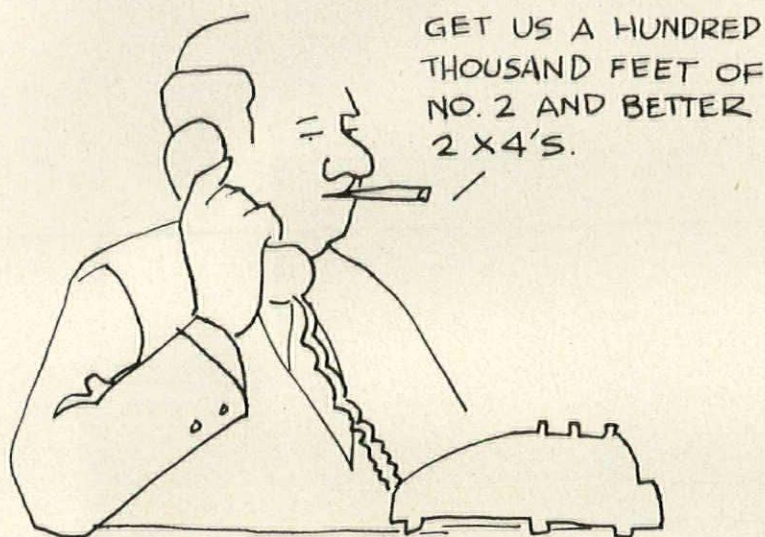
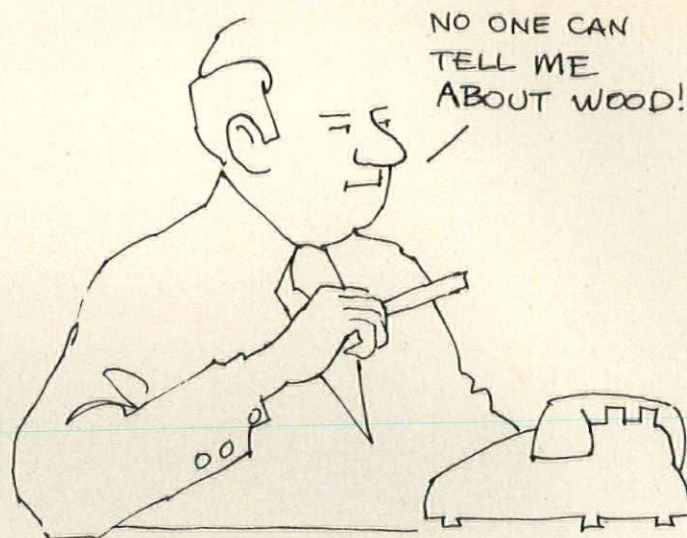
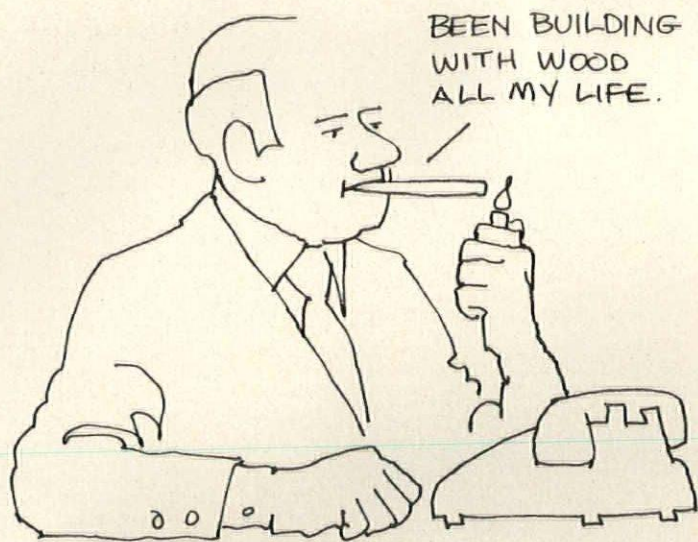
Also very economical.

The lavatory pictured is called *Cameo*. By Middlefield Corporation, Middlefield, Ohio. In Celcon, the material that makes it a very good buy.

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If you're using 2 x 4's 16" on center for exterior walls, imagine the time (labor) and money (less materials) you could save using studs 24" on center! Well, now you can. And you can save even more time and money by using the lowest grade capable of doing the job. Because a recent test proved that UTILITY grade studs and 24" framing meet all code requirements for one-story construction.

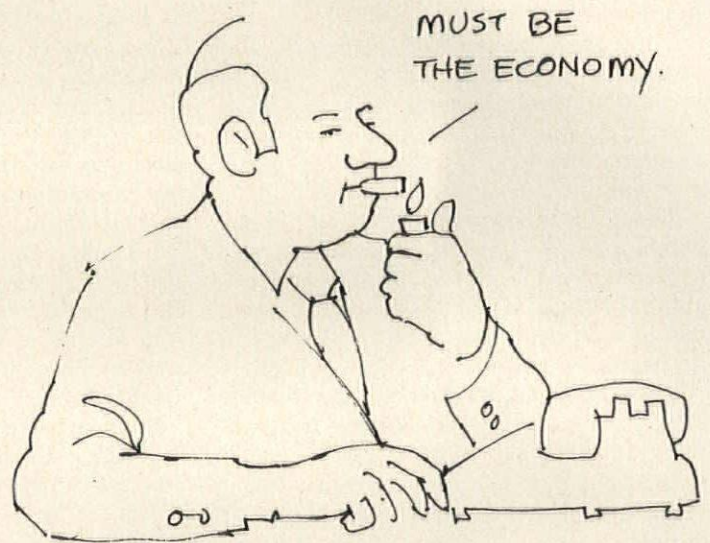
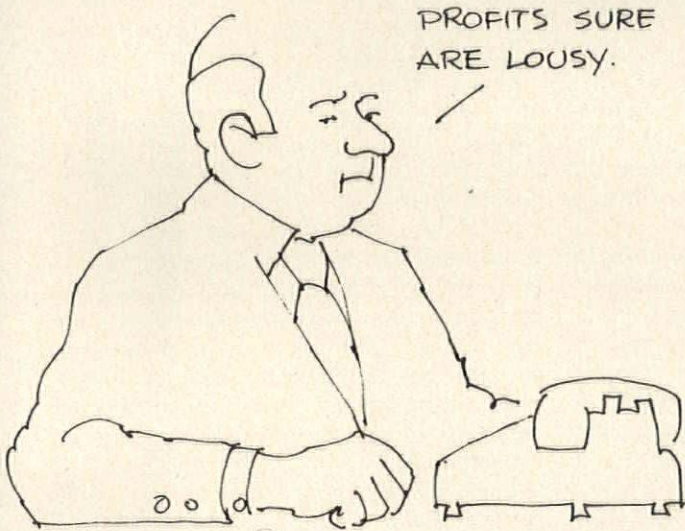
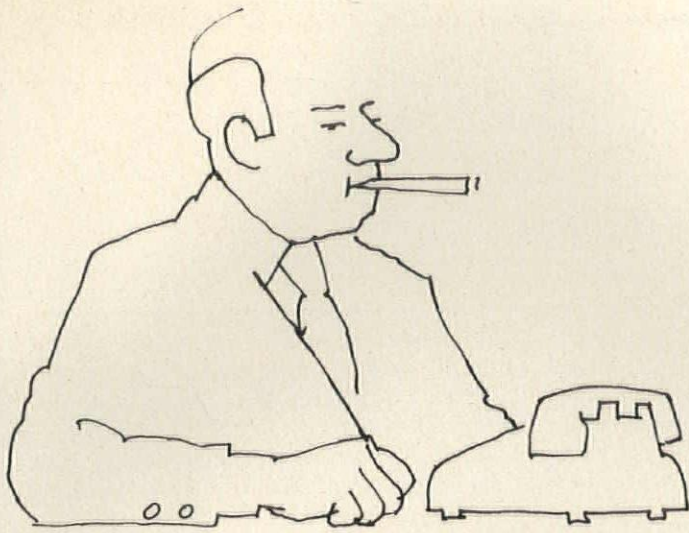
In the test, four experimental walls were constructed according to the design specifications of the FHA. The studs for the walls were selected from 250 UTILITY grade Engelmann spruce studs, the lowest grade capable of doing the job. This grade is lower in quality than Select Structural, No. 1, Construction, No. 2, Standard and Stud grades commonly specified for stud use. WWPA Quality Supervisors

selected from pieces containing strength reducing characteristics such as knots. The purpose was to construct walls with less strength than would result with normal site use of Engelmann Spruce UTILITY grade studs.

To assure this, materials selected for test walls came from a computer study of 1,000 possible wall combinations. Thus, units selected for destructive testing represented the weakest 1-1 1/2 % of all walls that could possibly be built from the sample.

Two experimental walls were built 16" on center, and two 24" on center. All were sheathed on the exterior with 5/8" cedar bevel siding, and the interior with 3/8" gypsum wallboard. The walls were tested by vertical loads equivalent to 2-story construction and by increasing air-bag lateral pressure to destruction.

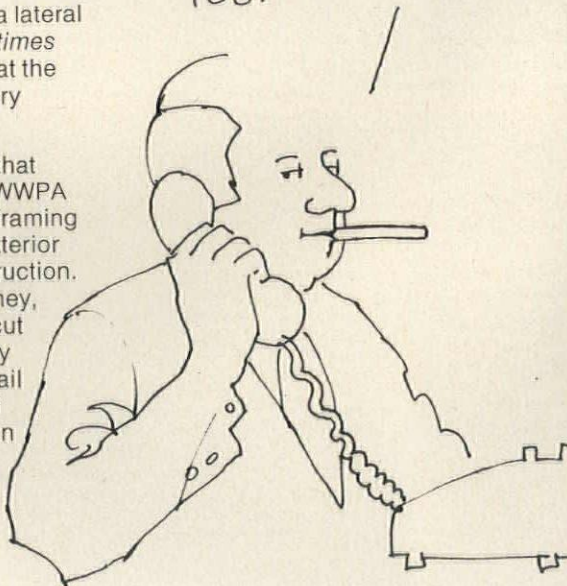
Result: Walls with 16" stud spacing failed under a lateral load *four times*



greater than the required wind load according to FHA specifications. Walls with 24" spacing failed under a lateral load of two and a half to three times the required wind load. While at the same time carrying a full 2-story vertical load.

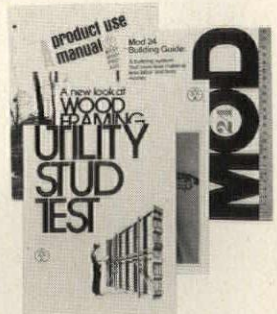
This test proved conclusively that the weakest combinations of WWPA UTILITY grade studs and 24" framing are more than adequate for exterior walls, even with 2-story construction. So you can save time and money, safely, with 24" framing, and cut building costs, significantly, by using UTILITY grade studs. Mail the coupon for more details of the test report, plus information on 24" framing and other Western Wood grades and uses.

SAM, CHANGE THAT ORDER TO STUD GRADE....AND LOOK INTO UTILITY GRADE, TOO.



Free! All you need to know about studs.

Free data file includes: RESULTS OF UTILITY STUD TEST which contains complete data on the Utility Stud Wall Test conducted by the Forest Research Laboratory, Oregon State University. File also includes A NEW LOOK AT WOOD FRAMING which shows why many of today's most successful builders use Western Wood framing; CATALOG A, PRODUCT USE MANUAL—a guide to use selection of Western Wood; and MOD 24 BROCHURE—a comparative cost study with technical data on 24-inch framing. Mail the coupon for your free file today.



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Western Wood Products Association

Dept. HH-1074, Yeon Building, Portland, Oregon 97204

One of a series by members of the American Wood Council.



"Many states have a source of money in the 7½% range—enough money to build another 40,000-50,000 units this year"

Not all mortgages today are in the 10% range.

The Tandem Plan is the example about which everyone knows. Some 123,000 of its 200,000 units authorized at 7¾% have already been taken down. Another 100,000 are available at 8%.

In addition, many states have a source of money in the 7½% range—enough money in total to build another 40,000-50,000 units this year.

These sources are the state housing development authorities. There are 32 and the number is growing.

These are restricted oases, to be sure. The availability of their money is hedged in by income standards, in some cases extending even to the second buyer, and, in multifamily, extra-long lock-ins and regional mixes of economic levels.

The agencies raise funds by selling tax-free bonds or notes. Typically, they set their rate for lending to developers at ½% to 1½% above their cost. When this was written, that rate in most agencies was 7½%. A few still had some 7% money.

Fewer than half the state agencies finance single-family development. After the 1973 moratorium on federal subsidies, a number of these programs turned to more middle-income housing, in the market range that most builders prefer.

All the agencies finance multifamily and most of these programs are built around federal subsidies so that the volume of most—but not all—will be down this year. The agencies expect to be active in Section 23 building when the new regulations are released.

Three innovative states. There is no typical state housing development agency. Variations are wide. But let's look at three of the most innovative: the Michigan State Housing Development Authority, now four years old, and the Minnesota Housing Finance Agency and the Virginia Housing Development Authority, both about a year old.

All three have single-family programs. Michigan is financing 150-200 homes a month. Virginia hopes to hit 2,000-3,000 a year, and Minnesota hopes to reach 3,000 a year.

There are very few, if any, Section-235 homes in these programs today. Most of their buyers are middle-income. In Michigan, for example, the income limit for a family of four is \$16,600 and only half of a working wife's income is counted toward that maximum. Virginia has no fixed maximum but it will

accept home loans only if the borrower's income would not qualify for standard-rate mortgages.

All the agencies will finance homes in areas redlined by private lenders. They are eager to support projects inside the city.

The maximum loan in all three states is in the range of the old FHA maximum, \$32,000 to \$33,000. Now that FHA has raised its limit to \$45,000, there is some likelihood that these maximums will be raised, but chances are the new maximums will not be as high as \$45,000.

In all three programs, the loan application is made through a mortgage banker or other private lender. In Michigan and Minnesota, the builder must obtain his own construction financing. The Virginia program provides construction loans, end loans or participations.

All three programs provide 90% (95% in Virginia) conventional financing. Minnesota also buys FHA-VA loans.

In Michigan even the second buyer of a state-financed home must meet the income standards.

Problem solvers. All three states are going beyond the single-family program to attack problems of the housing market.

The Michigan agency is negotiating with HUD to acquire, rehab and market some of the thousands of repossessed units in Detroit.

Minnesota has a program for buying

GNMA mortgage-backed securities, funded initially for \$30 million. The state is also launching a \$100-million rehab-loan program.

Virginia hopes to subsidize homes with solar heating and cooling systems. It too has a rehab program planned and it intervenes directly to finance completed projects.

In their multifamily programs, all three states have two features that are unique so far among state agencies. They probably have no close parallel in any lending program.

One is the development-cost escrow. The agency adds a kind of "to-boot" to the regular mortgage; this is an amount just sufficient to reduce the developer's return on investment to 3% (in Michigan) or 4% (in Minnesota). This sum is invested and pays interest to the developer, which is usually nearly equal to his extra mortgage payment. Then, if the project is completed and operating and there have been no construction problems, this money may be used to fund additional amenities for the project any time between the third and tenth years. Examples are a community facility, a swimming pool or anything which will make a complex more attractive.

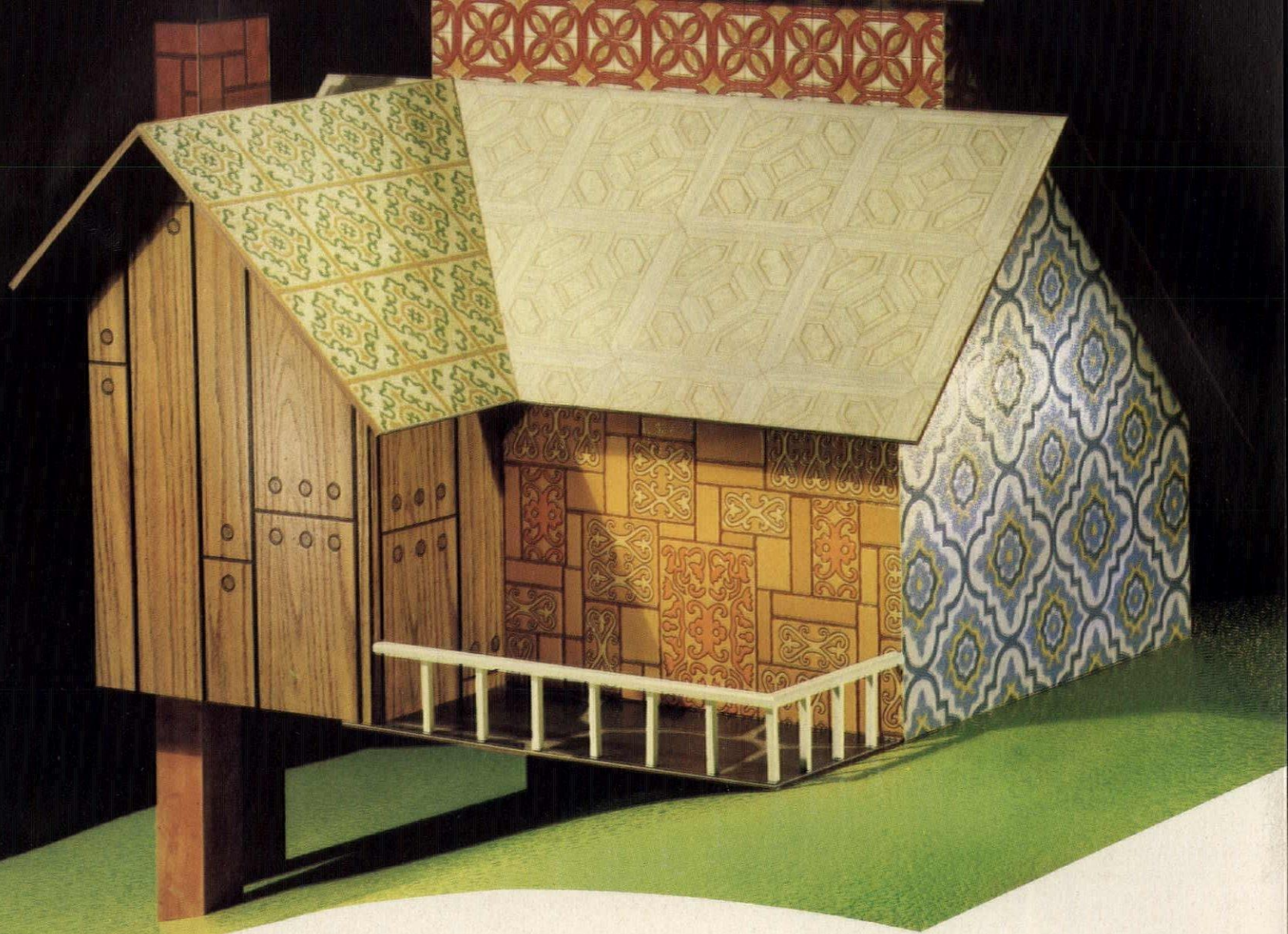
The other departure is a second-mortgage reserve. The developer pledges a portion of the first mortgage amount to cover any possible operating deficit in the first few years. In Minnesota, he pledges 3% for three years.

TO PAGE 66

**COMPARISON OF ONE-FAMILY PROGRAMS:
TANDEM PLAN AND THREE STATE AGENCIES AS OF 8-31-74**

	Potential Volume units/yr	Recent Interest Rate	Maximum Loan	Income Ceiling	Type of Permanent Financing	Construction Loan Available?	How Apply	Other Features
Tandem Plan	200,000 100,000	7¾% 8%	\$33,000 (\$36,750) (Some VA)	none	FHA/VA	Bldr. must get own	Mtge. banker or pvt. lender	Now accept homes up to 15 months old if never occupied.
Michigan	3,000	7½%	\$33,000	\$16,600 4-person/family	Conv./PMI (90%)	Bldr. must get own	Mtge. banker or pvt. lender	Second-time buyer must meet income limits. Negotiating rehab/mkting program on HUD repos.
Minnesota	3,000	7½%	\$32,400 (\$30,600) (non-metro)	\$13,000	FHA-VA or conv./PMI (90%)	Bldr. must get own	Mtge. banker or pvt. lender	MBS secondary mkt. (includes existing homes) rehab loan program.
Virginia	2,000-3,000	7½%	\$32,000 (\$30,000) (non-metro)	no specific figure; must be unable to qualify for loan at stdrd rate	Conv (95%) self-insured	Yes	Mtge. banker or pvt. lender; direct for const. loan	Rehab loan program. Proposing subsidy program for solar system housing.

ROBERT J. MYLOD, EXECUTIVE VICE PRESIDENT, ADVANCE MORTGAGE CORP., DETROIT, MICH.



**We have a
reputation
you can
build on**

... And that reputation goes a long way toward helping you sell homes. The kitchen is the most important room in the house, and Congoleum invented the features women want most in their kitchens ... the easy-care no-wax finish of Shinyl-Vinyl[®], and cushioning – for comfort, warmth and quietness underfoot. We have nearly 500 exciting patterns and colors to choose from in a wide price range. And since they're all cushioned vinyls, they install fast and easy in new construction or remodeling.

For further information, contact your Congoleum distributor, or Don Peterson, home building sales manager, Congoleum Industries, Inc., 195 Belgrove Drive, Kearny, New Jersey 07032, (201) 991-1000.

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FINE FLOORS

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The sales opportunity of the year: it's as big as all indoors.

There are lots of things you do to build lasting quality into a home. Unfortunately, some of them cannot be seen by your customers. But one kind of quality that *is* visible is wood panel and louver doors — inside and out.

Wood panel and louver doors can really work hard to help sell the homes you build. They're a symbol of your careful thought and planning. And an indication of the quality that makes your homes a worthwhile investment for the customer. That's why so many builders use wood panel entrance doors. But there's no reason to stop there.

Panel doors add character to every room.

Good doors are like good furniture — they bring character to each room. No matter what the decor, carefully sculptured wood panel doors will enhance the beauty of any room. And your customers will be the first to notice. Not only at the front entrance, but all through the house.

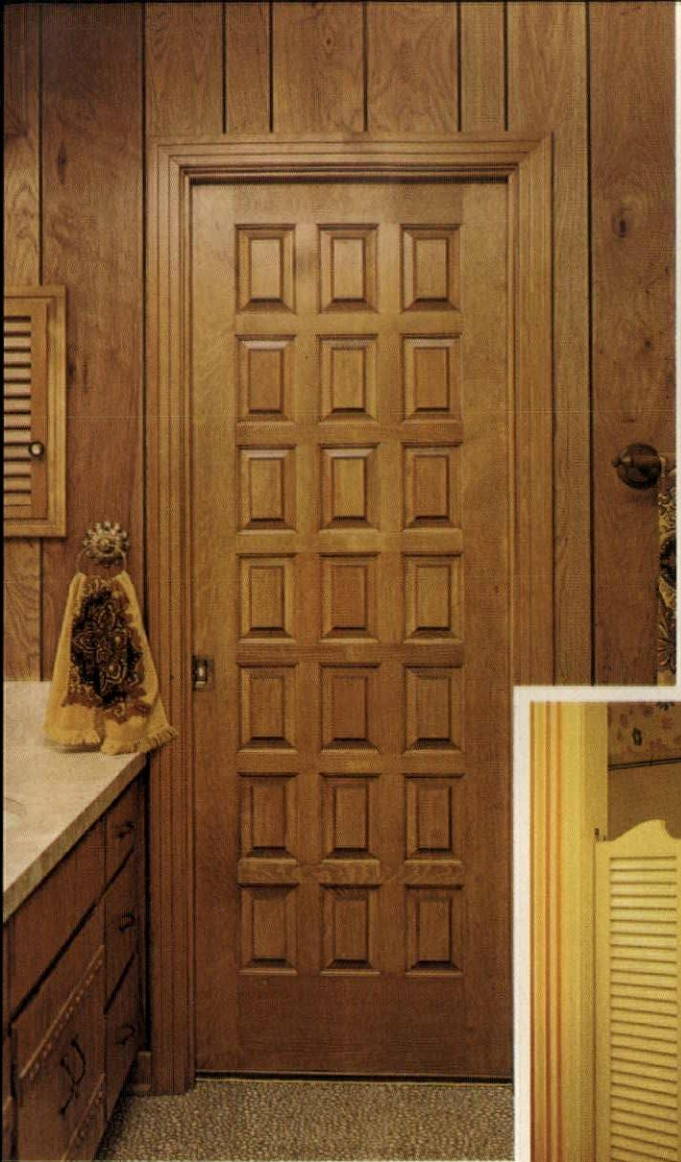
For instance, French doors can change a dining room from just a place to eat into an elegant dining experience. With deep sculptured bi-fold doors, a closet becomes a design accent instead of a hole in the wall. Swinging cafe doors give kitchens a light, perky touch. Even the utility room brightens up with an attractive (and practical) louver door.

And, of course, sliding wood patio doors do an excellent job of tying indoors and outdoors together. (Their greater insulation quality means less heat loss than with metal patio doors, too. That's an important consideration with the current need for energy conservation.)

Panel doors for every design.

Wood panel doors offer you a great choice of designs and styles. Whether your homes are traditional, colonial, Spanish, modern or something else, there's a wide selection of quality wood panel doors to complement any design.

And wood panel doors help you keep the design theme going throughout the house — from the front



door to every room. The panel and louver doors pictured here are just a few examples of the dozens of types and styles that you can use to tie every room into the total design of the house.

Consumers prefer wood panel doors.

In three major surveys conducted in 1968, 1970 and 1972, consumers in 39 states reported what they want most in doors, what kind of door they prefer — wood panel or flush — and why. The results clearly indicate that preference for flush doors has fallen while panel door preference is increasing.

% who prefer panel or flush doors for exteriors

	Front, Main Entrance			Rear, Other Entrance		
	1968	1970	1972	1968	1970	1972
Panel Doors	59%	64%	63%	54%	54%	62%
Flush Doors	36	26	28	33	26	24
No Preference	5	10	9	13	20	14

% who prefer panel or flush doors for interiors

	1968	1970	1972
Panel Doors	31%	32%	34%
Flush Doors	60	47	49
No Preference	9	21	17

Are you giving your customers what they want?

Before you install doors in your houses or apartments, consider the facts. Our research shows that consumers rate appearance and durability as the qualities they want most from their doors. And they

rate panel doors better than flush doors in both instances. Are you giving your customers the doors they want?

Send for your free copy of our survey report.

We think you should have a report on the major findings of five years and \$40,000 worth of research — "The consumer of the 70's: a report on his housing plans and preferences." It tells your customers' preferences for doors and windows as well as their plans for moving and remodeling. It's an important study that can help increase your sales potential.



Mail to:

Ponderosa Pine Woodwork

Department B-4
1500 Yeon Building, Portland, Oregon 97204
A member of the American Wood Council.

Send me a copy of your research report.



Name _____

Position _____

Organization _____

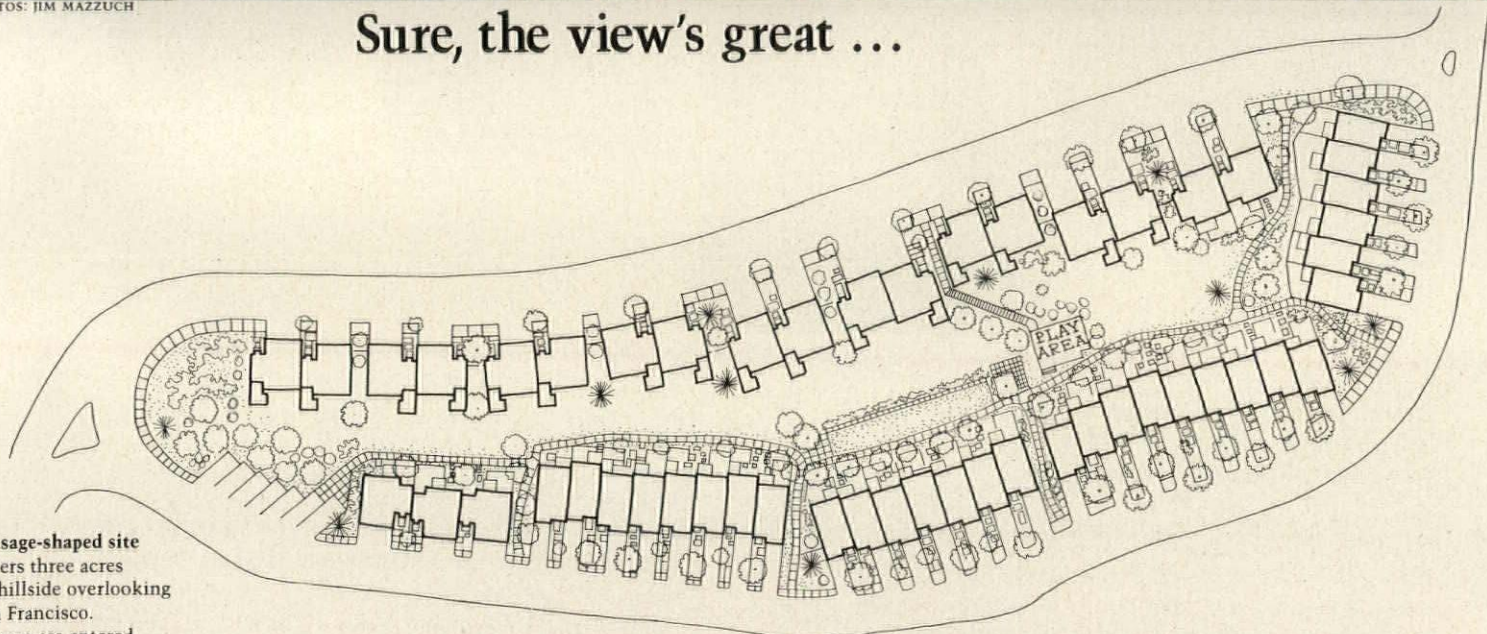
Address _____

City _____ State _____ Zip _____



PHOTOS: JIM MAZZUCH

Sure, the view's great ...



Sausage-shaped site covers three acres on hillside overlooking San Francisco. Houses are entered from perimeter streets, and rear balconies and patios face into central common area.

... but this site posed plenty of problems

The developer, Alpha Land Co. of Santa Clara, Calif., opened a Pandora's box when it bought a spectacular hilltop site from the San Francisco Redevelopment Agency.

But despite the many problems, and despite a slumping housing market, 40 of the 51 units have now been sold.

Among the problems:

- The project was subject to stringent rules on density, building height, setbacks and other construction details because it was part of a redevelopment plan.

- Neighborhood residents

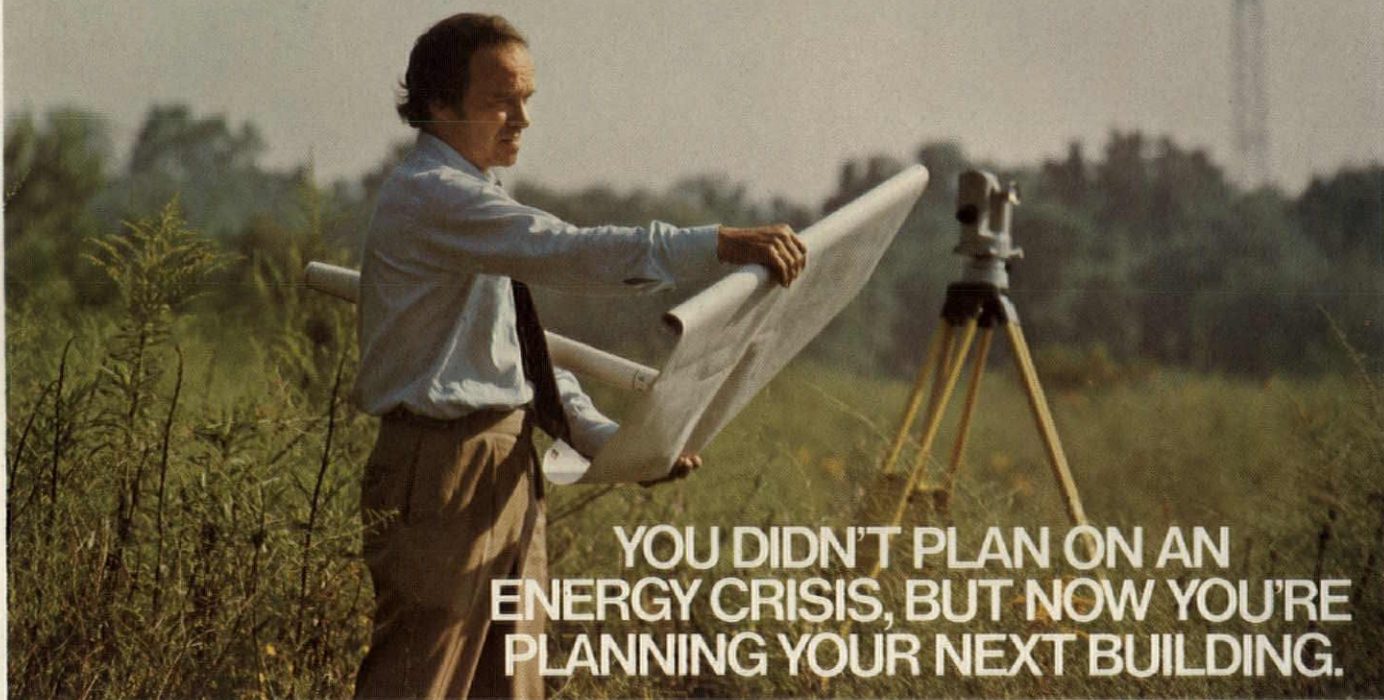
opposed the project because they were afraid the proposed condominium townhouses would lower the value of their \$80,000 to \$100,000 single-family homes. The ensuing political storm, led by a former mayor of San Francisco who lives across the street, resulted in such expensive compromises as building larger units on one side of the project, widening a street, and providing two-and-a-half parking spaces per unit instead of the one space per unit called for by the redevelopment plan.

- The site itself was solid rock, steeply graded and very ir-

regular. It was also close to the San Andreas fault. This wiped out any savings that could have been gained from party-wall construction, as each unit had to be engineered separately, and each had to meet seismic codes as an individual unit.

Architect Beverly Willis of Willis and Associates of San Francisco came up with a site plan that called for 51 units to be built around the perimeter of the site and the center to be used as a common area. Two of the models are only 18 ft. wide; the third is 28 ft. wide.

TO PAGE 66



YOU DIDN'T PLAN ON AN ENERGY CRISIS, BUT NOW YOU'RE PLANNING YOUR NEXT BUILDING.

Which building material will you use?

You've got energy shortages to think about. Air-conditioning costs. Heat gain through the long, hot summers. Heat loss in the winter months. Heating equipment costs. The whole set of energy-use factors suddenly has become critically important. The building material you use affects all of them.

Compare the energy conserving capability of masonry, for instance, with double-plate glass walls.

At 4:00 P.M. on a hot August day in Washington, D.C., the heat gain through a square foot of west-facing insulated brick and concrete block wall will be 2.2 Btus an hour.

The heat gain through a double-plate glass wall in the same location will be 173 Btus a square foot in an hour. A big difference.

Project this differential over 10,000 square feet of wall. You come up with a heat gain through masonry of 22,000 Btuh, while the heat gain through double-plate glass is 1,730,000 Btuh.

In the case of the masonry wall, cooling equipment with a two-ton capacity can handle the heat gain. But with the double-plate glass wall, about 143 tons of cooling capacity will be needed.

An analysis of a typical 10-story building shows that over its useful life, the air-conditioning cost for a square foot of our masonry wall will be about 23 cents. For the double-plate glass wall, it will be \$7.60.

It takes a lot of money to buy, install and create space for all the extra air-conditioning equipment

required by the double-plate glass wall. A lot of money and a lot of energy to run that equipment.

Compare the heat loss in winter. It has a dramatic effect on energy consumption and building operation costs.

Our masonry wall, for example, has a "U-value" of .12. The double-plate glass wall has a "U-value" of .55. (U-values are used to determine heat loss through one square foot of wall area in Btuh per degree Fahrenheit differential across the wall.)

This means that the masonry wall is about 450% more efficient, on the average, than the glass wall in reducing heat loss.

Over the useful life of the building, the heating cost per square foot of wall area for masonry will be about 30 cents. For double-plate glass, about \$1.38.

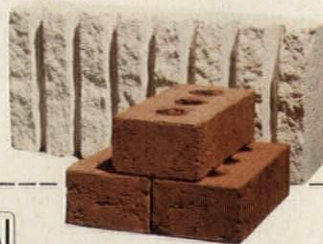
In a time of one energy crisis after another, masonry makes eminently good sense as a good citizen.

The masonry industry believes that the thermal insulating qualities of masonry are an important economic consideration to building designers, owners and investors, and all citizens.

Masonry walls save on air-conditioning and heating costs. And just as important, they are less expensive to build. The masonry wall we've described would have a 38% lower initial cost than the double-plate glass wall.

If you'd like to find out more, write to us and we'll send you a booklet comparing the thermal

insulating qualities of masonry walls with double-plate glass walls, metal panel walls and pre-cast concrete walls.



International Masonry Institute

HH

823 15th Street, N.W., Washington, D.C. 20005 / (202) 783-3908

Please send the booklet comparing insulating qualities of masonry with other building materials.

Name _____

Company _____

City _____

State _____

Zip _____

Nature of Business _____

THE MORTGAGE SCENE

"Money in the 7½ range— enough for 40,000 units"

continued from page 60

In Michigan and Virginia, he pledges 5% for six years. If the development is as much as 70% occupied during these years, the reserve will not be required.

Volume. The Michigan multifamily program is financing 350 units a month and would like to hit 500. Virginia hopes to reach 6,000 a year. Minnesota has financed 2,000 is a Section-236 participation program, and it hopes to hit a total of 5,000 units a year in all of its multifamily programs.

Loan applications for their programs may be made through mortgage bankers or direct to the agency. The Michigan and Minnesota programs cover interim as well as permanent financing.

Michigan's multifamily program differs from most of the other state programs in one other significant respect. Most of the projects it is now financing are aimed at middle-income tenants, that is, tenants who qualify within the program's income ceilings (the same for multifamily as one-family) but receive no other subsidy. In a typical mixed project, 70% of the units must be rented without subsidy.

Most other state multifamily programs have been geared mostly to Section-236 eligible (moderate-income) or public-housing-eligible (low-income) families, with a ceiling of 15%-20% of their mix for unsubsidized tenants. In many of the state-financed projects, the three income levels are mixed. There is stiff regulation of development and management. Most of the agencies with whom we've spoken tell us their projects have waiting lists and they've had developers come back for their fourth and fifth project.

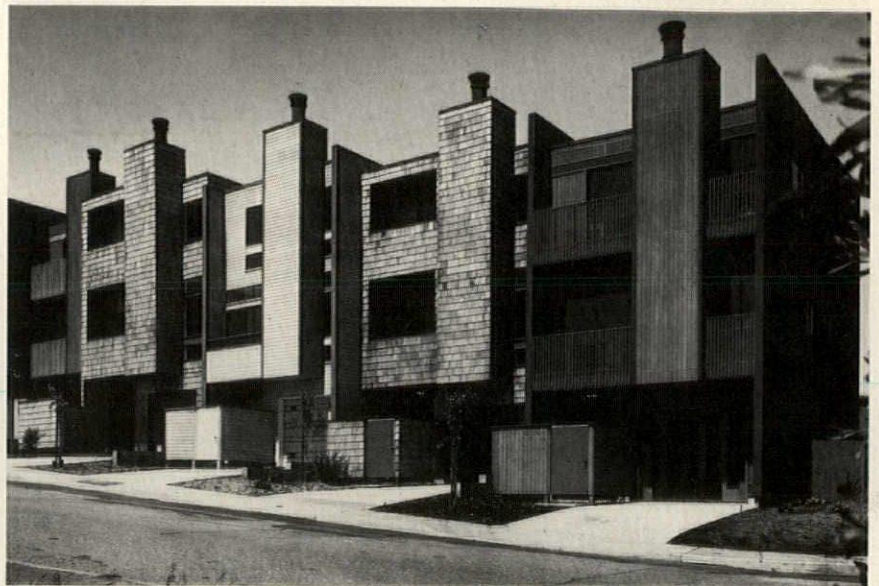
Illinois and New York. There are other innovative agencies.

The Illinois Housing Development Authority has a unique loan-to-lenders program to combat redlining. It is making available \$23 million at 7½% to Chicago financial institutions for loans in inner-city areas.

The largest state agency, New York's Urban Development Corporation, is a land developer as well as a financing agency, with a unique overriding right of eminent domain. It has sold land to major employers and it is selling land to private one-family builders in two new communities that it is developing, Radison outside of Syracuse and Audubon outside of Buffalo. There are no restrictions on the value of the homes that may be built on these lots.

There is thus a wide range of approaches to the overall goal of providing better housing for people of limited or middle income. The agency in your state may resemble none of these examples. The state agencies have tapped a market in which demand is strong and a profit can still be made on sales or rentals. The agencies have so far been able to raise all the funds they need.

Many developers have found cultivating this market profitable. More could.



Streetside facades are varied from house to house by use of different siding—vertical, horizontal and cedar shake—and by changes in balcony detailing.

PROBLEM SITE

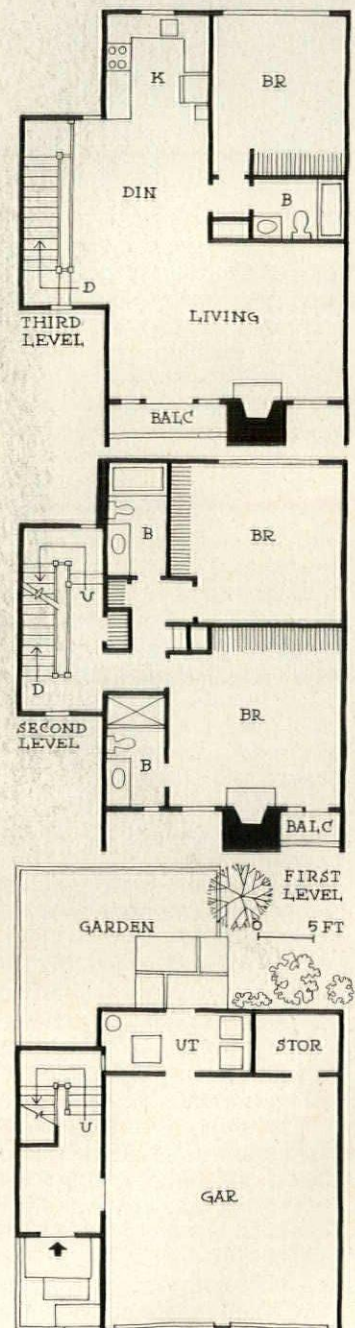
continued from page 64

By using three different exterior materials—vertical siding, horizontal siding and shakes—and by varying exterior details, she managed to provide 27 different facades.

Alpha Land bought the site for \$175,000, or about \$3,500 a unit. Construction costs were: \$15.36 a sq. ft. for plan A, which contains 1,645 sq. ft., including a one-car garage; \$16.40 for plan B, which contains 1,801 sq. ft., also including a one-car garage; \$18.55 for plan C, which contains 1,985 sq. ft., including a two-car garage.

Sales of the finished townhouses were slow, partly because the project came on-stream in September 1973, just as housing sales were slumping across the country, and partly because the neighborhood hassle and the resulting compromises had forced Alpha to price the houses beyond the means of the young families for which they were originally intended. Prices now range from \$42,000 to \$70,000.

Sales picked up in March of this year when the marketing was regeared to appeal to affluent young professionals. More than 50 percent of the buyers are unmarried—either single or divorced—while the remainder have few children. The majority are under 40, and many are even under 30.

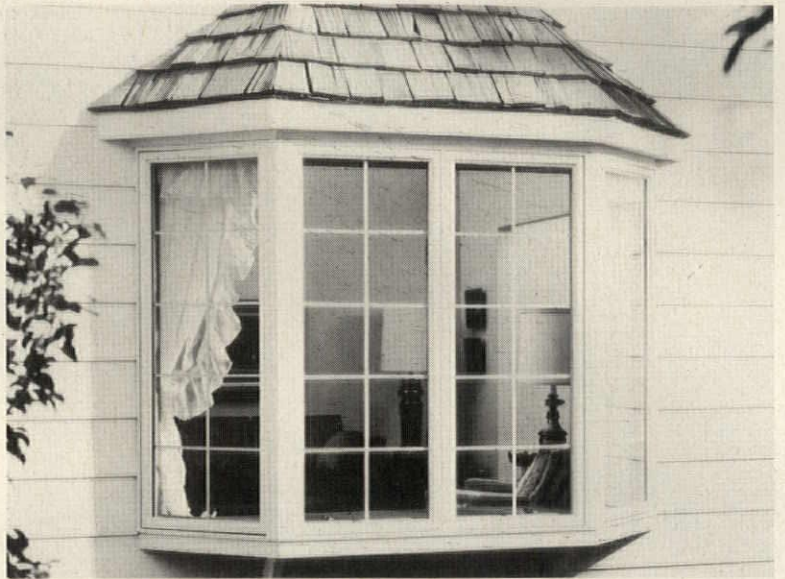


Largest of three models was included at insistence of neighbors who fought project.

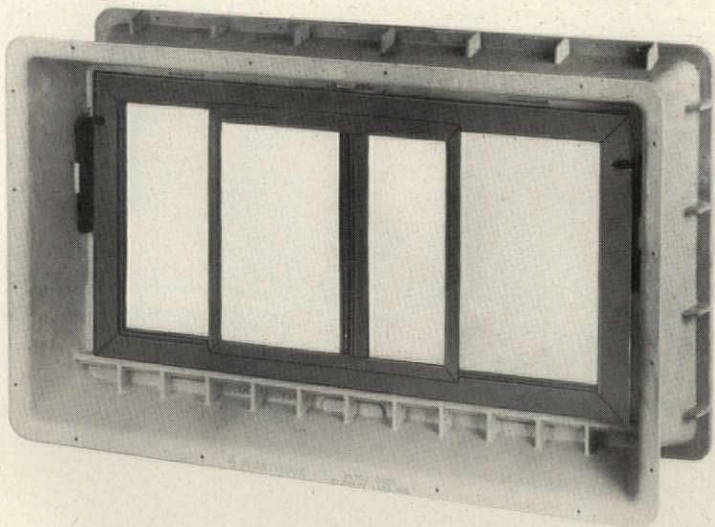
When these manufacturers started using vinyl, a lot of problems disappeared.



In siding, vinyl offers more than low maintenance. It's a natural insulation, helps keep a home cooler in summer, warmer in winter. Vinyl does not retain moisture nor amplify the sounds of rain. Won't conduct electricity or attract lightning. So, Certain-teed Products Corporation, Valley Forge, Pennsylvania, uses Geon[®] vinyl in their siding, soffit and fascia systems.



Easy installation and low maintenance are the result of excellent design in this new angle bay window by Andersen Corporation, Bayport, Minnesota. There's a rigid vinyl sheath of Geon PVC around the wood sash and frame. Hence, painting is not required. The window resists weather and corrosion, is kept clean and bright by occasional washing.



This basement window slides to open, therefore requires no space inside. Readily accepts a self-storing screen. It's by Plyco Corporation of Elkhart, Wisconsin. The frame and sash components are made of rigid Geon vinyl. Vinyl lets the window glide easily, is unaffected by dampness, minimizes condensation.



These are outside shutters that operate from inside. Made by Amrol Corporation of New Castle, Indiana, they control daylight and are a deterrent to intruders. Horizontal slats made of Geon vinyl wind on or off a reel, which is turned by hand or electric motor. For more information about Geon vinyl in building products, ask B.F. Goodrich Chemical Company, Dept. H-33, 6100 Oak Tree Boulevard, Cleveland, Ohio 44131.

B.F. Goodrich Chemical Company

B.F. Goodrich

Builders who switch



...don't switch back.

to Super-C steel joists

Many builders find they save 20% or more on their floor systems, with Super-C steel joists.

Many builders across the country who have switched to Super-C Steel Joists for their floor systems report significantly lower costs, compared with wood. And 20% is by no means the upper limit.

Here are some reasons why these joists are cutting costs... and why builders who have switched don't go back to wood.

They cost less to install. Not "maybe." Facts prove it. Steel joists are up to 20% lighter than wood — so they can be handled and installed quickly by just 2 men. And Super-C's extra strength permits greater spans and greater spacings, reducing the number of joists as much as 60%.

They give a better floor system. Developed by U.S. Steel, Super-C joists are hot dipped galvanized steel. They don't shrink or warp. Floors don't squeak. Nails don't pop. You should expect no callbacks from a floor system based on Super-C joists.

Many applications are possible. First floors, upper floors, flat roofs — for single-family houses, townhouses, apartments, shop built or field assembled. They've all been "proved out" by builders in the field. And plywood decking or concrete floors can be used.

For detailed information, send for our highly factual booklet, which includes typical applications, load span tables and architectural details — as well as the name of the manufacturer of Super-C joists serving your area. United States Steel, Pittsburgh, Pa. 15230.



United States Steel

United States Steel (USS C222-1)
600 Grant Street
Pittsburgh, Pa. 15230

Dear Sirs: Please send me your booklet on Super-C joists.

Name _____

Title _____

Company Name _____

Address _____

City _____ State _____ Zip _____

Type of units _____ How many? _____

Name of architect or project engineer who should also get this booklet: _____

Cure for sick models: cosmetics

While four unfurnished models each averaged two sales a week at Villa Martinique, a San Diego townhouse development, two other unfurnished models in the same price range limped along at less than one sale a week.

So the developer, The Christiana Companies, redecorated the laggards with softer colors and added informal furniture. Result: The sales rate of both doubled.

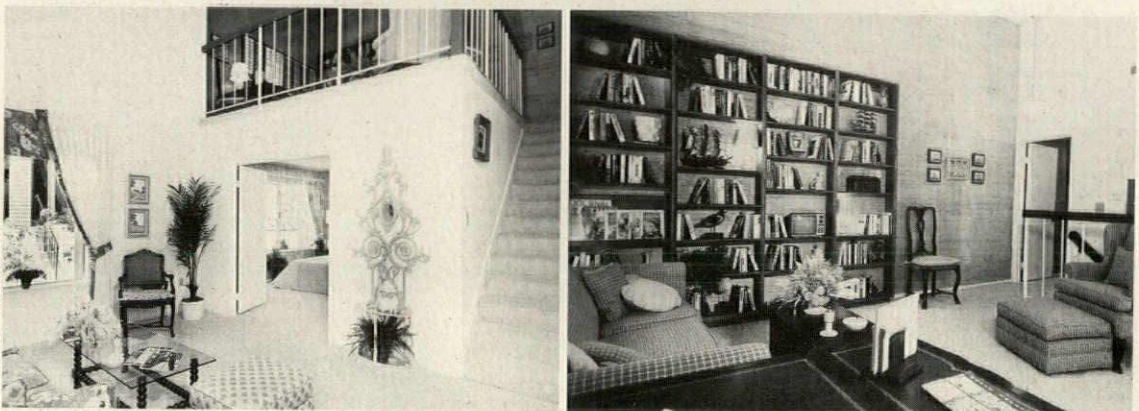
In one model—a 938-sq.-ft., two-bedroom, one-bath unit—the chocolate brown color scheme was changed to apple green and white. Furnishings included painted furniture, lattices over mirror walls and grass-cloth wallpaper.

In the other model—a three bedroom, two-bath unit—the pink, orange and gold interior was repainted in yellow and white. And a blend of contemporary and traditional furniture was added.

Diann Miller of Miller-Payne designed the new interiors.



In the \$26,000 model, mirrors embellished by lattices visually expand the master bedroom. Second bedroom is furnished as den with a built-in desk in former closet area.



In the \$33,900 model, contemporary and traditional furniture is combined. Loft (right), overlooking living room (left), is a den with floor-to-ceiling bookshelves.

PHOTOS: THOM BANCROFT



Circular logos in bright colors appear on cards in LPC's "We Care" package for tenants.

Feedback: How a giant rental builder learns from its tenants

It learns by asking whether its management is on the ball, whether its advertising is on target and how well its employees are performing. And, as a bonus, it gets a lot of referrals from satisfied tenants.

The learning tool for Lincoln Property Co., which last year built some 9,000 rental units, is a "We Care" package that goes to each tenant on move-in day.

Typically, the package is a 6"x9" envelope containing a

series of stamped, self-addressed color-coded cards:

- An orange "We'd Like to Know" check-off card that asks how the tenant learned of the apartment (11 choices), how the leasing agent presented the apartment (seven choices) and the condition of the apartment at move-in time (seven choices).

- A "Red Alert" card to be mailed when a maintenance request isn't handled to his satisfaction.

- A green "You are Good Guys" card, to be sent when a company employee does something particularly well. Most often, the leasing agent is cited, says Tom Vincent, an assistant vice president of LPC's Southwestern Region.

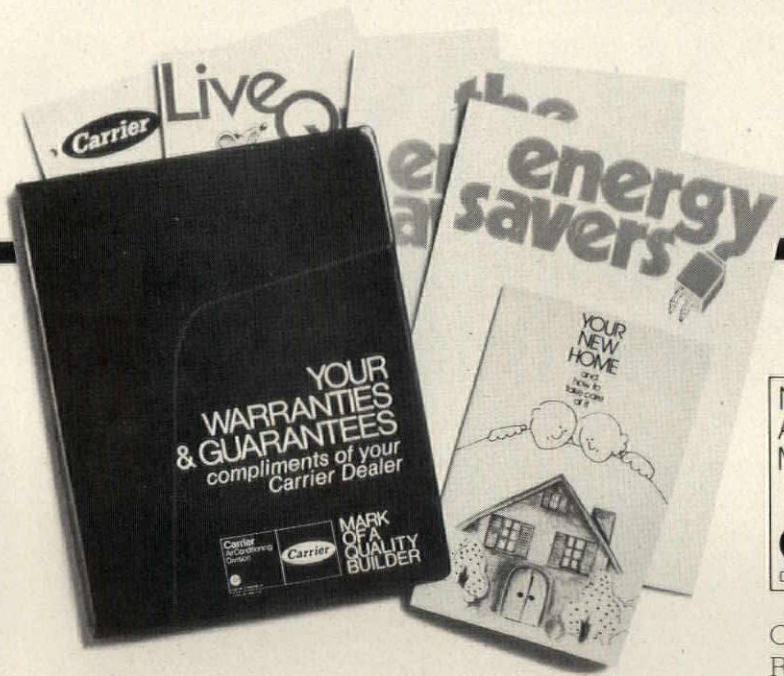
- A blue "Put a \$25 Feather in Your Cap" card, which invites residents to bring in new tenants.

"We've been very successful with referrals," says Sandy Mc-

Collum, the company's advertising and promotion manager. "And that's particularly important in Dallas, for example, where annual turnover in a typical apartment project ranges from 80% to 110%."

The "We Care" package may vary from one LPC project to another because of differences in local market conditions. LPC manages 35,000 units of its own plus 15,000 units for other owners.

FREE KIT!

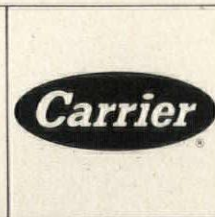


This coupon is good for one Free Sample of Carrier's Mark of a Quality Builder Kit. Contains display cards, stickers, a homeowner's packet for house keys, warranties, etc. Also NAHB and Benefits of Air Conditioning booklets. All of it is just one example of what the Carrier Dealer does to help your house sales — with central cooling and heating, on-time deliveries, expert installation and follow-up service. So fill it out and send it in.

Number One
Air Conditioning
Maker



Division of Carrier Corporation



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OF A
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BUILDER

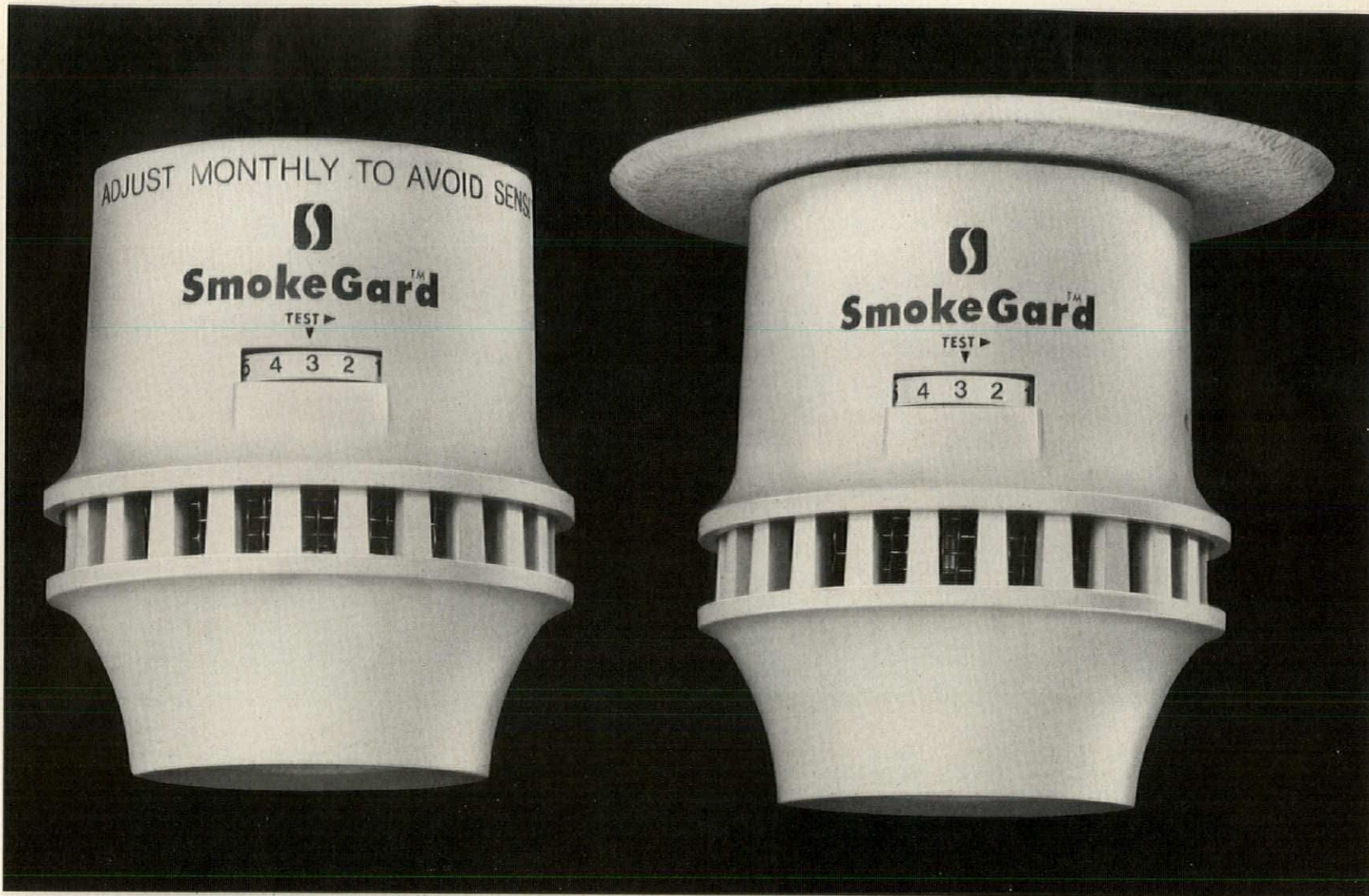
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DOUBLE EXPOSURE

SMOKEGARD 700 and 770

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Seeing Double? Almost. They look alike. They operate alike. The difference? One — Model 700 is the industries' battery operated leader. The other — Model 770 is our new low cost A.C. powered detector, designed to meet latest building code requirements on local, state and federal levels.

Both Model 700 and 770 feature the reliability and long life of the ionization principle of smoke detection. Both are easy to install. Model 700 with a ceiling plate and two screws (a homeowners dream). Model 770 with an adaptor plate you attach to a standard electrical outlet box with two pre-stripped leads and a little twist (a contractor's dream). Both Models are U.L. approved.

Your building or electrical contractor will be looking for the right unit at the right price to answer code requirements for both single and multi-family hous-



ing. Either Model 700 or 770 provide the answer — the Early Warning answer to both Code requirements and Fire danger!

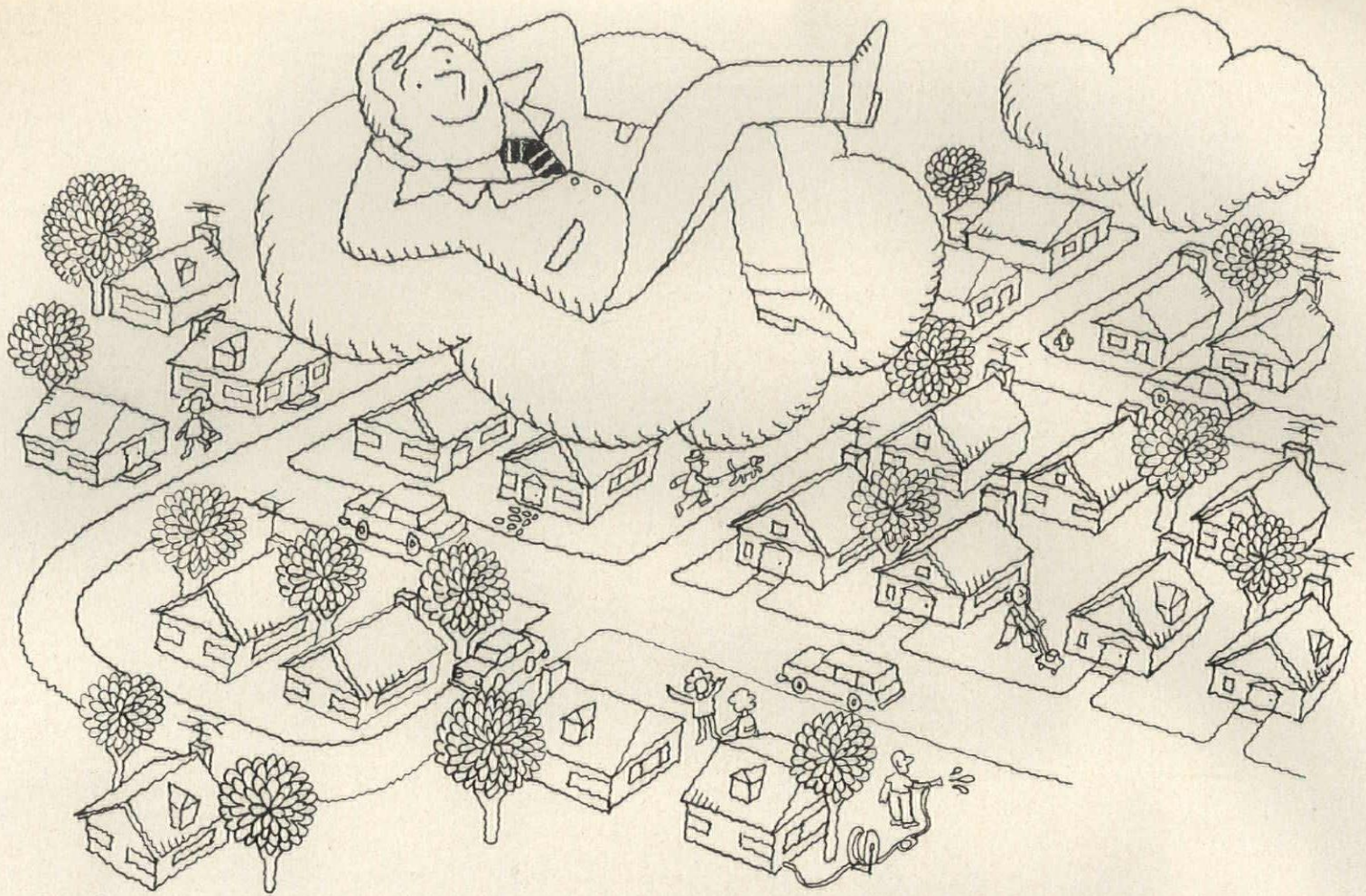
For additional information on Model 700, 770 or other Early Warning detectors for a wide variety of applications, write to STATITROL, the leading U.S. manufacturer of ionization detectors to meet residential, commercial and industrial requirements.



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Your Carrier Dealer makes it his business to take care of the heating and cooling in your tract homes. So you can have more time for your business.

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At the right price.

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So when you air condition your next tract of homes, see your Carrier Dealer for a quote you can be comfortable with. And then forget the air conditioning.

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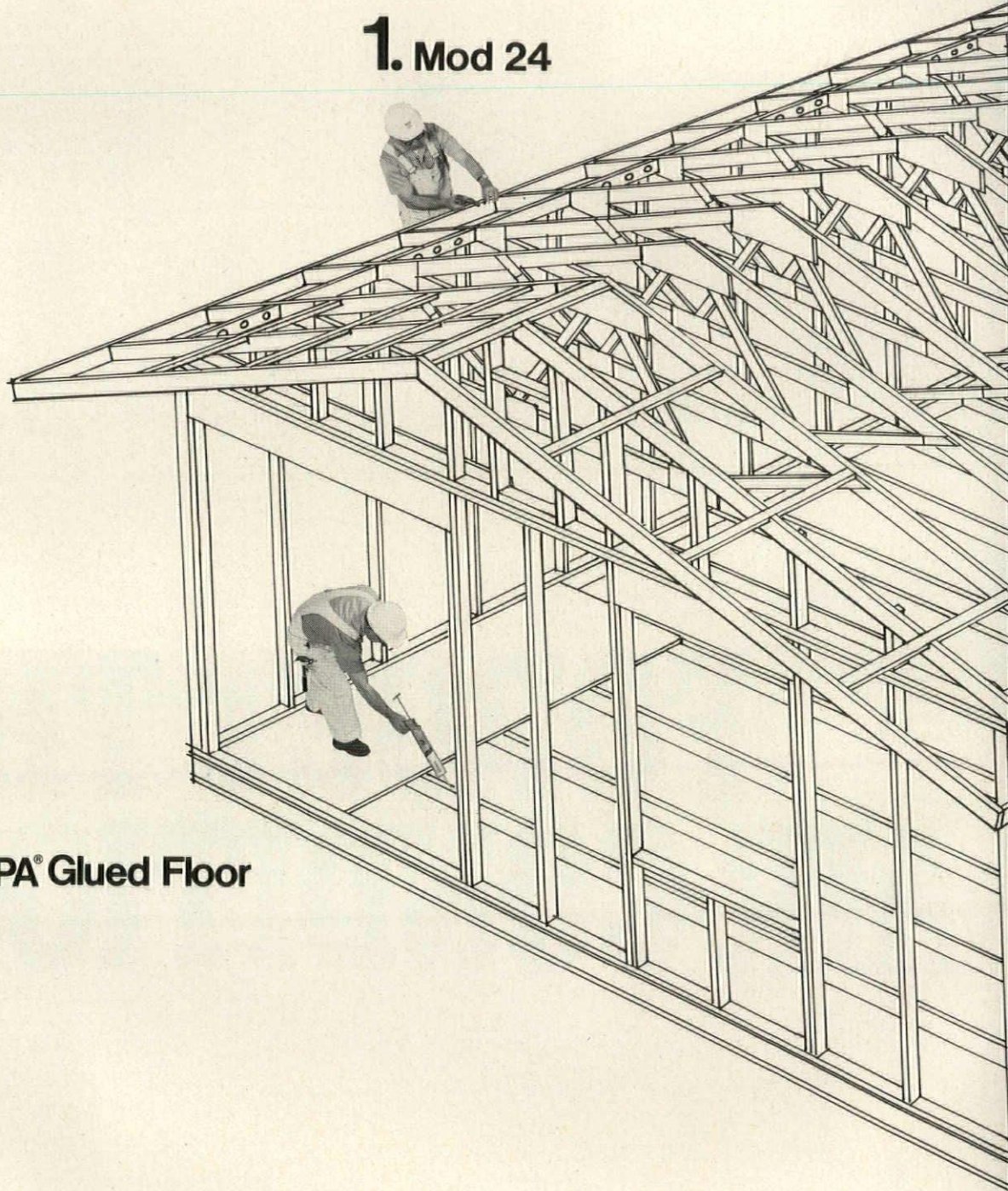


Division of Carrier Corporation

Carrier

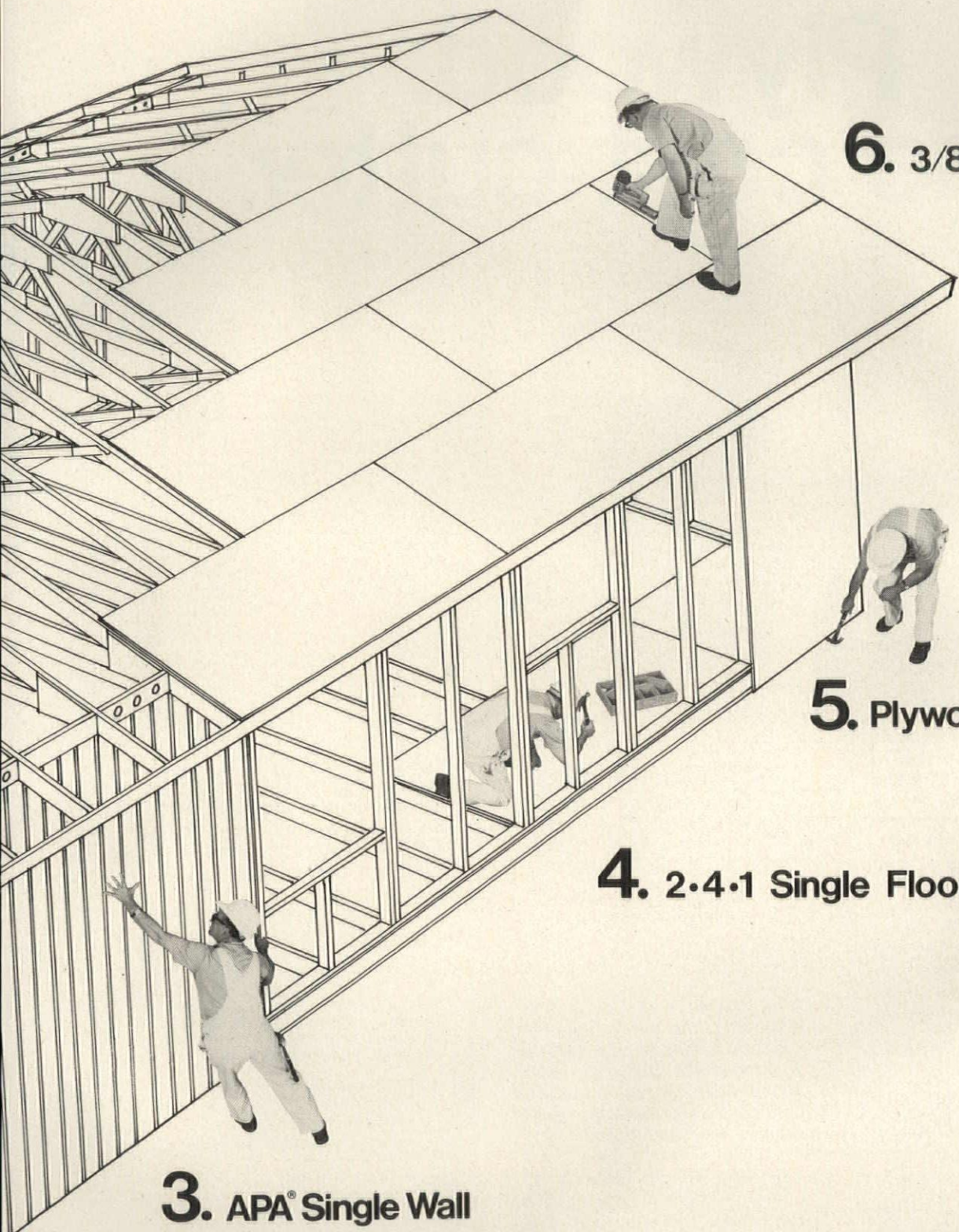
**MARK
OF A
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BUILDER**

1. Mod 24



2. APA® Glued Floor

Six cost cutters



6. 3/8" roof sheathing

5. Plywood corner bracing

4. 2·4·1 Single Floor

3. APA® Single Wall

around the house.

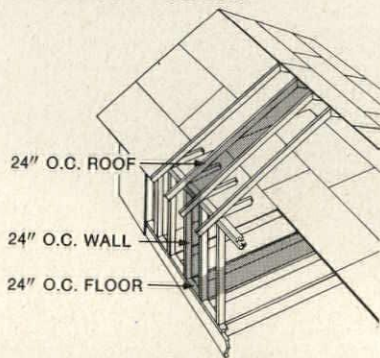
If you're really serious about cutting costs, meet Glenn Halme and the original cost cutter. On the next page. (Courtesy of American Plywood Association.)

Plywood. The cost cutter.



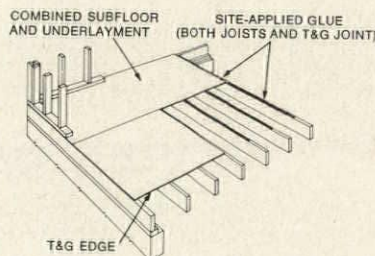
By Glenn Halme, Manager,
Residential Construction Markets, American Plywood Association

1. Plywood over lumber framing spaced on a 24-inch module (Mod 24) saves about \$200 a house, according to a time and methods study by the NAHB Research Foundation. Less lumber is needed because all framing for floors and walls as well as roofs is spaced 24 inches on center. Less labor is required because there are fewer pieces to order, inventory, handle and install. And, in many cases, you can stick with the same thickness of plywood now used at 16 inches on center.



2. APA® Glued Floor system combines subflooring and underlayment into a single-layer, squeak-free floor. The plywood is glued to wood joists. Many contractors are using 1/3 fewer joists. And some are getting stiff enough floors with plywood

glued to 2x8 joists instead of 2x10s.



3. APA® Single Wall Construction eliminates the entire sheathing process with a single layer of rack-resistant plywood siding nailed right on the studs. And cuts costs 30-40% compared to double-wall construction.
4. The 2•4•1 Single Floor is still one of the fastest, simplest floor systems ever invented. One layer of extra thick 1 1/8-inch plywood over 4-inch girders at 48 inches on center or 2-inch joists at 32 inches on center. Makes a smooth, solid surface for resilient floorings, carpeting and other nonstructural finish flooring. Nice basement ceiling, too.
5. Plywood corner bracing cuts in-place costs compared to 1x4 let-in corner bracing commonly used with some of the other sheathing materials.

6. About roof sheathing. All major model codes will okay 3/8-inch plywood sheathing at 24 inches on center as long as the identification index reads 24/0. Builders using 1/2-inch sheathing with an identification index of 32/16 are overbuilding.

Any questions? Ask me.

Glenn Halme
American Plywood Association
Department H-104
Tacoma, Washington 98401

No questions, Glenn. Just send me the facts.

- Mod 24 Building Guide
- Plywood Sheathing for Walls and Roofs
- Plywood for Floors
- Plywood Sidings
- APA 2•4•1 Plywood
- APA Glued Floor Systems

Please have a field man call.

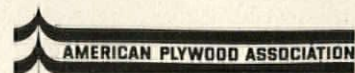
Name _____

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The Single Family House



IS AN AMERICAN DREAM GOING UP IN SMOKE?

Very possibly.

On the surface, the single-family-home market looks like the only slightly bright spot in an otherwise dismal housing picture. In most parts of the country, single-family houses are far outselling condos and townhouses, even though the latter are usually much lower in price.

The logical inference would seem to be that the great American dream of one's own house on one's own little piece of ground is holding firm in the face of skyrocketing inflation and almost nonexistent financing.

But look a little deeper and the picture changes.

It's a rare market that's offering single-family homes for less than \$35,000, and in many areas the bottom of the line is nearer \$40,000 or \$45,000.

What's more, that \$35,000 or \$40,000 price tag seldom buys anything remotely resembling a deluxe home. More often, it is a two-bedroom, one-bath house with little more than 1,200 sq. ft. and a level of finishing and amenities that would have been unthinkable two years ago.

Couple this with the fact that the price of these typical "low-priced" single-family homes is climbing something like \$500 a month, and the outlook for traditional single-family living is pretty bleak except in the highest-income market.

In this issue, HOUSE & HOME explores both the present and future status of the single-family house.

First, you'll read a market report on how the single-family house is—or is not—selling around the country, based on interviews with leading builders.

Second, you'll examine what seems to be the only possible way to retain reasonably priced single-family living: the attached—rather than the detached—single-family house.

Single-family isn't doing too badly—considering the problems

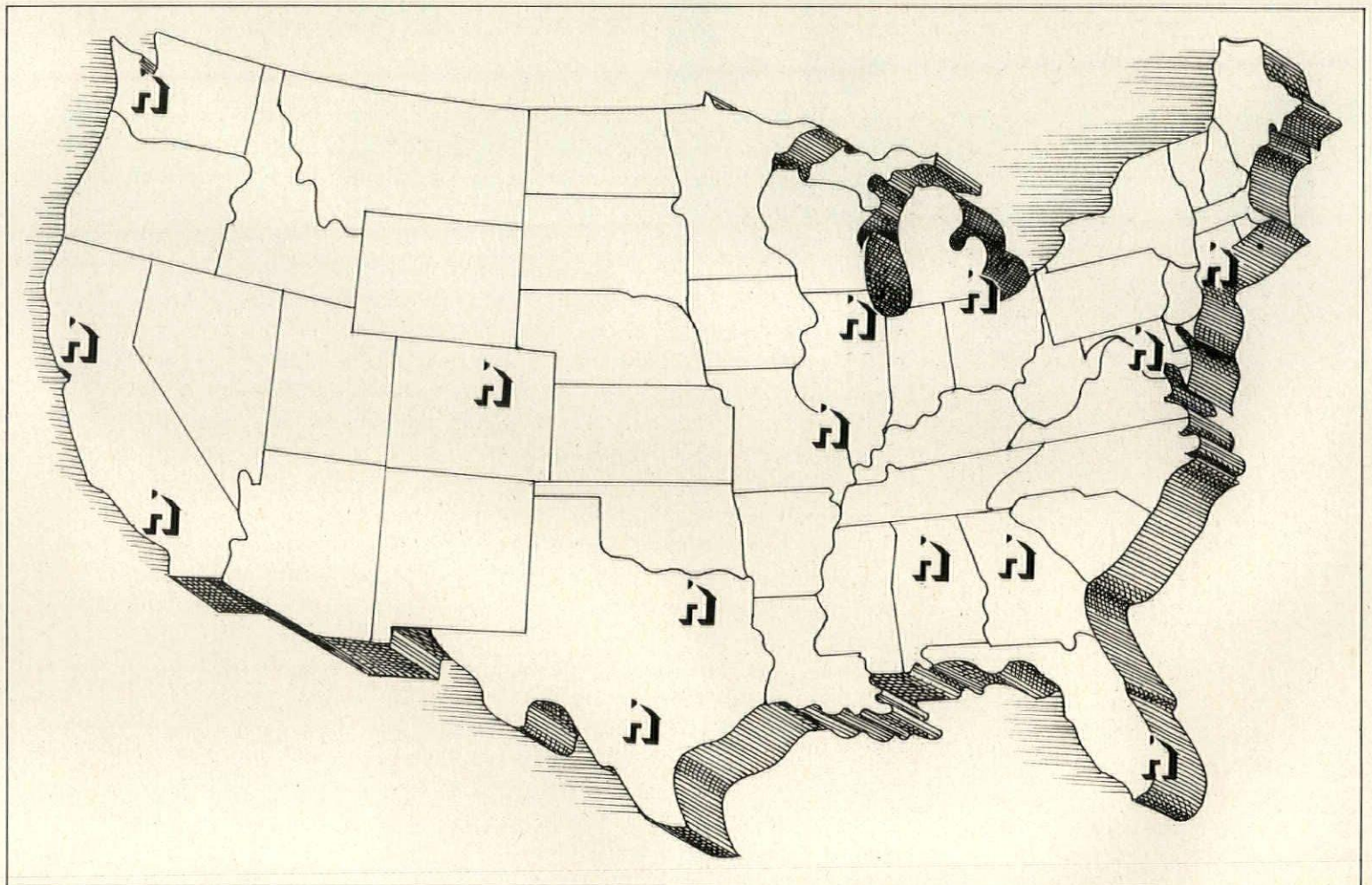
The problems are the same for all categories of housing: skyrocketing prices, lack of permanent mortgage money, and a psychological barrier to buying resulting from the current recession.

But right now only single-family seems to be making any headway at all against all this trouble. For-salw multi-family units—particularly condos—are dying on the vine all over the country, and rental construction has come to a virtual halt (H & H, August).

On the next six pages you'll find reports from 14 major markets showing how single-family is doing, and what the key factors are in making it a good—or bad—market.

These reports show that while all single-family markets are down to at least some extent, some are down less than others. Every local-area market is different. How well a builder is doing depends on whether he has Freddie Mac commitments, if he's building in a Tandem financing range, how scared his prospective buyers are about the economy, how big an inventory his area has and numerous other local problems.

For reports from the market areas shown on the map below, see the next seven pages.





ATLANTA

"I've never seen the single-family market so screwed up," says Lyll Angevine, president of Northside Realty Associates, which represents 60 Atlanta builders with 300 sales agents. "Mortgage money is scarce. Builders have too much in inventory but it's not being kept up so as to project good curb appeal. And too many people are foolishly waiting for interest rates to come down."

A similar view comes from W.A. Fickling, president of Fickling & Walker, a diversified building company which has land zoned and ready for single-family building when money is available. But until then, the company will stay out of the single-family market.

A slightly more optimistic attitude prevails at Cohn Communities, which plans to sell 200 to 300 single-family homes in six subdivisions.

"The only thing keeping us alive is the Tandem Plan," says Mike Ray, first vice president. "Even though we sell single family from \$28,000 to \$100,000 plus, we'll do 85% of our volume in the high \$20,000 to low \$30,000 price range."

Cohn's best seller is a 1,150 sq. ft., two-story ranch on slab with a one-car garage, carpeting and central air conditioning.

"We're pounding a dollars-and-cents advertising program, emphasizing a low purchase price and a 7¾% mortgage," says Ray. But customers are not exactly knocking down our doors to buy. So we're just holding our own, waiting for a turnaround in buyers' attitudes and a greater abundance of government-backed mortgage money."

Similarly, King Jennison, president of Landmark Homes, is holding his own in a higher price range. He is selling a split-foyer home in the high \$30,000 range at the rate of four per month. "I can't really complain—not after it took me a year to sell seven houses in the high \$50,000 range."

Jennison says that his buyers, young marrieds with one or no children, were most impressed by high-quality finish work and heavy insulation throughout. "People want good value, and I bend over backwards to give it to them," says Jennison.



BIRMINGHAM

"The single-family market has slowed to a crawl throughout the state," says Billy Ingram of the Alabama Home Builders Association.

Even in Birmingham, a market with a large industrial base and little condominium activity, a dearth of take-out commitments has brought single-family starts almost to a standstill.

Says Lester Wyatt, who normally builds 60 houses a year in Birmingham in the \$35,000 to \$75,000 range: "I've virtually stopped all speculative building. This year I'll be fortunate to do 20 to 25."

Says Mrs. Hershel Trimm, co-owner of Trimm Construction, which will build 35 to 40 semi-custom homes this year in the \$60,000 to \$100,000 range: "Customer demand is good—about 50% are transferees—but we're fast running out of mortgage commitments. If we can't get anymore, we'll have to stop building."

Says Jesse Hayley, who usually builds six to eight custom houses at a time in the \$60,000 to \$125,000 range: "I've got at least ten customers who want houses. But they can't get take-out loans and I don't have any commitments. So I'm going to be really hurting if I can't find some mortgage money."

To get around the state's 8% usury-law ceiling, Hayley is considering incorporating his company so it can get at least one conventional mortgage commitment at about 10%. Then he hopes to use this commitment to get a construction loan at 12% plus one point. "It's really an act of desperation, but I can't afford to stop building."

Another Hayley strategy is to offer buyers a new custom home on a cost-plus-15%-fee basis. He figures that 6% will go for overhead and 9% for profit. A 14-page, item-by-item takoff is used to determine actual cost. "I haven't had any takers yet, but I'm hopeful," says Hayley.



CHICAGO

"Would-be buyers are in shock from high interest rates, a shortage of mortgage money and the rapid rise in utility rates," says Milt Kaufman, vice president of Surety Homes, which usually builds 200 single-family units a year that range in price from about \$35,000 to \$55,000. "As a result, a lot of people who would be buying are signing new leases on their apartments."

"And people won't settle for less quality or a smaller house than they want," says Kaufman. "They just don't buy anything." And he adds, "It's dangerous for a builder to experiment with a stripped down or miniaturized house. You'll destroy your good image and wind up with little or no profit to show for it."

Wiseman Construction has taken a dif-

ferent tack: It has just come out with an upgraded version of its most popular model, a five bedroom, three bath unit that used to sell for \$63,850.

To justify a \$4,000 price hike, the company has added such extras as higher quality carpeting, deluxe kitchen cabinets and ceramic tiles in the entryway.

"It's too early to tell what this upgrading will do to sales," says Wiseman's Harold More. "In this price range, buyers are kind of scarce. It's just about impossible for first-time buyers to qualify for single family. They are more likely to buy townhouses in the \$37,000 to \$46,000 range."

Wiseman has purchased 8¾% conventional commitments, but many builders aren't so fortunate.

Says Milt Kaufman: "The Ginny Mae \$38,000 mortgage ceiling is too low to help single-family construction in this area. And Freddie Mac commitments seem to be very hard to get. When you can get them there are so many points tacked on that you have to raise the price of the house five percent, and then you're not competitive with builders who have older, lower-cost commitments. So it looks as if the new housing bill isn't going to help one bit."



DALLAS

"Business is great. It's never been better," says Bob Harper, general sales manager of Fox & Jacobs, Dallas' largest single-family builder. "We've just hired 450 more production men so we can increase output to a rate of 2,800 units a year." That brings Fox & Jacobs' work force to 1,600.

Last year, the company built 2,400 homes in the \$22,000 to \$38,000 range in 17 Dallas and three Houston subdivisions.

According to Harper, there are five keys to Fox & Jacobs' success:

1) Large inventories of free-and-clear land located in close-in growth corridors.

2) A polished and aggressive sales force that knows how to close. "Our 45 salesmen close in excess of one-third of our visitors within one week of their first visit," says Harper. (Traffic volume is at the same level as last year, but more spread out during the week.)

3) Prospects preconditioned to the Fox & Jacobs name. During the past 28 years the company has built one out of every five homes in Dallas. Forty percent of today's buyers have some past association with a Fox & Jacobs home, either as a former owner, the child of an owner, or as a renter.

4) The ability to provide 7¾% Tandem Plan mortgages. "We have enough commit-

"The demand is here, but whether the buyer can afford the product is something else"

ments to last through this year and well into next," says Harper. In the Dallas newspapers Fox & Jacobs is running a full-page ad displaying a giant 7¾% figure under the headline, "If lower interest is what you're waiting for, what are you waiting for?"

5) A product the average \$15,000-a-year family can afford. Typically, it's 1,600 to 2,000 sq. ft., priced from \$26,000 to \$35,000, with three or four bedrooms, a garden kitchen, covered patio, carpeting, wallpaper and a two-car garage.

"Buyers still want the most house that they can afford and then some," says Harper. "People are not all that different from years past."

Above the \$38,000 Tandem Plan ceiling, Dallas starts have suffered drastically. Says Peter Shaddock, a custom-home builder in the \$60,000 to \$300,000 range: "Custom home starts are off by 75% because construction money is so hard to come by. Few builders can get—or would want—a construction loan without a waiting take-out commitment. And those are scarcer than hen's teeth."

Shaddock's profit level is down 60% and so is production—from 60 units last year to 25 to 30 units this year. "Because I've got a good financial statement to get construction loans, I'll keep building even though profits are down," says Shaddock. "In any case, I won't go back to building low-cost FHA housing. I found out that because of government delays and red tape there's a lot more profit in one \$200,000 custom house than there is in a 50-unit FHA subdivision."



Besides the money problem, Denver single-family builders have a crisis all their own. Since last November every builder in town has been on a waiting list for natural-gas hookups. Reason: The regional gas and electric utility can't get a needed rate increase, so increased quantities of natural gas are being piped out of state to users who will pay more than Denver consumers.

Meanwhile, gas-tap allocations are doled out at sporadic intervals, creating uncertainty among Denver builders about how to plan for the future. Some say they're preparing to convert to electric heat, even though required extra thermal insulation and storm windows would mean price boosts of \$2,000 to \$3,000 per house. Others think the gas-allocation problem will be resolved soon and are sticking with natural-gas heat.

Established Denver builders say they're continuing to sell single-family houses, and new subdivisions are being started. Melody

Homes, a division of Singer Housing Co. based in Boulder, is 30 days away from opening two new subdivisions to add to its present three, and is buying more ground for single-family tracts. Says Melody marketing director Bob Anstein: "We need more tracts going now because we're getting fewer sales per subdivision. Where you used to get 200 sales a year from one tract, you're now down to 100."

Melody uses Tandem financing for all of its homes because all are in the \$31,000 to \$42,000 range. "Where we can we're converting to electric heat," says Anstein, "but we can't do that with inventory homes and we can't do it where a competitor has natural gas".

Celebrity Homes claims sales are actually exceeding projections in its three subdivisions. "We're one of the lucky ones," says marketing vice president Vince Dietrick. "We've got good locations plus good design and it's paying off."

Celebrity's three tracts, offering 40 elevations and five floorplans in the \$45,000 to \$65,000 range, are located at the Boulder Country Club, next to a golf course in Westminster, and in heavily-built and heavily-trafficked southeast Denver. Financing has been at the 8¾% Freddie Mac and at a 9¾% preferential rate obtained from a savings and loan that Celebrity has done business with for ten years.

Prospective buyers are continuing to shop in Denver. "Traffic is still pretty good," says Phil Winn of Witkin Homes Inc., which builds in the \$22,000 to \$85,000 price range. "There's no question that the demand is here," concurs Anstein. "But whether the buyer can afford the product is something else again."



The \$33,000 house is alive and well in the Detroit suburbs. That's the view of Bob Rollins, marketing and sales director of Seligman & Associates, which will deliver 250 to 300 single-family homes this year. The firm's product: a 1,200sq. ft. brick ranch with one bath and full basement on an 80' lot.

But in the \$40,000 to \$60,000 range, the single-family market is very thin, says Irwin Holtzman, a partner in Holtzman & Silverman, which normally builds 80 to 100 homes a year.

"Buyers who can afford \$50,000 houses are mostly out-of-towners who want to live in a prestige neighborhood. And, frankly, there just aren't very many of these people around."

Holtzman & Silverman will deliver about

60 homes this year. "Next year," says Holtzman, "I hope to build 50 units, but if I do less I'll seriously consider getting out of the single-family business altogether."

"High-powered merchandising doesn't work in this kind of market," says Holtzman. His approach is to offer high-quality finish work (deluxe cabinetry, 2½'-thick oak floors, etc.) and increased square footage.

"The 1970s is the age of consumerism," says Holtzman. "People are very conscious of what's wasted space and what's useful living space. That's why we don't go in for California-style balconies and vaulted ceilings. But we do offer 20 to 150 sq. ft. more in our seven new colonial-style models."

Rollins feels that there are enough people aware of rising construction and land costs to keep basic \$30,000 to \$40,000 housing selling at a pretty fair volume. "There's very little to choose from in this price range," says Rollins. "That's why we're holding our own."

Seligman's strategy is to build out small subdivisions and scattered-lot sites, which have been zoned and improved by land developers. "This saves us a lot of time," says Rollins. "Scattered-lot building does require top notch supervision to control costs. But a good level of profitability has shown us that it's worth the effort."

For both Holtzman and Rollins, the shortage of mortgage money is not a problem now. Holtzman uses conventional savings and loan financing (9½% for 35 years with 25% down), and Rollins has an ample supply of 7¾% Tandem Plan commitments.



LONG ISLAND, N.Y.

Levitt & Sons finds its Long Island sales "somewhat off" despite an abundance of 8½% Tandem Plan mortgage commitments. Says vice president Ed Cortese: "Today's buyer is not discretionary; he's buying because he has to. But still he's not willing to lower his expectation level."

Levitt's typical Long Island best seller is a two-story, 1,850 sq. ft. colonial with three to four bedrooms, 2½ baths on a half or a third of an acre. Price: \$38,000.

By contrast, Suffolk Village, a firm that builds only in Suffolk County in the \$29,000 to \$60,000 range, finds that profits are down slightly, but that sales have increased and buyers are willing to settle for a little less. Says president Gerald Kramer: "The 275 homes we deliver this year will produce a slightly lower profit than the 240 units we sold last year. We've been squeezed by 12% to 14% annual cost increases and very stiff competition."

Kramer finds that for the first time in years, buyers are willing to do without a basement in his most popular model, a three bedroom, one-and-one-half-bath ranch selling for \$37,000.

For take-out money, Kramer relies on conventional financing from a New York savings bank. The rate is 8½% plus ¼ point for private mortgage insurance. "We don't shop around. We've been loyal to this one bank and they've stuck by us," says Kramer.

On the other side of the coin is David Adler, president of the Adler Magee Group, which has stopped building single-family homes altogether. Says Adler: "We weren't able to generate a profit level that could justify the tremendous risks in single-family development. There definitely is a niche for low-volume spot builders and for custom builders. But building out large tracts has become ridiculous because land-improvement costs are off the wall."

Kramer sees heavy land banking as an opportunity to purchase select parcels at slightly reduced levels. "Nobody is giving anything away, but land prices have softened. And, in general, the slow down in building activity has allowed us to get better prices from subcontractors and material suppliers."



LOS ANGELES

Los Angeles builders are jumping back into the single-family house business in earnest. Reason: Close to 10,000 condominiums now stand completed and unsold in the five counties surrounding Los Angeles.

Single family is what's selling and McCarthy Co. typifies the Los Angeles builders who realize that fact. Says McCarthy acquisitions vice president, Bob Watkins: "Our only activity from now on will be single-family detached. We're getting away from townhouses—or any other attached market for that matter."

What's more, McCarthy's lenders have assured Watkins that for interim financing they will consider nothing but single-family detached houses.

"There isn't much single family available," says Chuck Dreyer, marketing vice president for R.H. Grant Co. "But only new single family with Freddie Mac or Tandem Plan financing is doing well. New single family without either one is in deep trouble."

Dreyer recently opened a \$33,900-to-\$40,900 single-family development with Freddie Mac financing in Los Angeles County's San Gabriel Valley and sold eight houses in two weeks. In the higher price ranges where he has less favorable conventional financing,

Dreyer has been pushing his referral business, hosting parties and wine tastings for subdivision residents and guests and leaving the doors to the model homes open. "Today you've got to use every trick in the book," says Dreyer.

Grant is looking for more single-family projects and is negotiating with two other building companies to buy partially completed single-family subdivisions in Southern California.

The Irvine Co. had quick success in August with zero-lot-line houses in Orange County, selling all 65 in a new subdivision's first phase in two days. Prices were \$40,990 to \$47,000. Financing was 8¾% for 80% loans and 9% for 90% loans, with buyers paying one extra point plus a \$50 fee.

Presley Homes has been able to take advantage of Freddie Mac financing at only one subdivision, TransAmerica Corp.'s Diamond Bar development, where Presley homes are priced from about \$42,000 to \$55,000.

In other Presley developments prices have been too high to benefit from Freddie Mac. Says president Randall Presley: "Assistance programs like Freddie Mac and the Tandem Plan are doing a great job for us and other builders in Phoenix and the low-cost areas of the South, but they do nothing for us in Washington, D.C., Southern California and other high-cost areas."

Still, Presley says his sales are reasonably good in Southern California because of superior locations: "Better locations will sell in bad times when secondary locations slow down."

Shapell Industries is another builder for whom the Tandem Plan and Freddie Mac mean nothing. Its eight subdivisions in the Los Angeles area are priced from about \$40,000 to just under \$100,000. As the company's conventional mortgage sources have dried up, Shapell has used its own capital to finance some mortgages for buyers at below-market interest rates.

"But," says president Nathan Shapell, "that's hardly the answer to the money crisis. And if we hadn't protected our balance sheet for the last ten years we wouldn't be able to do that."

Shapell, unlike other large builders in the Los Angeles area, has so far refused to pay extra points to buy lower-interest loans for his buyers, the practice that is commonly known as "buying down." But it's not a practice he condemns. Says Shapell: "There are more and more builders today who must either get some cash or fail. They have no choice but to buy down." TO NEXT PAGE

"People are skittish because they think the national economy will go sour"



MIAMI

Single-family sales are down about one-third, but profits "are not off too much" because dollar volume is up. So says Rick Overstreet, a spokesman for F&R Builders, a Lennar Corporation subsidiary with 14 subdivisions in Dade County.

"Consumer psychology is adverse to making a large dollar commitment right now," says Overstreet. "But this could turn around tomorrow if there is some dramatic—and positive—economic news out of Washington or Wall Street."

To overcome the psychological barriers of different types of buyers, F&R is taking a hard look at its advertising, which is tied to a "now is the time to buy" sales theme. Overstreet believes that this theme is correctly targeted for active prospects, because the company is currently experiencing the highest capture ratio in its history—up to five closings for ten visitors in some projects.

But F&R is exploring new advertising themes to convert inactive prospects to active buyers.

"We're analyzing traffic and closing histories so we can aim our advertising more precisely at fence sitters," says Overstreet.

With ample mortgage commitments available conventionally and through the Tandem Plan, tight money is not a problem for F&R.

Neither is it a problem for Jim Kay Homes, according to company vice president David Rozen. "Our problem is that traffic is off 50%. Still, this year we're hoping to sell 200 homes—mostly in the \$45,000 area—versus 120 last year."

Rozen's optimism is based on continuing in-migration of transferees and retirees, an almost total lack of rental units and poor demand for condominium units. "People have to live somewhere, and at the moment, their preference is single family in the 30s and 40s," says Rozen.

To keep prices down without cutting too much into profit margins, Jim Kay is building six units to the acre in some subdivisions instead of four per acre. "So far, we haven't noticed that this increase in density really hurt sales," says Rozen.

Would Jim Kay sell more homes if they were smaller or lacked some expensive features of the current product?

"Absolutely not," says Rozen. "The great American dream of a fancy house is still important to most people, and you can't talk them down from the upper limits of their budgets."

For the past six years, four models have been excellent sellers for Pasadena Homes,

says co-owner Leonard Miller. But demand is slackening.

"Until six months ago, we were building from a waiting list that dated back to March 1972. Today when we contact these people, only two percent to three percent still want to order now. Others ask to be put on the bottom of the list until they feel more confident about the economy."

Pasadena's normal production is 150 to 200 units a year. Typically, a four-bedroom, two-bath house is most popular. Price: \$46,000.

To keep prices down, Miller says his company is implementing a Florida Homebuilders' Association resolution calling for all builders to "resist to the fullest extent" all price increases for labor and materials. "If we all stick together, maybe we can slow down the incredible rise in costs," says Miller.



SAN ANTONIO

Despite an abundance of 7¾% Tandem Plan mortgage money, single-family sales are off 30% for Ellison Industries, a company which builds in all parts of the city and at prices ranging from \$24,000 to \$65,000.

The city's largest builder, Ellison had planned to sell 1,800 homes this year, but now expects to total only 1,200.

"The local economy is good and mortgage money is cheap and plentiful," says Ellison's marketing director, Gerald Schulz. "But people are skittish because they think the national economy will go sour. Even worse, most buyers believe they can't get mortgage money because they hear housing people crying that 'There's no mortgage money, and we're going broke.' This kind of talk scares a lot of people off."

To combat the public's homebuying hesitancy, Ellison Industries uses a TV and newspaper advertising campaign that emphasizes the advantages of homeownership as the best inflation hedge, and the fact that low-cost mortgage money is available.

At the same time, the local home builders association kicked off a \$15,000 public relations and advertising campaign with the theme "Now is the time to buy."

"It helped reinforce our ad campaign," says Schulz, "and propped up sagging sales for builders in the low- to middle-price range who had commitments."

Building on eight tracts, Ellison's most popular product is a \$27,000 home of 1,200 sq. ft. with three bedrooms, two baths, central air conditioning and a two-car garage.



SAN FRANCISCO

In the high-cost San Francisco Bay area ("Costs are up even more in northern than in southern California," says Randall Presley), the last bastion of the low-priced single-family house is south San Jose. The William Lyon Co. recently opened a 93-unit subdivision there, with sales prices starting at \$28,990, and sold 25 Tandem-financed houses on the first weekend. In two weeks the starting price had been increased to \$32,500 and sales continued at a brisk ten per week.

R. H. Grant Co.'s northern California division will soon be opening a \$34,000-to-\$38,000 single-family tract in the San Jose area that is also designed for the Tandem program. Says northern California marketing vice-president, Gary Brooks: "Anything selling in that price range is selling extremely well. But there's not much around at that price."

Buyers for Grant's higher-priced houses, in the \$55,000 to \$75,000 range, are largely couples with working wives—"At least 90% are in that category," says Brooks. They're coming up with substantially larger downpayments to help reduce monthly payments and meet the lender's increasingly stiff qualifications.

"Today," says Brooks, "the lenders insist that buyers' incomes be absolutely no less than four times the payments. So we're getting a lot of buyers coming up with enough down to buy 70% and 75% loans instead of 80% and 90% which it used to be."

Deane & Deane, which has only one single-family project in the San Francisco area, is looking for more single-family land, but so far hasn't found it. "We've looked in Concord, Livermore and everywhere on the San Francisco peninsula," says marketing vice president Bob Hardesty, "but haven't found a feasible package. I don't foresee any new single-family developments for our company for at least a year."

Traffic in the greater San Francisco area is still good in the San Jose and Fremont locales. "It's much better there than in our East Coast markets," says McCarthy Co.'s Bob Watkins. "But on the San Francisco peninsula average traffic has fallen to less than 50 prospects a week." Hardesty feels fortunate to be averaging 110 persons a week at a \$54,950-and-up townhouse project in San Mateo where buyers can get 80% loans at 9¾% interest and 90% loans at 10%, and the nearest single-family houses start at \$79,000.

In higher-priced areas, like Contra Costa County, where Deane & Deane's \$46,000-

to-\$68,000 single-family subdivision is located, location is still the key to sales. The Deane project is three blocks from the Pleasanton Bay Area Rapid Transit station, is close to a freeway and is in a good neighborhood. The project continues to sell at the relatively respectable rate of two houses per week.



SEATTLE

"About all we're selling in single family now is in the Tandem financing program," says Pete Hansell of the Seattle-based Stafford-Hansell Co. "Sales are slow for everything else."

That's also the consensus opinion of Seattle builders. Unfortunately, when the Tandem program came on the scene about 90% of Seattle's builders were using conventional financing and didn't have the product required for Tandem mortgages. Says Hansell:

"Builders here realized a little late what a valuable tool the Tandem Plan is. Now there's quite a bit of scrambling to get into it." Stafford-Hansell was one of the few that could take immediate advantage of the Tandem program because the company had been building single-family houses in the \$30,000 to \$40,000 price range consistently with FHA financing.

Hebb & Narodick Co. is one of those that are in the process of switching signals. According to vice president Roy Mays, "We'd bought quite a bit of conventional money at 8¾%, but that hasn't moved as well as we'd like. Now we've tied up some money in the 7¾% Tandem Plan and we hope to have a strong sales program going from that."

For Hebb & Narodick, like others who had relied on conventional financing, it's a matter of trying to get back into a lower-priced house after being forced into the \$40,000s and \$50,000s over the past couple of years. The company is using its newly obtained Tandem commitments in five of eight subdivisions where prices range from \$33,000 for two bedrooms/one-and-a-half baths to \$37,500 for four bedrooms/two baths.

Freddie Mac money has been keeping Wick Homes going, but its supply is diminishing. So Wick, too, has introduced Tandem financing to its building program by starting two subdivisions in the \$25,000 to \$32,000 range on land the company had held for five years. Says Wick executive Nick Jansen:

"We've got about 30 houses going in that price range and we knock off a couple of sales a week. Those houses are selling because they're so cheap. But if we had to count on them we wouldn't be in business." Wick looks for 250 single-family house sales this

year in addition to some condo sales.

Seattle's builders are in better shape than builders in most other markets in the country. One reason is that house production has been low in the area for some time, so there is very little inventory available. Another reason is that savings and loan financing hasn't dried up as rapidly as in other markets. Says Jansen: "Six months ago when everybody else around the country was paying 9½% and 10½%, we were still down at 7¾% and 8¼%."

Still another reason for the Seattle housing market's relative strength is the strength of Seattle's general economy, which has been rising steadily in recent years following the area's deep recession at the start of the '70s.

"Everything is pretty healthy here," says Nick Jansen. "We had looked for a damned good year and we'd have had it if it hadn't been for the interest rates." Says Roy Mays, "I really think the Tandem Plan is going to give the market quite a spurt."



ST. LOUIS

How soft can a soft market be? That depends on who you are talking to.

Says John Fisher, a co-owner of Fisher & Frichtel, which built 130 single-family homes in the \$30,000 to \$50,000 range last year: "The market is almost as dead as a door nail. Traffic is 25% of normal and it's not going to get any better in the near future. This year we'll be lucky to sell 60 units."

Tom Jones, vice president of The Jones Co., is almost as pessimistic. "We try some new merchandising trick practically every month. But weekend traffic remains at about 15% of last year's, although we're getting a higher percentage of closings than usual."

Last year, the company sold 135 homes; this year it will sell 90 to 95. The best seller is a 1,175 sq. ft. ranch with three bedrooms, two baths, unfinished basement and rear-entry garage priced from \$32,000 to \$34,000.

Last winter and spring many builders had a backlog of orders. They expected to do the bulk of their construction during the summer, but then a series of construction strikes hit. Now most customers aren't honoring their contracts because their take-out commitments have expired and they are uncertain about the local economy.

"We're scraping by for mortgage money," says Fisher. "Eight points are charged on conventional take-outs and four-and-one-half points on Freddie Mac commitments. So there's really no profit in building the house."

So why continue to build? "We've got to think of our employees, some of whom have

*“Stripping down
a house
to cut costs
turns
buyers off”*

been with us for 25 years,” says Fisher. “You’re not talking about what’s logical. You’re talking survival.”

The Jones Co. hasn’t laid off any employees yet, but will start layoffs by the end of October if business doesn’t pick up. “We’re thinking about getting into commercial and remodeling work,” says Jones. “Demand in these areas seems pretty healthy.”



WASHINGTON, D.C.

Tom Andrews, a Wills & Van Metre sales manager, is generally bullish about the single-family market in northern Virginia, where his company builds, even though current sales are painfully slow. The firm has just started 164 single-family units in the \$65,000 to \$95,000 range.

The reasons for forging ahead are first, strong belief that the federal government will continue to provide a stable local employment base, and second, a backlog of 9½% Freddie Mac commitments.

“Close-in, there’s no single-family house selling for under \$65,000,” says Andrews. “Our best seller is a four-bedroom, two-and-a-half-bath colonial with about 2,800 sq. ft. at \$73,500.”

Lloyd Needle, a vice president of Bresler & Reiner, is considerably more pessimistic, though. His company had planned to sell 200 single-family units this year in the Washington-Baltimore corridor. Instead, it will sell 100 units and consider itself lucky to have a small backlog of commitments. Needle expects to do about 50 single-family starts next year.

Even though most prospects in the area are very nervous about what will happen to the economy, they still want a posh house when they decide to buy. Says Needle: “We offer the works and really try to pack in value. Never do we strip little things out of the house to hold down costs. It doesn’t make any real price difference and it turns the buyer off.” Needle’s best seller is a \$65,000 colonial, with four bedrooms and two-and-one-half baths in 2,100 sq. ft.

Frank Halley Jr., president of Carrollton Realty, agrees that you can’t stimulate the market by cutting corners, but says you can boost sales with second mortgages. Carrollton is exclusive sales representative for MCD Enterprises, which builds single-family units in the Washington suburbs of Montgomery and Queen Anne’s Counties in Maryland.

“We’ll wind up the year selling about 550 single-family homes in the high 40s to the low 50s,” says Halley. “We don’t use the gimmicks that some builders do, like giving

away a free Pinto or offering a \$100-a-month rebate for a year. Our main selling points are offering good quality at a fair price—and, right now, second mortgages.

Halley arranges a typical \$50,000 sale this way:

The buyers accept a \$35,000, 25-year first mortgage at the going rate; the builder takes back a \$7,500 second mortgage at 10% for 25 years; and the buyer puts down \$7,500 cash.

Halley says MCD has built up a healthy \$2½-million second-mortgage portfolio, with few delinquencies, during those periods when gap loans were necessary to keep the sales curve up. An added bonus: Portfolio income helps stabilize MCD’s cash flow during the ups and downs of building cycles.

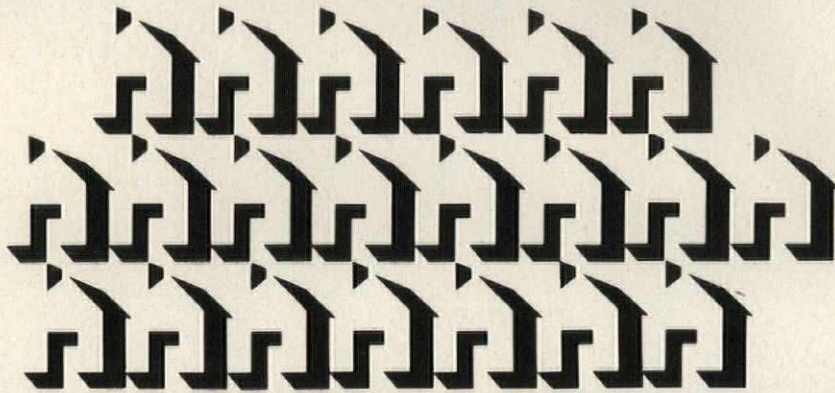
Halley’s best seller is a 1,300 sq. ft. brick rambler with three bedrooms and two baths plus a basement and garage. Price: \$50,000.

Lloyd Needle notes that environmental restrictions and a sewer moratorium in Montgomery County have increased the paperwork time required for single-family developments from one month to six months. On the other hand, the county is trying to alleviate the shortage of lower-priced, single-family housing by offering a sweetener to subdivision developers: If 15% of the houses in a development are low cost (in the \$33,000—\$37,000 range), the density of the remaining units can be increased by 20%.

In two subdivisions, Needle has gone along with this zoning variance. “You don’t make anything on low-cost houses, but you can make a small profit on the land, and the quick sale of low-cost units decreases the carrying cost on the total parcel.”



WILL SINGLE-FAMILY DETACHED



TURN INTO SINGLE-FAMILY ATTACHED?

This is a tricky question that, first of all, requires a definition of single-family attached.

Attached single-family houses are not townhouses.

Townhouses are the successors of traditional row houses—individual units in multi-family buildings that have been divided vertically. Attached single-family houses are just that—individual houses that are pushed so close together that they touch.

Of course, the single-family detached home is not about to disappear from the housing scene. It will remain—probably forever—in rural areas, small towns and in many high-priced suburbs.

But in close-in, higher-density situations, some compelling factors will push the traditional single-family house closer to—and eventually up against—its neighbor.

First, there's cost. Attached houses require less feeder-road frontage and shorter utility runs. And roads into cluster cul-de-sacs don't have to meet the higher specifications of feeders.

Second, there's density, which relates to cost. Attached houses permit higher densities, hence lower per-unit land costs. They can also create more open space, hence a more attractive living environment—vital to successful marketing.

And third, there's the whole matter of ecological impact. Attached houses leave much more of a site undisturbed—an increasingly important element in zoning approvals.

On the other hand, there's one strong factor working against the attached house: the buyer's attitude. One market segment—mainly families with younger children—insists on detached housing. Never mind that they're only ten feet from their neighbors on either side and that they can hear kids crying and mommas screaming. And never mind that a well-designed attached home would give them better visual and acoustical privacy—and usually better outdoor privacy, as well. These buyers want their own individual houses. Period.

But this attitude is bound to change if only because zooming costs are pricing more and more buyers out of the detached market.

What can make the change more palatable—and hopefully even desirable—is a high level of design and planning. Privacy and outdoor living, for example, are absolutely essential if the detached buyer is to accept an attached home.

On the next ten pages you'll see examples of attached—and close-together—housing that meets these needs.



Cluster plans like this are the basic step in breaking the traditional single-

They require much less road and utility runs than conventional siting, and so cut development costs. They require much less earth moving, thus save both money and the existing ecology. And as this project demonstrates, they can offer greater environmental quality than can most conventional large-lot subdivisions.

Shown here is the first phase of Lyon Farm, a project being developed by C.E.P. Associates on the site of an old Greenwich,

Conn. farm. This phase consists of 37 detached homes on 22 acres. As the site plan above shows, houses are clustered in groups of three, four and five around landscaped cul-de-sacs. Auto traffic is confined to the cul-de-sacs.

Clustering also allows the houses to be oriented for maximum privacy; only a few bedroom windows face each other. Most living areas look out across open fields or ponds, most of which would have been de-

stroyed had the project been on a conventional grid.

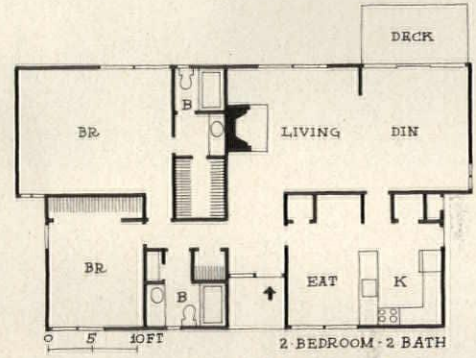
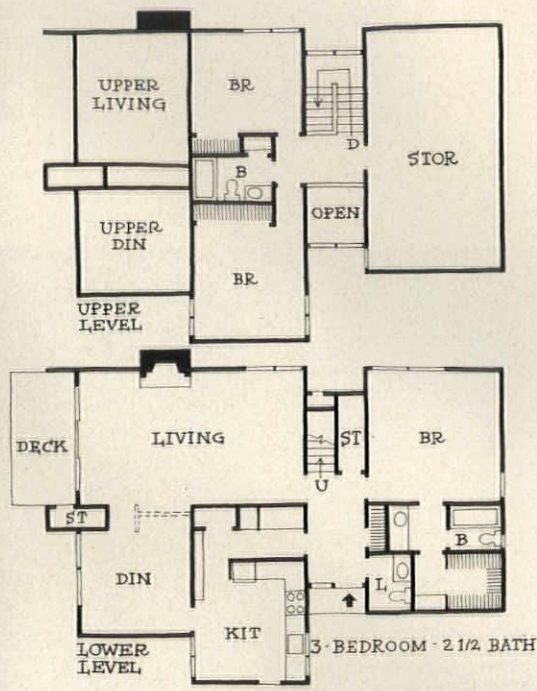
Arthur Lyon, a partner in the developing firm, sees clustering as the ideal compromise between city and country living.

"Those of our buyers who come from large-lot, single-family homes want to retain the feeling of separateness, while those who come from city apartments don't want to be too spread out," he says.

Another point: buyers of these homes are inclined towards low

maintenance, so interestingly, the houses are being sold as condominiums.

The project's second phase will include townhouses to broaden the market as well as provide architectural variety. The 52-acre second phase will consist of 154 units—a density of three per acre against 1.5 for the first phase. Second-phase prices will range from \$88,000 to \$120,000 compared to \$94,500 to \$109,500 for the first phase. Architect is Willis Mills Jr.



One- and two-story units, like those above, are available in the project's first phase. There are six variations with from one to three bedrooms. All have separate two-car garages.

Typical clusters, shown below, recreate the feeling of an old New England village. The photo at left shows how clustering saved much of the site's natural landscaping.

family pattern

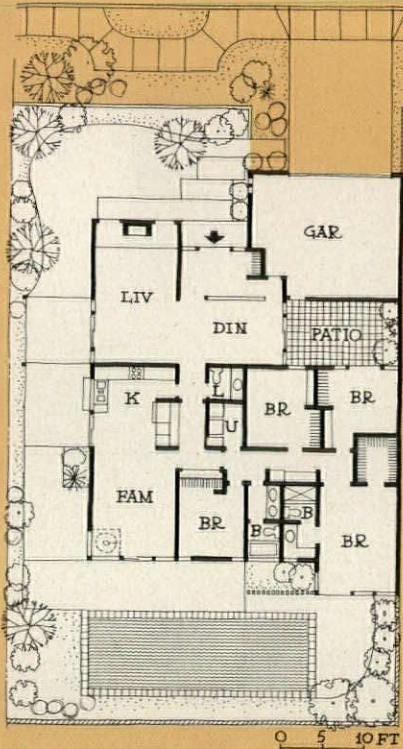
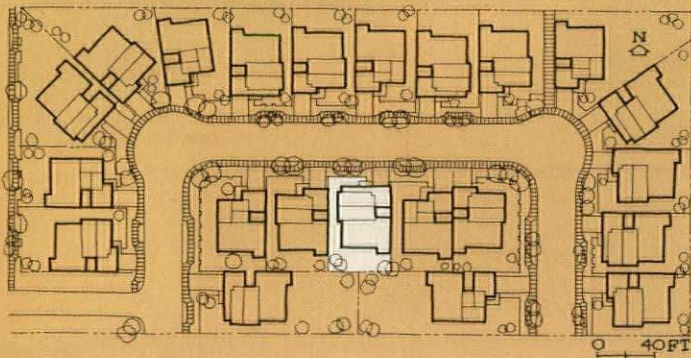
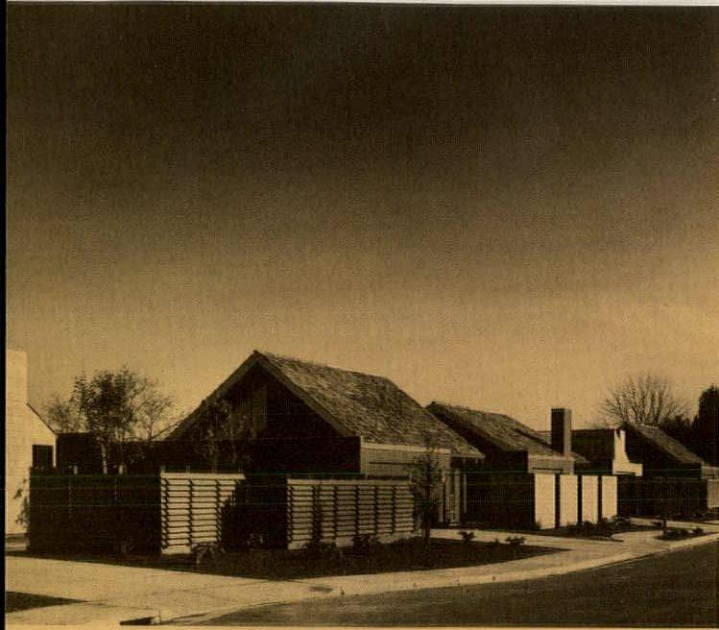
PHOTOS: MARTIN TORNALLYAY





AWARD OF MERIT

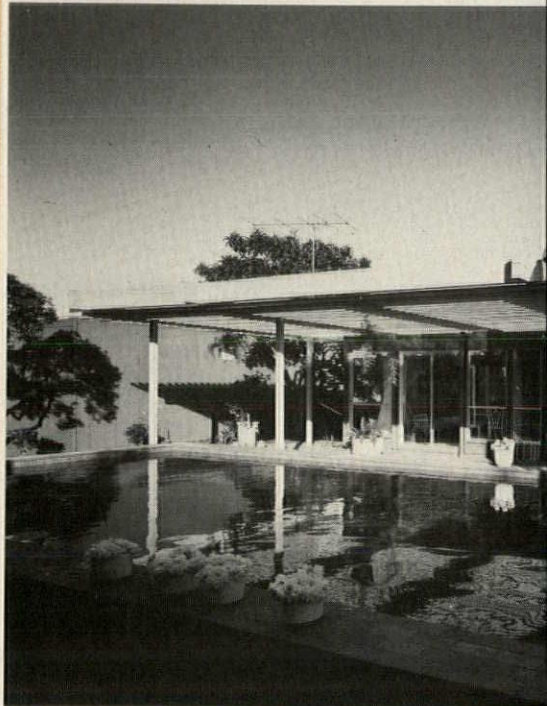
Award of Merit winner in the merchant-built category of the 1974 Homes for Better Living awards program, sponsored by the American Institute of Architects in cooperation with *HOUSE & HOME* and *American Home* magazines. Custom home winners appeared in May; multifamily winners in June; and remodeling winners in August.



Site plan (left) and photo above show the slightly curved sidewalks and staggered fencing that help minimize the stark, walled-in look that is the biggest problem with patio-house design. They also give a private feeling to the project's public street. Floor plan shows how zero-lot-line concept opens entire interior living area to the outdoors.



Rear patio and pool (above and below) create a mini-vista for the master bedroom (photo, right), family room and one secondary bedroom.



Patio houses like these rub shoulders on small lots, but still retain

In fact, as this project proves, they can offer far more privacy—both from the street and from neighboring houses—than the typical single-family house built at densities of from four units per acre up.

These 2,083 sq. ft. houses, for example, are built on lots of just 6,000 sq. ft.—at a net density of roughly four-and-one-half per acre. But because each is enclosed by a wall, every square foot of the lot is usable.

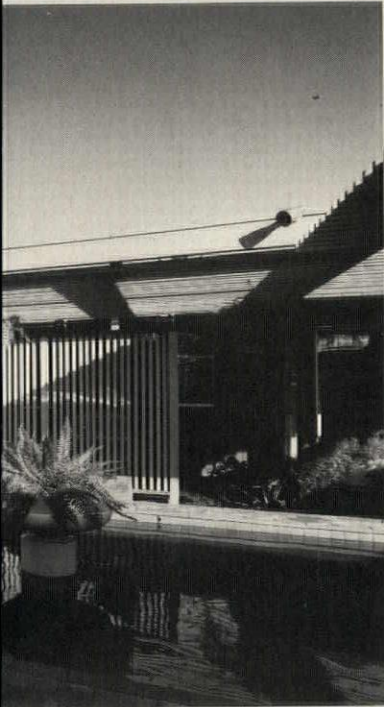
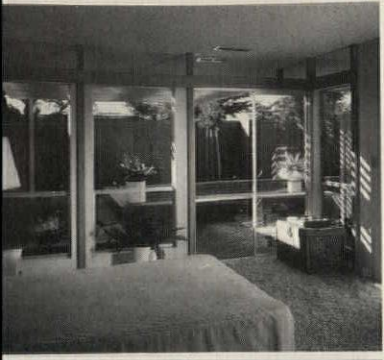
The project is Garden Terrace, a 23-unit community being developed by Bahl Homes in Mountainview, Calif. The high cost of the five-acre site (it was the last remaining R-1 land in the area) plus current high development costs posed an increasingly prevalent problem: how to make higher density palatable when you're selling expensive (\$70,950 to \$82,950) houses and your market is accustomed to the privacy of larger detached homes.

That the zero-lot-line concept can solve that problem is evident

from the plans and photos on these pages. It lets you recapture the front yard for privacy, and it allows every room in the house to look out on—or open onto—private outdoor living space.

Robert E. Jones and Edwin K. Hom were the architects.

PHOTOS: JEREMIAH O. BRAGSTAD



detached privacy

Vaulted ceilings, like the one seen in the photo at right, simulate a two-story look and provide a greater feeling of spaciousness for the single-level plan. This view is from the living room looking through the dining room to the enclosed side patio.



Semi-detached houses like these combine the advantages of conventional single

There are four units in each group—two 2-story units in the center, and two single-story units on each end. And they're put together in a way that offers many more of the basic elements of single-family living than either the typical row house, with its limited access to outdoor living, or the typical fourplex. Furthermore, since this design lends itself to clustering, streetscapes can be varied to enhance the overall quality of the land plan.

This project is St. Francis Court, a 152-unit community being built on slightly over 37 acres within Lomas Santa Fe, a 1,200-acre resort PUD near San Diego.

As the site plan shows, two groups of four units are clustered around central courtyards, which open onto the looped pri-

ivate streets. The semi-attached unit design provides a maximum amount of private outdoor living in the form of internal gardens and atriums for the larger units and rear patios for all units. The two-car garages are used as buffers between the streets and most living areas.

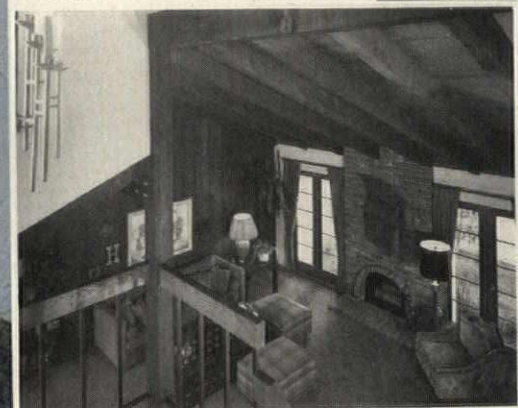
Four models are available at St. Francis Court: a one-story, two-bedroom house with 1,498 sq. ft.; a one-story, three-bedroom plan with 1,783 sq. ft.; a two story, three-bedroom model with

1,900 sq. ft.; and a two-story, four-bedroom house with 2,362 sq. ft. Prices range from \$58,990 to \$77,990.

No recreational amenities are provided because the developer's marketing study showed buyers would prefer the full range of facilities offered in the surrounding area. The developer is Ponderosa Homes; the architect, B. A. Berkus & Associates.

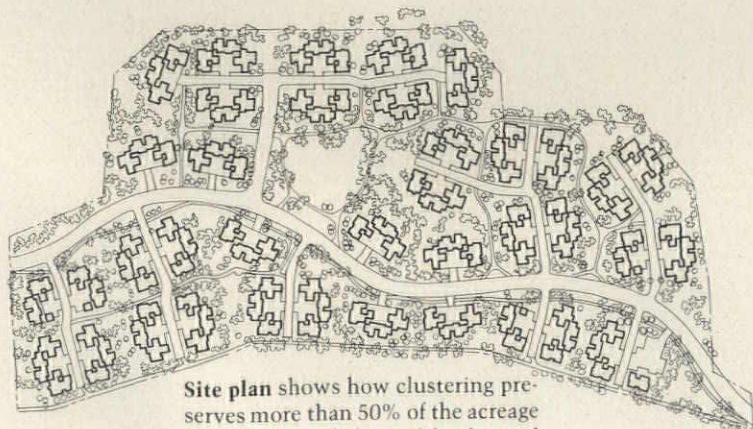


Interior views include: living room and kitchen-family room (above) of larger one-story model; two-story living room (right) in four-bedroom, two-story house; and living room (below) of three-bedroom, two-story model. Interiors of model units were decorated by Carole Eichen who used traditional decor in one model, contemporary in the others.

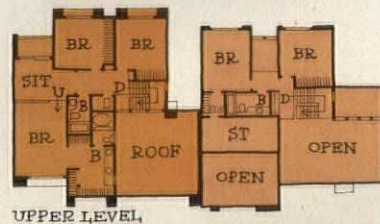


PHOTOS: DEL HAVEN

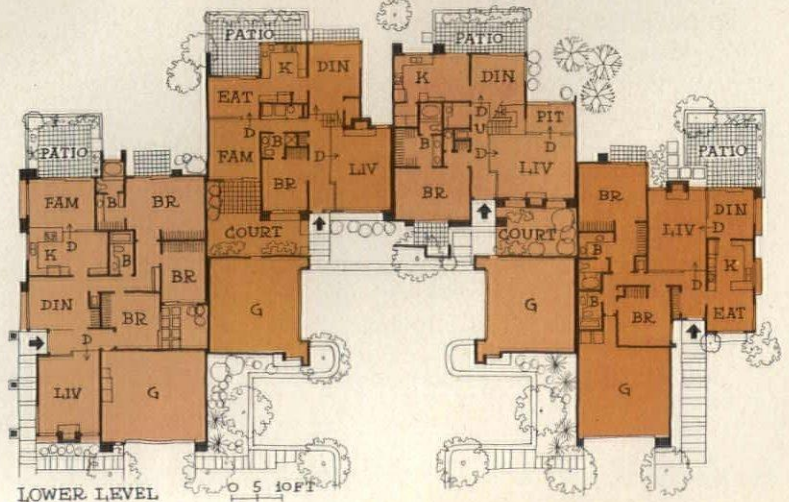
family and townhouses



Site plan shows how clustering preserves more than 50% of the acreage for open greenbelts and landscaped areas.



UPPER LEVEL



LOWER LEVEL

0 5 10 FT



Detached houses like these ↑ can be attached like this ↓ with-in reality—no

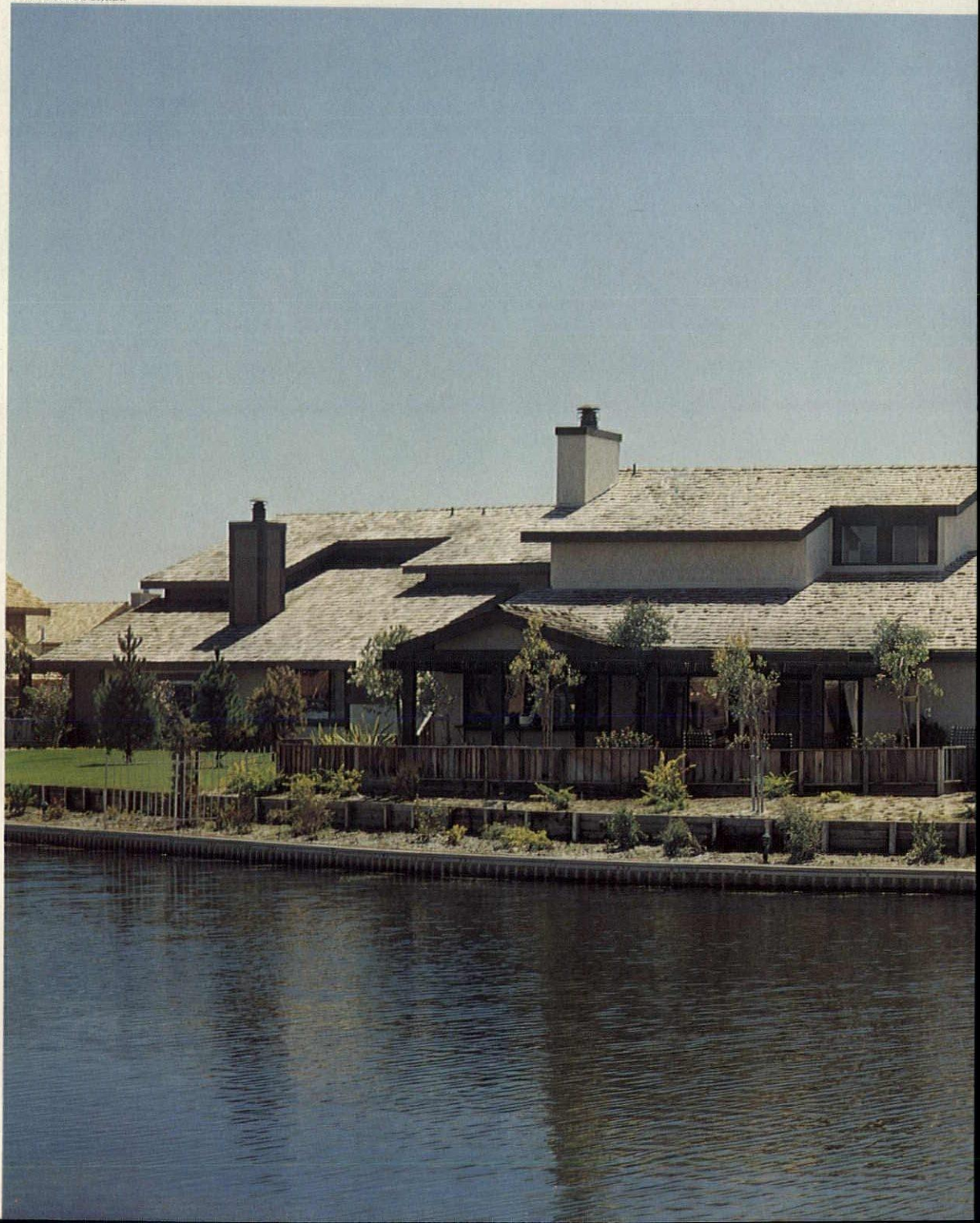
What these two Northern California projects prove is that when you get right down to it, the difference between detached and attached single-family living is more a matter of psychology than anything else.

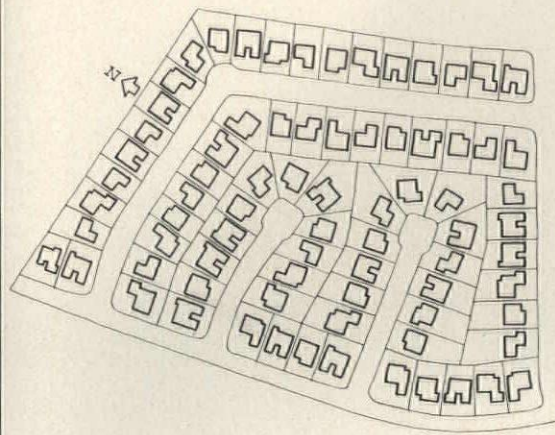
With only minor changes, the Robert H. Grant Corp. took the detached houses shown above and joined them into two- and three-unit buildings (*right*), and transplanted them to a different location. The result: they are selling equally well, but to different single-family markets.

In Orchard Creek, a 180-unit, 40-acre subdivision in the Almaden Valley area of San Jose, the detached buyers are mature families—generally 35 to 40 years old with 2 to 2.5 children—who are trading up from homes in which they have considerable equity. At Bayporte, a 130-unit attached Foster City project, buyers are mainly mobile executives in their early 30s. They average 1.5 children.

Grant executives believe the latter market is more attuned to townhouse-type living, but that's not why they switched from detached to attached. The only available land for Bayporte was expensive, waterfront property zoned for townhouses. Thus, a higher density (five-and-one-half units per acre against four-and-one-half at Orchard Creek) was called for. So architect Robert Graham & Associates was commissioned to adapt the detached models to work within an attached concept. The main change: at the rooflines so connecting points wouldn't look connected. For a look inside, turn the page.

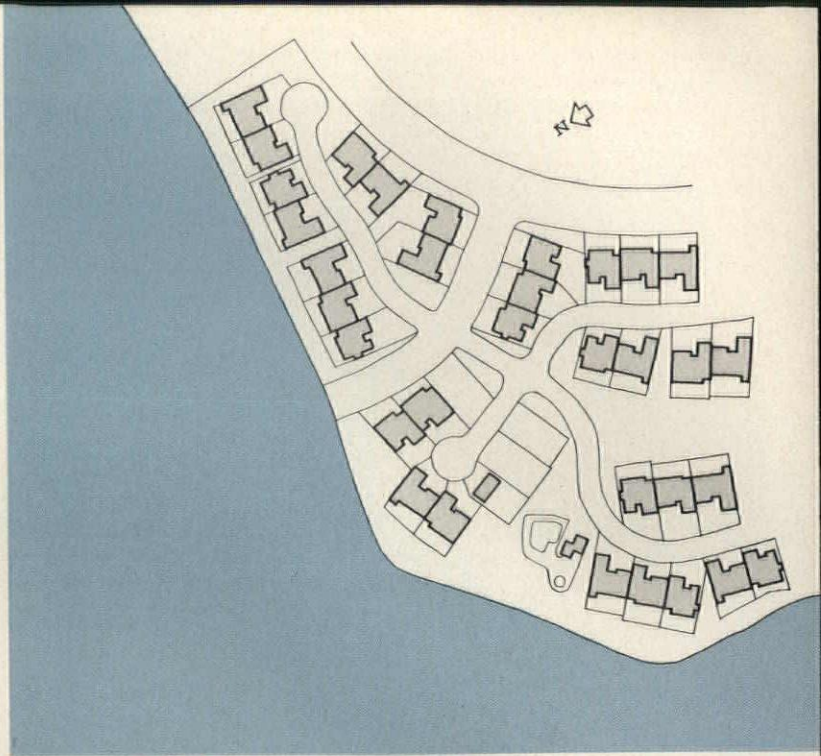
PHOTOS: DEL CARLO



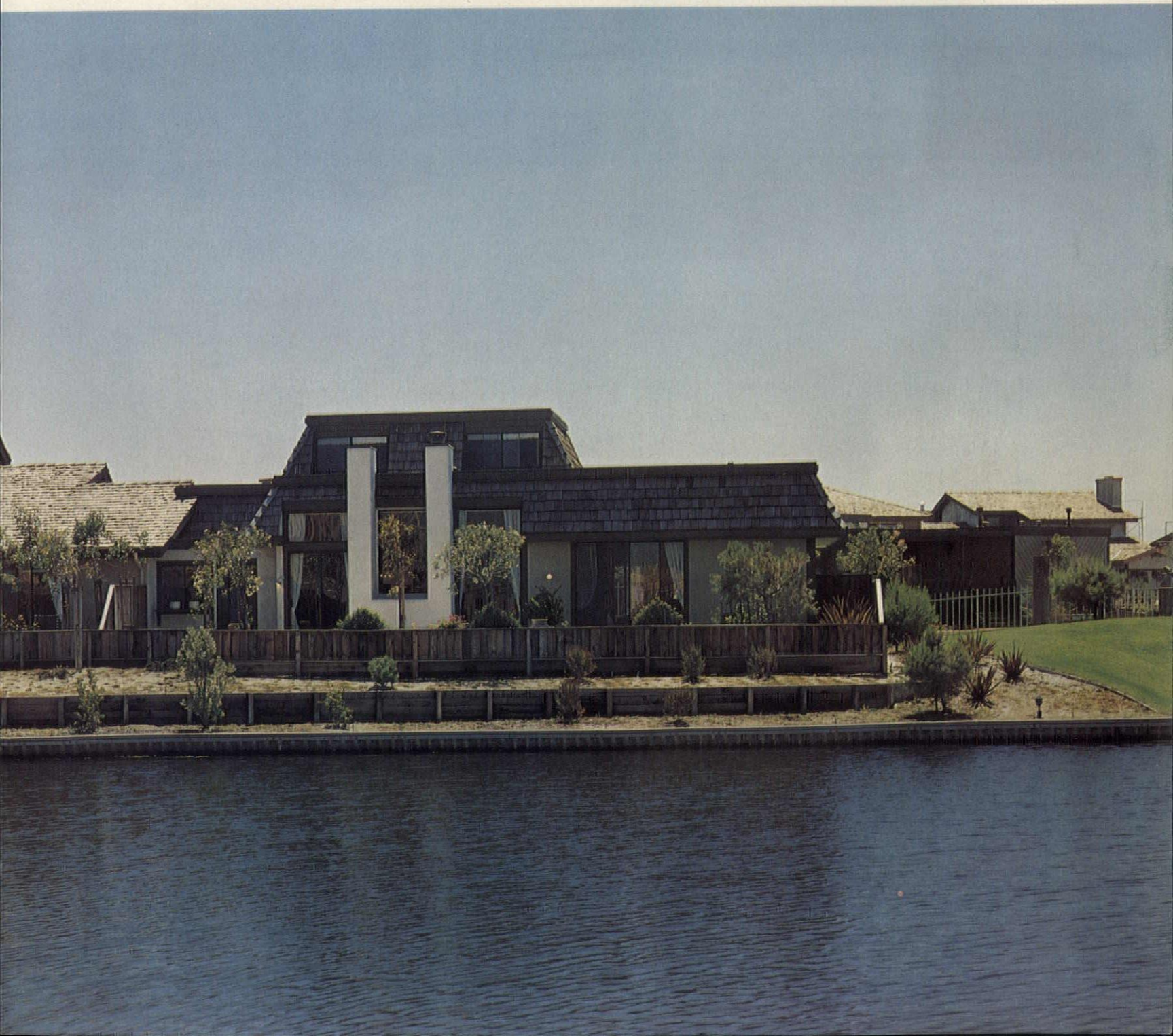


Detached site plan at Orchard Creek (left) shows typical single family siting with normal setbacks. Four plans are available in the subdivision: two single-story, two 2-story. They have three or four bedrooms and will sell at \$55,490 to \$64,490 in the project's next phase.

Attached site plan at Bayporte (right) shows houses in groups of two or three. One single-story and two 2-story plans are offered. They provide two to four bedrooms and will sell for \$72,690 to \$91,990 in phase two.



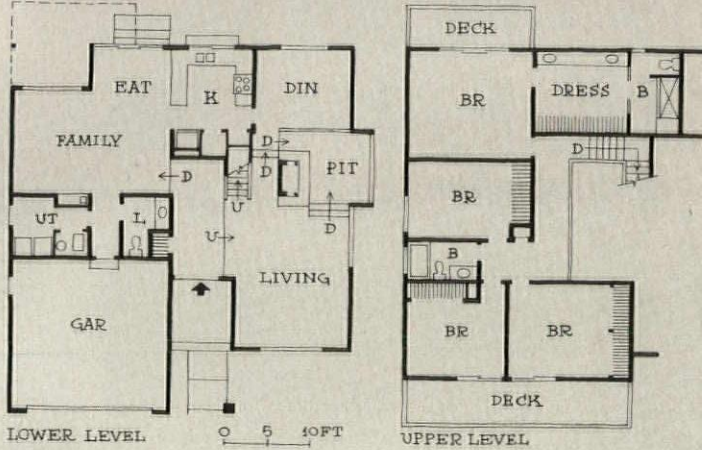
change in living style



These top sellers offer almost identical living patterns ...



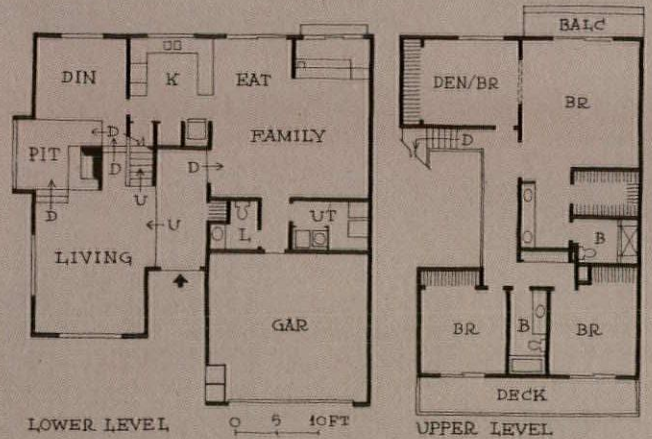
PHOTOS: DEL CARLO



Two-story model (above) started the detached-attached trend. It was a hot seller when Grant Corp. built its first Foster City project in 1970, was slightly modified by architect James Barg for Orchard Creek where it's also the fastest seller, then transported back to Foster City where the attached version (above, right) is again the big attraction. Major layout change from detached to attached can be seen by comparing the second floors of the two sets of plans. In the attached version, one

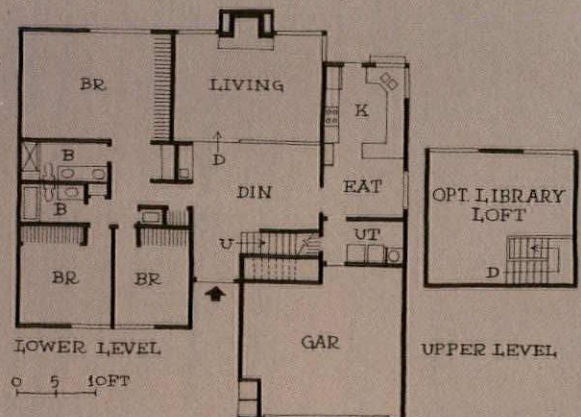
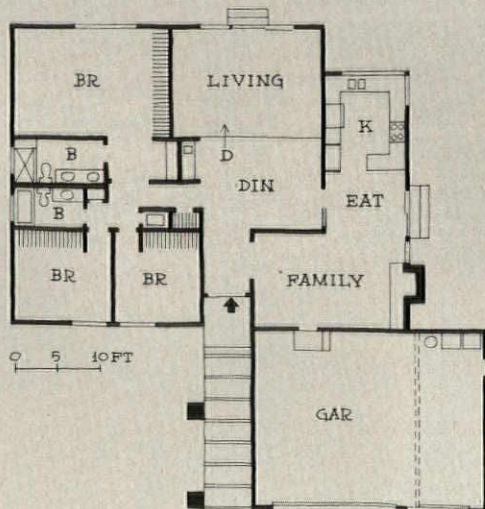


GEORGE SZANIK



secondary bedroom can be converted to a sitting room for the master bedroom suite. And the new arrangement also provides more privacy between the master bedroom and other secondary bedrooms. The conversation pit in this plan (detached house, left, attached unit, facing page) is a major selling point. Current price for this model at Orchard Creek is \$64,490; at Bayporte, \$83,990 for inland units, \$91,990 on the water. Interior design for all models is by Carole Eichen.

... and these are almost line-for-line copies



Optional library loft is major change from detached plan (right) to attached plan (above). This model is the house farthest to right in waterfront photo on previous overleaf. Current prices: detached, \$55,490; attached, \$76,790 inland, \$84,790, waterfront.





Marketing consultants Bill Mitchell and Bob Pittman* tell you about . . .

Floor plan boo-boos that turn off buyers

Every builder will recognize the planning mistakes shown on these pages. They seem to crop up in new homes year after year. And, say Bill Mitchell and his associate, Bob Pittman, they can often kill a sale.

Some of the commonest production-house blunders are just plain bad planning. But you run the biggest risk of going wrong, says Mitchell, if you don't get adequate answers to two important questions:

1. What's the life style of the market you're selling to? Life style determines how a plan should work—for example, whether the master bedroom should be isolated from the secondary bedrooms and whether there should be a formal dining room.

2. What concept are you selling—price, environment, luxury, view, recreation? Each concept will influence the floor plan—for example, a buyer will sacrifice extra space in order to look out on a golf course or a marina.

Of the two, failure to define your buyer profile will cause more planning blunders, says Mitchell, who breaks the market into five groups:

- Young adults (under 35).
- Young couples (under 35) with children.
- Mature adults (over 35).
- Mature couples (over 35) with children.

*W.E. (Bill) Mitchell (left) is president and senior associate, and Robert E. Pittman (right) is senior associate of Market Profiles, a marketing, merchandising, sales and research consulting firm located in Santa Ana, Calif. At regular intervals the firm audits sales by product type in Orange County and various other markets throughout the country. Thus Mitchell and Pittman are in a good position to know which features sell and which encounter buyer resistance.

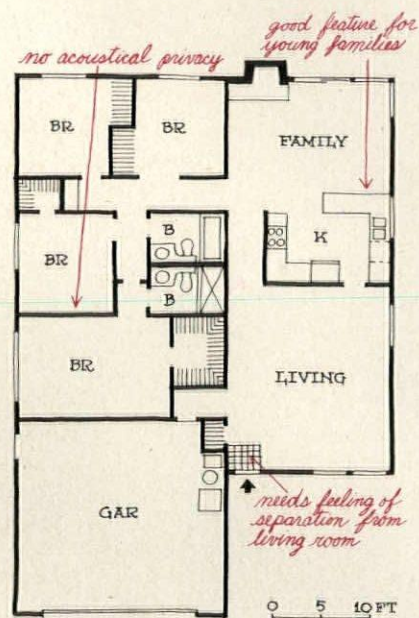
- Empty nesters and retired couples.

Childless couples of all ages look for many of the same features when they're buying a home. Bulk space is usually less important than a formal plan with rooms that can serve a special purpose—say a third bedroom that's convertible into a den-retreat or two full bedroom suites, complete with bath and dressing room, that can be used separately by husband and wife or by guests if the owners entertain a lot. One age distinction: Retirees usually prefer a single-level plan.

Young families generally want such assets as family rooms, mudrooms, easy access to the kitchen from the outdoors and lots of bedrooms. The master bedroom for this market should not be isolated from secondary bedrooms because young parents want to be close by if their children cry out in the night. But some separating space—like a small hallway or a closet—is desirable to give the master bedroom a degree of privacy. One caveat: Young families don't like balconies off secondary bedrooms because of the safety hazard to small children.

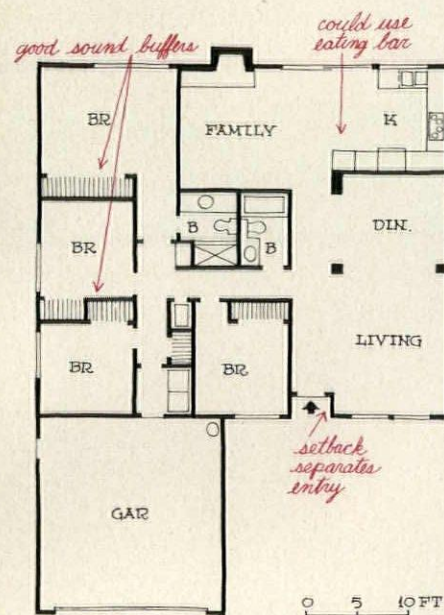
Mature, move-up families also look for lots of bedrooms and plenty of storage space. And they want a family room that's well away from the main living area so teenagers and parents can entertain simultaneously without getting in each other's hair. Two other desirable features for these families: master bedroom suites located away from secondary bedrooms; separate dining room because people tend to entertain more as they become older and more successful.

A



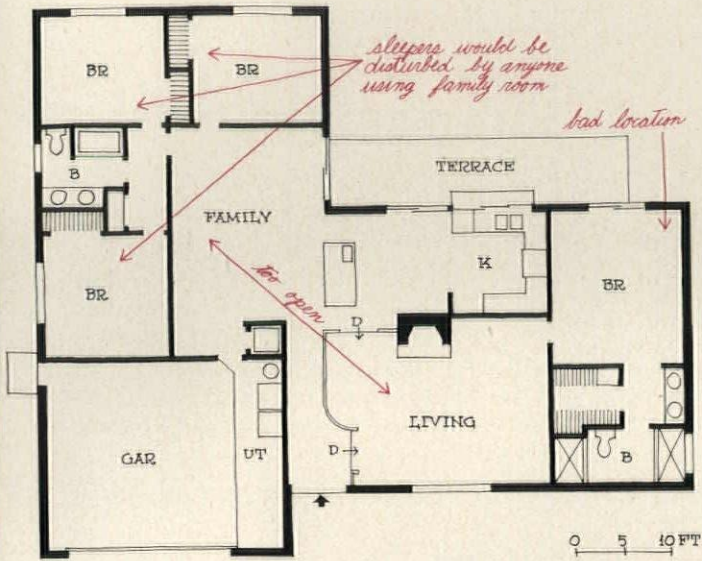
Direct entry into living room and lack of privacy between master and secondary bedrooms are two drawbacks in this 1,530 sq. ft., \$45,990 model designed to appeal to young families. Plan B (below) shows how easily the errors can be corrected.

B



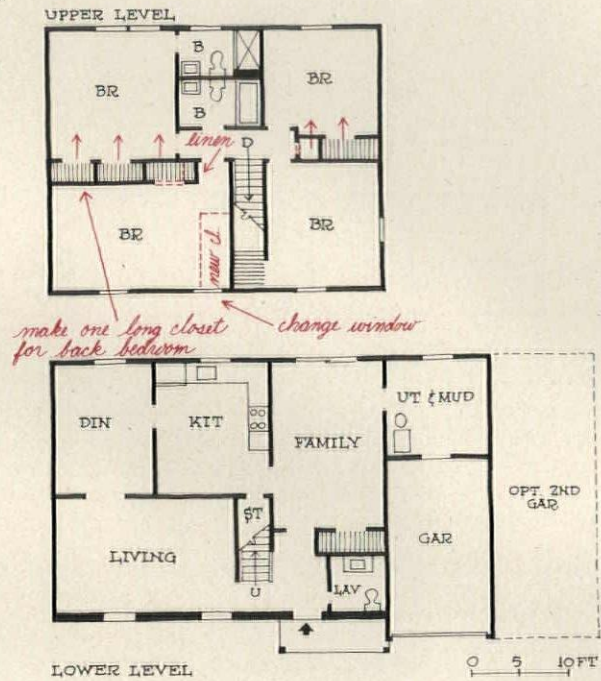
Recessed entry area, surfaced with tile, provides a subtle sense of separateness in a similar plan. Closets between bedrooms add acoustical privacy. Kitchen would benefit from eating bar as in Plan A. The 1,685 sq. ft. model sells for \$52,500.

C



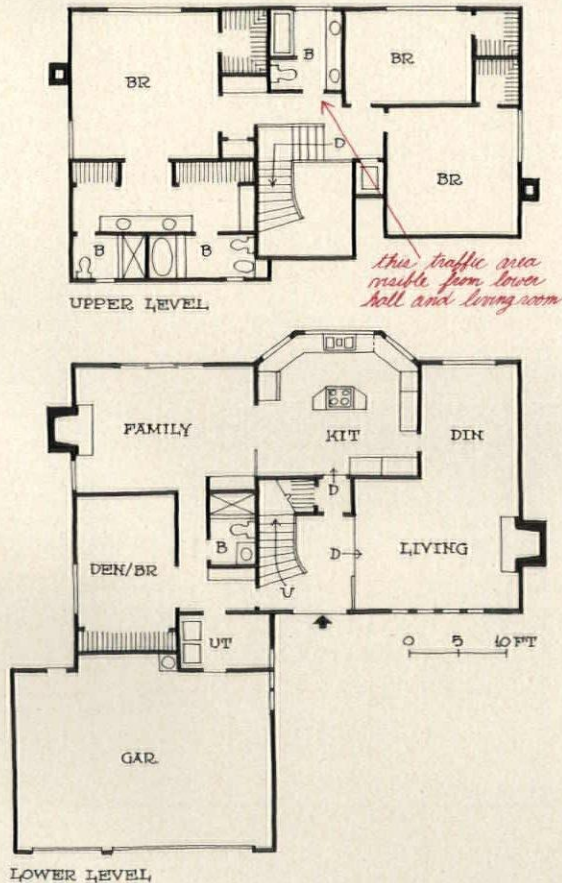
Location of master bedroom off the living room and secondary bedrooms off the family room creates noise and traffic problems. Also, living and family rooms should be better separated, as both will be used at once. The layout of this 2,150 sq. ft. model (priced at \$37,800 in Arizona in 1972) appeals to mature families; thus lack of formal dining room is a drawback.

D



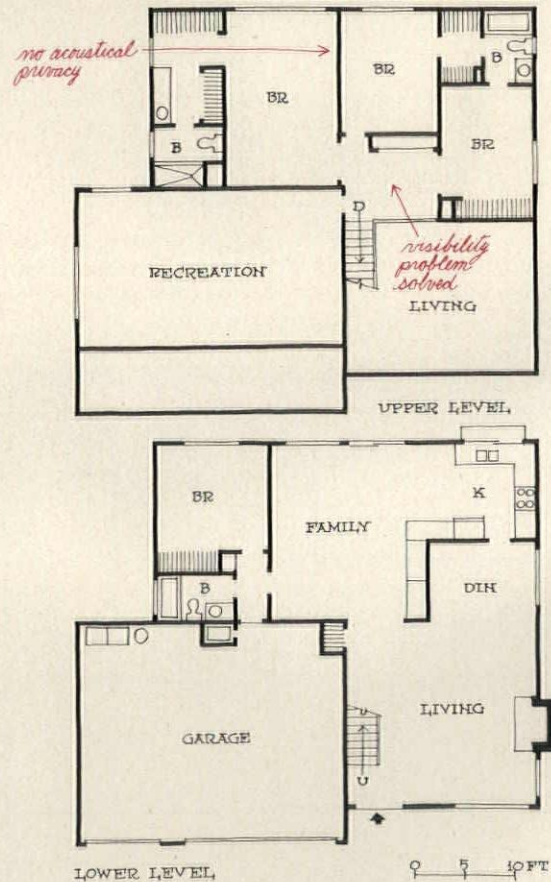
Inadequate closet space is one of the most common buyer complaints, especially in areas where the weather changes enough to make it necessary to have two wardrobes. Plan D, which contains 2,000 sq. ft. and sold for \$33,500 on the East Coast in 1972, could be improved by changing the window locations and then allocating the closet space as indicated on the plans above.

E



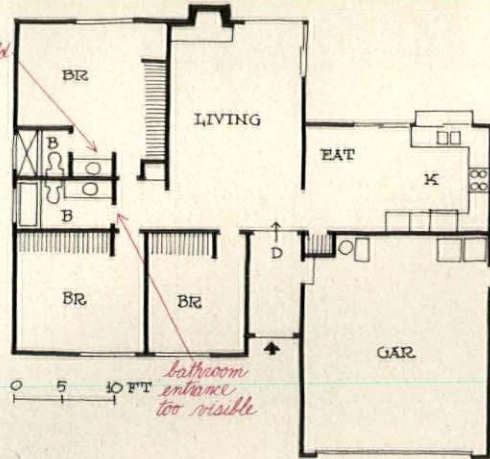
The popular open, vaulted layout risks loss of privacy between the formal and informal areas of the home. In Plan E, anyone entering the bath from the secondary bedrooms could be seen from the living room and entry below. Plan F (right) avoids this. Both plans are typical move-up homes for mature families. Plan E has 2,885 sq. ft. and is priced at \$57,900.

F



Plan F offers the same openness as Plan E (left), but eliminates the privacy problem simply by placing the bath between the two secondary bedrooms. However, as with Plan A (far left), there should be a buffer between the master bedroom and bedroom 2. This is particularly important as Plan F, with 2,600 sq. ft. and priced at \$65,995, appeals mainly to mature families.

lavatory light could disturb sleeper

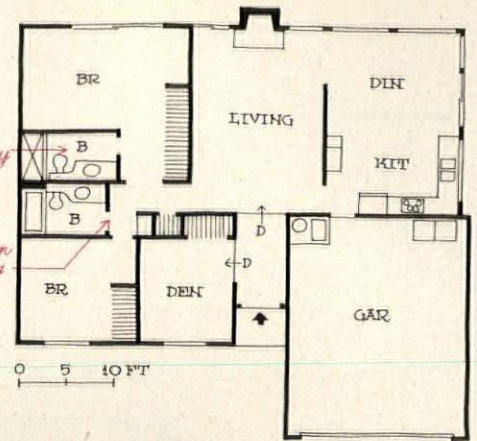


G

Buyers do not like to be able to see into bathrooms from other rooms, as in Plan G, a 1,294 sq. ft. model that sold for \$34,200 last spring. Also to be avoided: the "motel lavy," where lavatory light can disturb someone sleeping in the bedroom.

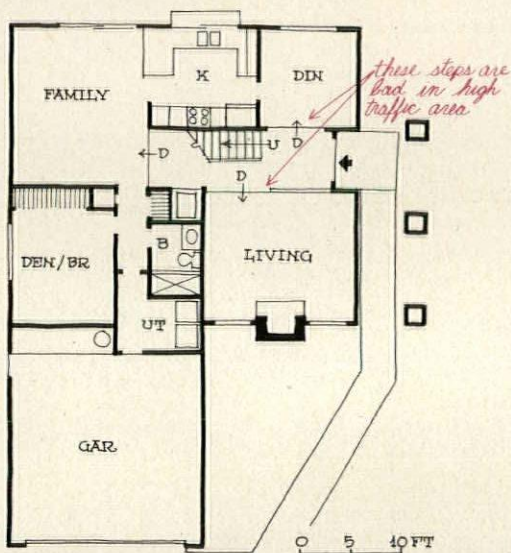
H

good privacy
door hidden from living room



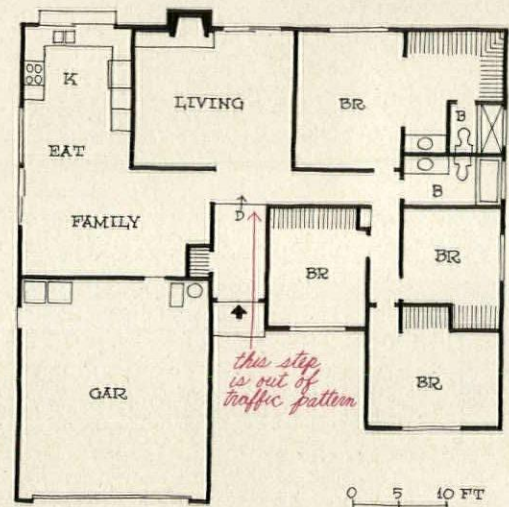
Plan H avoids both of the bathroom problems by extending wall in master bath and enlarging den so that it hides bathroom door. This 1,406 sq. ft. model, like Plan G, appeals to first-time buyers. It sold for \$35,795 in July, 1973.

I



Plan I shows the first floor of a 1,850 sq. ft., \$48,950 house that would appeal to young families if they could move about without crossing the raised entry area. The layout as shown poses a hazard to young children and people who wear bifocals.

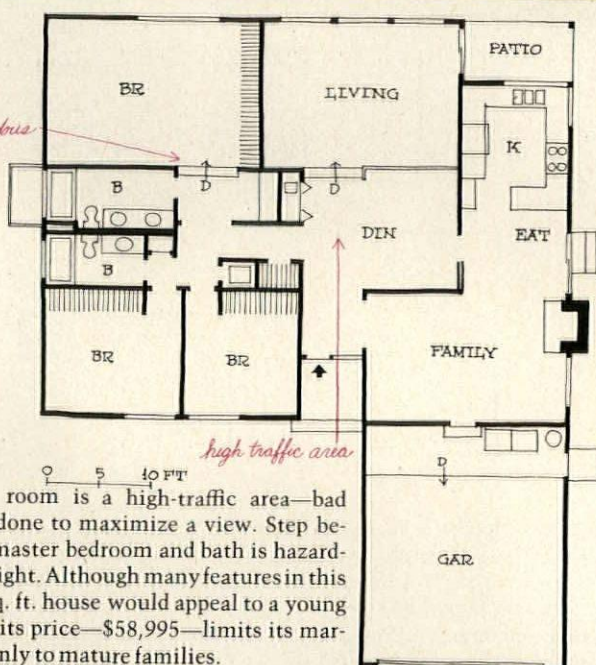
J



By isolating the raised entry, Plan J retains the drama of floor-level change without requiring family to step up and down while moving about the house. Like Plan I, this 1,569 sq. ft. model, priced at \$37,600, would appeal to young families.

K

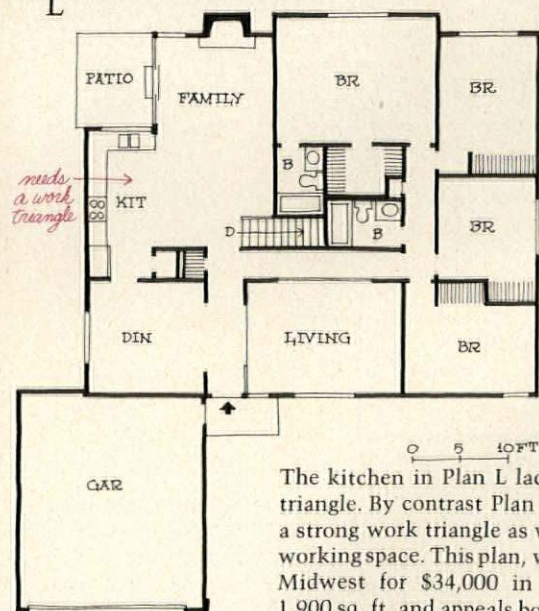
step hazardous here



Dining room is a high-traffic area—bad unless done to maximize a view. Step between master bedroom and bath is hazardous at night. Although many features in this 1,836 sq. ft. house would appeal to a young family, its price—\$58,995—limits its market mainly to mature families.

L

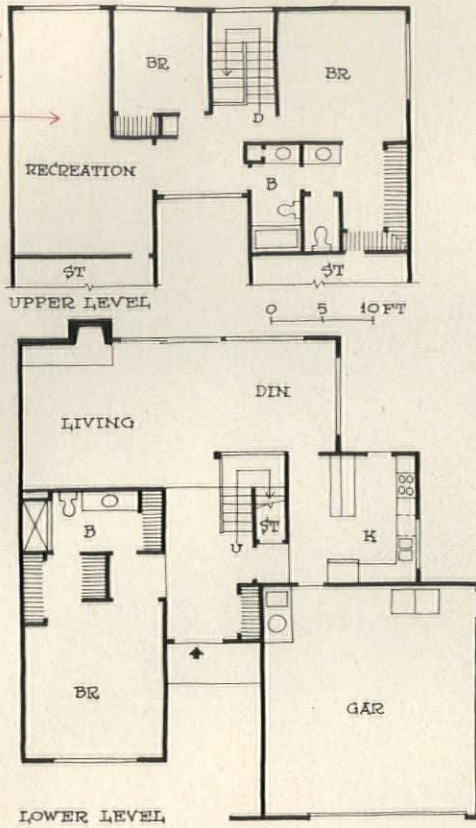
needs a work triangle



The kitchen in Plan L lacks a good work triangle. By contrast Plan K (left) provides a strong work triangle as well as plenty of working space. This plan, which sold in the Midwest for \$34,000 in 1972, contains 1,900 sq. ft. and appeals both to young and mature families.

M

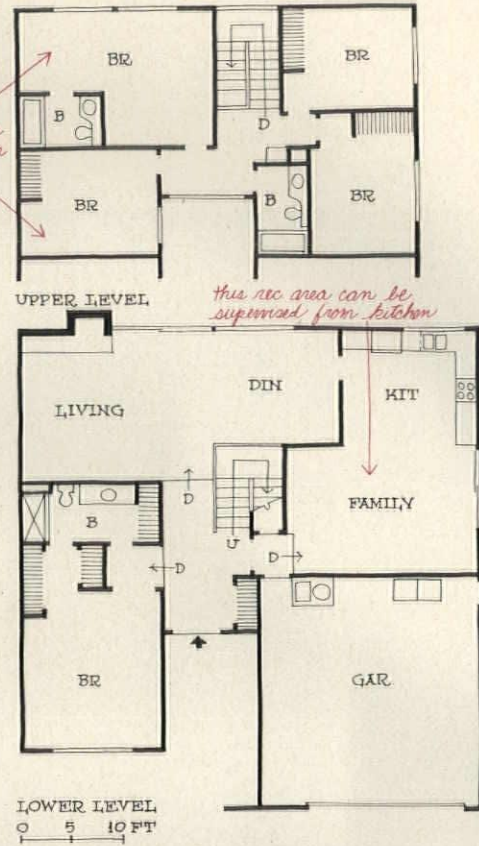
young families want rec room on first floor where children can be seen, not here on second floor



Plan M, a 2,200 sq. ft. home that sold for \$46,995 in September 1973, is an example of what can happen when the developer fails to analyze the buyer profile properly. The three-bedroom/bonus-room plan was a natural for families with children—except that it lacked a family room. Thus it sold slowly until the developer made some changes, as can be seen in Plan N (right).

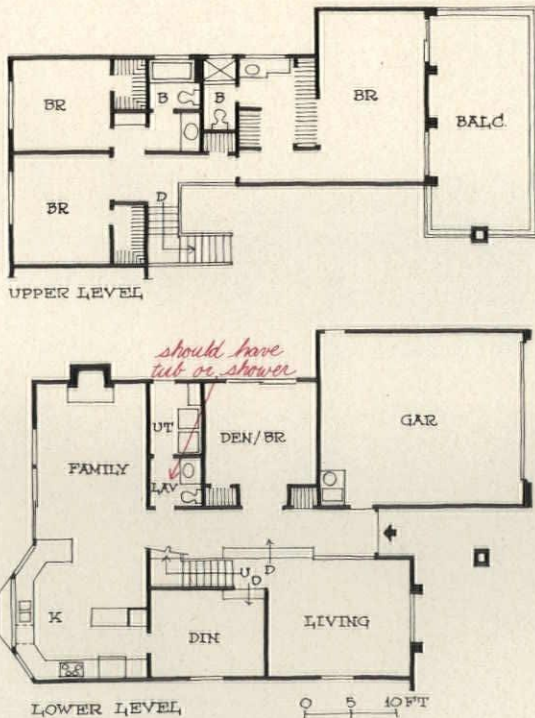
N

more popular than rec room



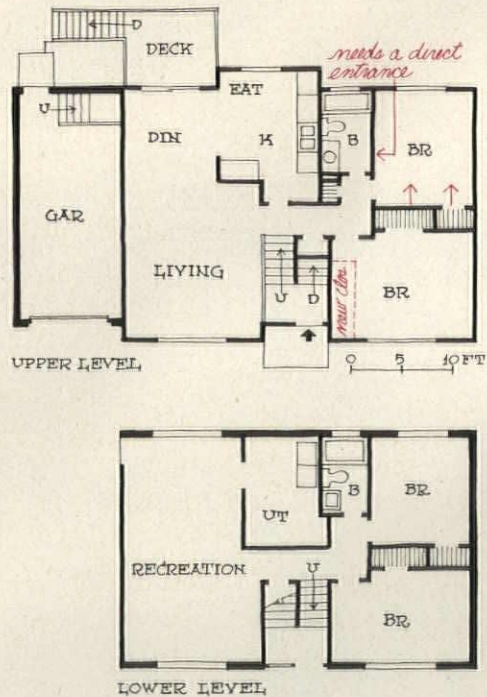
Plan N, a revised version of Plan M (left), contains 2,400 sq. ft. and sells for \$49,995. The developer replaced the upstairs recreation room with two bedrooms and a bath and added a family room next to the kitchen. This new plan, which is being built in the same subdivision as Plan M (left), is right on target for its market of larger families and is now selling well.

O



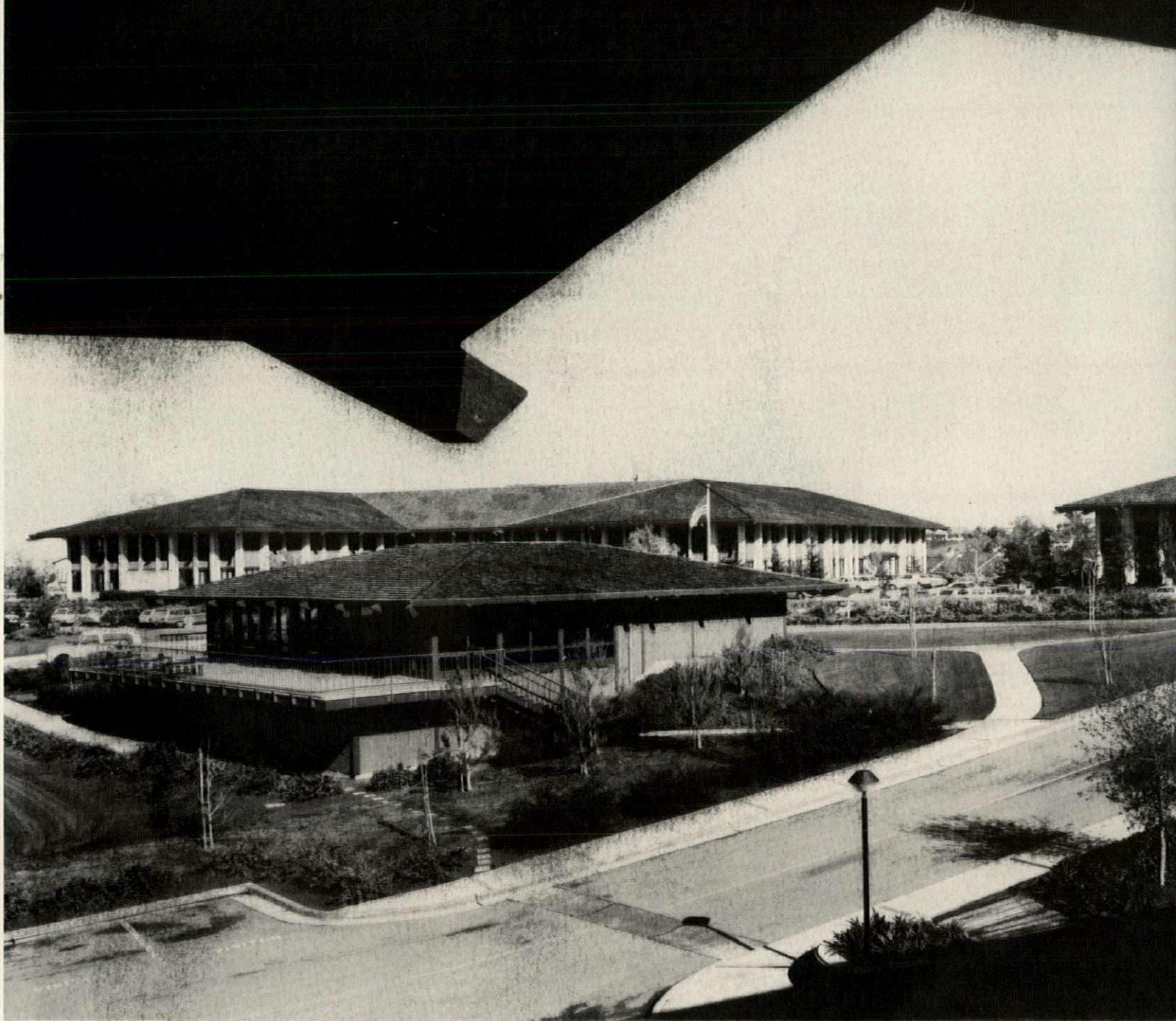
Plan O, with 2,156 sq. ft., is a move-up plan for the older, mature family. It sold for \$51,890 in 1973. Buyers who want to use the downstairs bedroom as a maid's or guest room are faced with the problem of adding a tub or shower to the powder room. The developer should have foreseen this and included a full bath where the bedroom/den is located.

P



Even where a bathroom must serve several bedrooms, the developer should try to provide private access to the bath from the master bedroom. Plan P would be improved if there were an entrance from the back bedroom to the bath. The closets should be rearranged as indicated to provide more storage. This 1,660 sq. ft. model sold for \$21,950 in 1971.

If you're thinking of moving into commercial development



3000 Sand Hill Road, Menlo Park, Calif. (See page 100).

...the healthiest market

in your area may be **SUBURBAN OFFICE BUILDINGS**

And right now, leasing up well-designed and well-located suburban offices may be a lot easier than selling houses.

The demand is there. People who live in the suburbs prefer to work in the suburbs, much to the detriment of office buildings downtown. Says one long-time apartment builder, recently turned suburban-office builder, "Give people a great-looking and convenient place to work close to home, and you can't help but make it in this market."

HOUSE & HOME visited several new suburban office complexes, talked to their developers, and found some interesting things happening. In particular, the office park is becoming a real community, with amenities—including recreation—that would put to shame some of the best-designed residential projects.

Here, then, is a close look at the business of building suburban offices and how it might work for you.

Why suburban offices do well: they attract and hold employees

The attraction stems from a combination of convenience and environment that just isn't available in center-city offices. Specifically:

Employees can work close to home. The average distance from home to office is just eight miles for the 700 persons who work at 3000 Sand Hill Road (see page 100), a five-building office park with 60 tenants located 30 minutes south of San Francisco in Menlo Park.

And for some, home is right next door. The center is ringed by some 200 townhouses, and it is part of a prestigious residential suburb to which some executives have moved after signing long-term leases for office space in the park.

Driving and parking are easier. Besides the convenience of shorter distances to work and the absence of heavy city traffic, suburban office workers can park right next to their office doors, and they can park free.

Parking ratios for suburban office buildings are decidedly generous compared with downtown; in the 17 office parks owned and operated by Koger Properties Inc. of Jacksonville, Fla. (for an example, see p. 106), parking ratios average one space per 200 sq. ft., or more than a space per person. For the top executives who lease offices at new 45,000-sq.-ft. Conroy Square in San Antonio (see p. 102), The Quincy Lee Company even provides free covered carports.

Suburban offices tend to be near airports. Woodruff Construction Co.'s new 105,000-sq.-ft. office building in Burlingame, Calif.

(see p. 105), is so close to the San Francisco airport that tenants and their visitors can ride to planes in five minutes on the courtesy buses that serve surrounding hotels. Says general manager Dan Ross: "The airport is one of our strongest drawing cards."

Like other successful suburban office complexes, Woodruff's Burlingame center borders a major freeway and is close to a major city, i.e., it's 15 minutes south of San Francisco. The same formula applies to One Park Ten, a new four-building San Antonio complex, by Max M. Kaplan & Associates, on a freeway site that is equidistant from downtown and the airport and within ten minutes of both.

Employees can work in more attractive surroundings. "Get away from the noise and congestion of the inner city" is the sales pitch of the suburban office developer, and it can be a very effective one. Densities are lower in the suburbs; site coverage of less than 50% is not uncommon. In fact, Max Kaplan's 65-acre Park Ten office park (see p. 103) is planned to offer 79% open space.

Suburban office design is less institutional-looking than downtown buildings, leaning more and more toward residential design. Inexpensive tilt-up concrete and tarred-roof construction is giving way to brick and stained-wood exteriors, wood-shake roofs with deep overhangs, private patios and balconies, conversation pits and wood-burning fireplaces.

Landscaping is played to the hilt both outside and inside, in paved plazas with pools and fountains, in sodded lawns with mature transplanted shade trees, in rustic embel-

ishments like railroad ties for defining planters and parking areas, and particularly in enclosed skylighted atriums.

The atrium, permitting offices to look inward on garden scenery, is an increasingly popular way to provide desirable suburban atmosphere on stark freeway sites. It can work for almost all sizes of buildings—e.g. in a just-completed 40,000-sq.-ft. two-story building in San Antonio as well as in a six-story building under way in Houston whose 60'-high atrium will feature exposed-glass elevators, Regency-Hyatt style.

Suburban offices also attract tenants because, for the moment, rents are lower than in downtown buildings. In some areas the difference is substantial. For example, Koger Properties offices in the Jacksonville, Fla., suburbs rent for \$6 to \$6.25 a sq. ft. annually, compared with \$8 to \$8.50 for new offices in downtown Jacksonville.

But in other areas older downtown office space costs no more than new suburban space, particularly in cities like Los Angeles and Dallas where downtown vacancy rates run 15% and higher. So convenience and environment, rather than lower rents, are often the basic reasons for office moves to the suburbs.

But working in the suburbs is not all peaches and cream. There are some inherent drawbacks. Suburban office locations, while close to airports and freeways, are often remote from restaurants, shopping and other public facilities that abound downtown but not in the suburbs. Many prospective office tenants question the potential effect of this remoteness on their employees when they contemplate moving from city to suburban offices.

So suburban office developers are frequently forced to build in amenities—particularly cafeterias—that downtown developers don't have to worry about. Max Kaplan offers his One Park Ten tenants a degree of self-sufficiency by including a bank, cafeteria and post office service. Dining facilities, while not generally profitable, are commonplace now in suburban offices. And recreational facilities are beginning to appear.

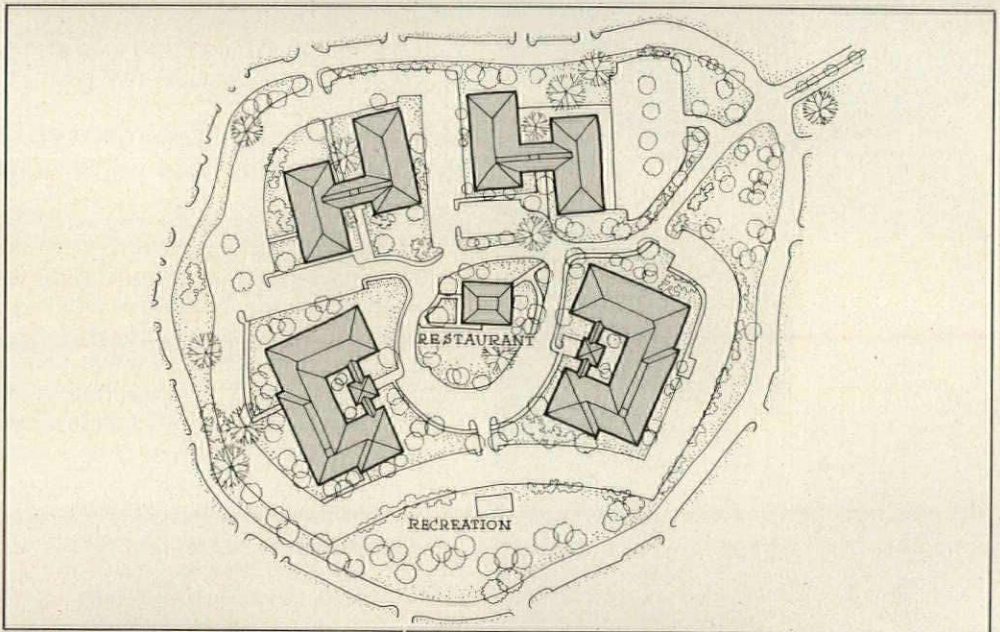
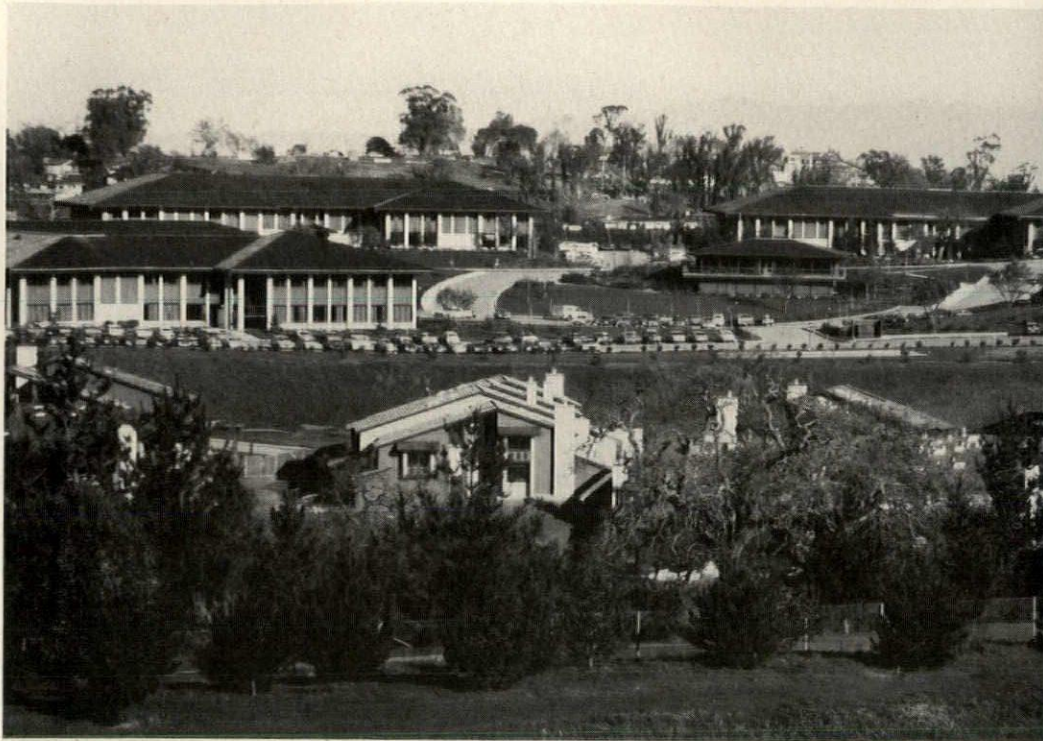
To achieve more of this self-sufficiency, most suburban office developers lean towards the multi-building center.

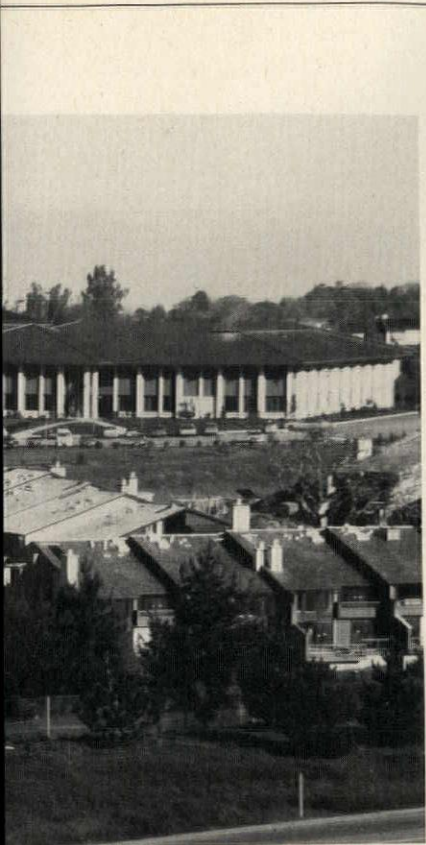
Office parks have a big edge over individual buildings

Suburban office developers know that developing parks is more rewarding than doing single buildings. A park provides the security of a long-term development program, plus the opportunity to create an attractive environment on a large scale.

Koger Properties made the switch years ago. The company started building odd-lot suburban office buildings for its own account in the early 1950s. But surrounding property values often went down, and with them the value of Koger's offices. So president Ira Koger decided to buy large tracts and to master-plan office parks that would be buffered from surrounding property by open space and landscaping.

FORD'S 3000 SANDHILL ROAD





Located on a sloping site in Menlo Park, Calif., Ford Land Co.'s office park overlooks nearby residential areas. Four 2-story buildings, totaling 180,000 sq. ft. of leasable space, surround a restaurant for 60 tenants employing 400 office workers. Developer Tom Ford originally designed the buildings for 10,000-sq.-ft. tenants—his plan called for center corridors and deep bays. But he had to change his approach when he found the market was for smaller space. His current tenants occupy an average of 4,000 sq. ft., and the range is all the way from 300 sq. ft. for a Japanese manufacturer's representative to 24,000 sq. ft. for Sun-sweet Growers. The complex is a joint venture with Phoenix Mutual Life Insurance Co. Architect: Albert A. Hoover & Associates, Menlo Park.

The company gave its park concept a severe first test by developing 50 acres in a slum neighborhood in Jacksonville, Fla. Koger Properties is still headquartered in that park today, and has since built 147 office buildings in Koger Executive Parks in 17 cities.

Koger at first sold limited-partnership units in its buildings, but in 1969 went public to get needed equity for developing on a national scale. Annual income now exceeds \$12 million from 2,100 leases.

While some Koger parks are as large as 90 acres, the company prefers to keep them within 30 to 40 acres. Explains vice president Dave McCain: "We like to build out our parks in about five years so that land-holding costs don't get out of hand." One of Koger's 17 parks has been completed—in Tampa, Fla.—and another five will be finished next year.

Koger likes to buy office-park land during the early development of a city's suburbs. Says McCain: "We enter the picture at about the time the apartment developer is moving in. That's somewhat premature as far as general office development is concerned, but we get the land at the right price."

While all the buildings in a Koger center are completely planned at the outset, they are built singly as market need appears.

Koger's market areas are primarily medium-sized cities with promising growth potential but without the intense competition of big cities. They include El Paso, Charlotte, Norfolk, Orlando and Tallahassee.

Max Kaplan's 150,000-sq.-ft. One Park Ten, in northwest San Antonio is the first of seven phases. Ensuing phases: Two Park Ten, Three Park Ten, etc.

Each Park Ten phase will be self-sufficient, with its own parking and on-site food facilities plus other business services. The second phase will be a pair of 12-story office buildings, which the developer hopes will become a landmark. General manager James Millikan explains:

"The towers will give us our own skyline and offer very dramatic visibility in all directions."

After the towers will come a specialty shopping center for boutique retailers, and then a racquet club for the benefit of all Park Ten tenants.

Kaplan and Associates, primarily an apartment developer for some 15 years, acquired Park Ten's 65 acres in stages as they became available. Financing comes from Prudential Insurance Co.

Developer Tom Ford phased the five-building Sand Hill park, his first office venture, to coincide with the construction of the surrounding townhouse development.

"I did one building at a time to see how they would go," says Ford. "As each one proved successful, I'd start another."

Before planning his first office park, Ford had built 30 tilt-up-slab industrial buildings on individual lots for tenants needing a combination of office, research and assembly facilities. All were heavily landscaped and several won prizes for environmental design in communities that rarely make such

awards for industrial construction.

Woodruff Construction Co.'s background was also in tilt-up industrial buildings. Then, two years ago, Jack Woodruff completed his first garden-court office building in a joint venture with an insurance company and leased up the 54,000-sq.-ft. complex in six months. Since then, Woodruff has been joint-venturing offices at the rate of about two 50,000-sq.-ft. suburban office buildings a year.

Woodruff's office projects are built for sale. "We'd like to get involved in a park ourselves," says project manager Dan Ross, "something we could master-plan and follow through over a period of time."

So far Woodruff has not been able to land-bank enough park acreage to do this because its joint-venture partner, an insurance company, prefers to develop the land immediately.

Regardless of the scope of an office developer's program, chances are he'll have to face the question of whether to include recreational facilities.

Recreation: Are tennis balls and adding machines a viable mix?

At first glance the idea of providing rec facilities in office buildings makes good sense. An in-house health club saves time for suburban executives who might otherwise travel to a country club at lunch time. And it gives other office personnel an amenity that normally they would have neither the time nor funds for. So office recreation facilities should help hold down employee turnover.

But what to install is still largely a guessing game for most developers.

Dan Ross sums up the dilemma: "You can't create a party atmosphere or you'll destroy the working environment. Yet you want enough recreation to attract people. How far do you go?"

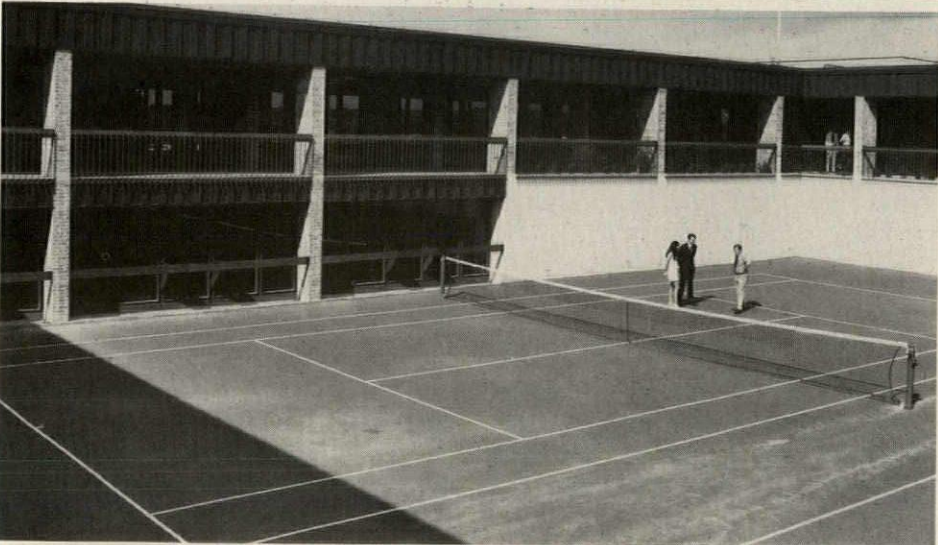
Ross's Burlingame center contains a sauna and gym which are used mainly by female clerical workers at lunch time. Says Ross: "Prospective tenants are intrigued."

Tom Ford's Sand Hill Road complex offers a single rec amenity: a sand volleyball court, which grew out of need demonstrated by the office workers. During the project's early stages, younger employees would set up a volleyball net in an empty parking area and play a few games at lunchtime. As buildings were completed and filled, the makeshift volleyball court became increasingly hazardous to other employees and their cars, so Ford finally installed a sand court on the perimeter of the project. Sand Hill also overlooks an 18-hole, country-club golf course, which executives with the means and a membership can use. But Ford doesn't attach great importance to rec amenities.

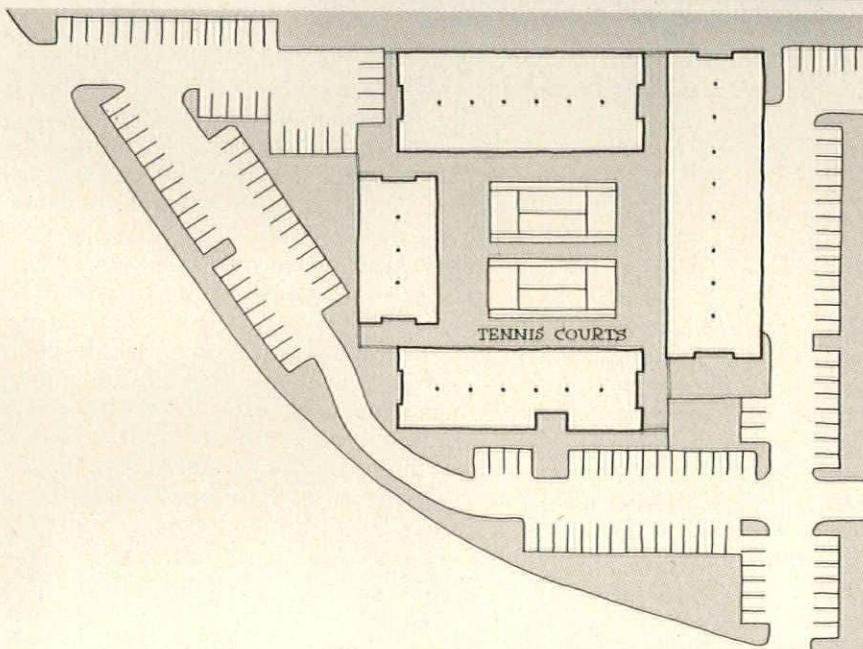
"They're probably a factor in attracting tenants," he says, "but I'm not sure of their effect in reducing tenant turnover."

However, other developers are making recreational amenities a key feature in new office complexes. Quincy Lee's Conroy Square, for example, is built around two

LEE'S CONROY SQUARE



Offices surround two tennis courts, lighted for night use, in Quincy Lee's new office complex on San Antonio's North Loop. Entrances at four corners separate the 45,000-sq.-ft. structure into four separate sections and lead to open corridors overlooking the tennis courts. Built on a sloping site, the complex has under-building parking on the down-hill side for executives. Also included on the lower level are a whirlpool bath and separate exercise rooms and saunas for men and women. Architect: Marvin E. Beck & Associates, Dallas.



tennis courts. The complex also includes a whirlpool bath, gymnasiums and saunas.

Kaplan & Associates plans to convert a 15,000-sq.-ft. mansion to a tennis club and restaurant for the office tenants of 65-acre Park Ten. The old mansion sits on a hill at the edge of the park site.

Some prospective tenants voice mixed feelings about such elaborate recreational attractions. Says one early tenant at Conroy Square: "I wondered how much work some of my executives, including myself, could get done with short-skirted tennis players performing outside the window. But the basic idea of combining work with play has merit, so we decided to give it a try."

Suburban office developers still have a choice when it comes to recreation. But eating facilities are another matter.

Most office cafeterias lose money, but you may need one anyway

Tom Ford's restaurant—in a separate building at the center of his park—was not even included in the original site plan. His four office buildings were supposed to overlook some landscape feature like a fountain or garden.

But prospective tenants complained about the lack of restaurants in the vicinity. So Ford had to consider building one and eventually was forced to guarantee it.

Even though two of Ford's larger tenants provide lunchrooms for their own employees, the restaurant has become a key service for Sand Hill office workers—and a management headache for Ford. Initially, he ran the restaurant with his own staff; then he tried two concessionaires. The first failed financially in a few months because it served meals that were too fancy for the clientele, and the second eventually quit the office-restaurant business. So now the job is back in Ford's lap. This time, however, he has hired a full-time restaurant manager.

One Park Ten and the Burlingame center each have cafeteria/coffee shops leased to mom-and-pop-type operators. They pay only space rental to the owner.

In Burlingame a cafeteria was needed not because nearby restaurants are lacking but because they are too expensive.

"Clerical people and even some of the executives couldn't afford to eat in those places every day," says Dan Ross. "We had to provide a low-cost eating place of our own."

Complexes with less than 100,000 sq. ft. can't support a hot-lunch cafeteria. And even in large centers, the cafeteria business is so marginal that the operators often don't make money enough to pay full rent.

So office owners and managers frequently find themselves forced to subsidize a cafeteria operator by charging perhaps as little as 25¢ a sq. ft. for space that would normally bring 60¢ or 70¢. And to get a new cafeteria in operation for the first tenants, the owner may have to provide free rent until office occupancy in the park is sufficient to generate adequate income.

Koger Properties has provided restaurants in some of its parks by selling or leasing land for restaurant operators to build on. A motel was also added in this way at the company's El Paso park. And canteens with hot- and cold-food vending machines are standard services in all Koger parks. (In a San Antonio park, two such canteens are run by the State Commission for the Blind.)

A more profitable way to operate restaurants is to open them to the public after office hours. One new Houston building has a glass-walled steak and lobster restaurant overlooking a heavily treed area that will be dramatically lighted at night. The garage that will serve office workers by day will accommodate diners' cars at night.

But before making plans for dining and recreation in a new suburban office center, the most basic concern is the tenants' working space.

Building design: The name of the game is interior flexibility

If suburban office developers had their way, all tenants would lease a minimum of 5,000 sq. ft. for no less than five years. But in reality the typical tenant leases 1,500 sq. ft. for three years, and most developers find they have to be flexible enough to take tenants who want as little as 300 sq. ft. for 12 months.

So flexibility is vital to success in renting suburban office space. And from the standpoint of flexibility, the ideal office building should be a perfect rectangle with interior space uninterrupted by pillars or utility cores. Unfortunately, some office architects tend to think more in terms of exterior aesthetics than interior flexibility. For example, L-shaped or atrium buildings often create leasing headaches.

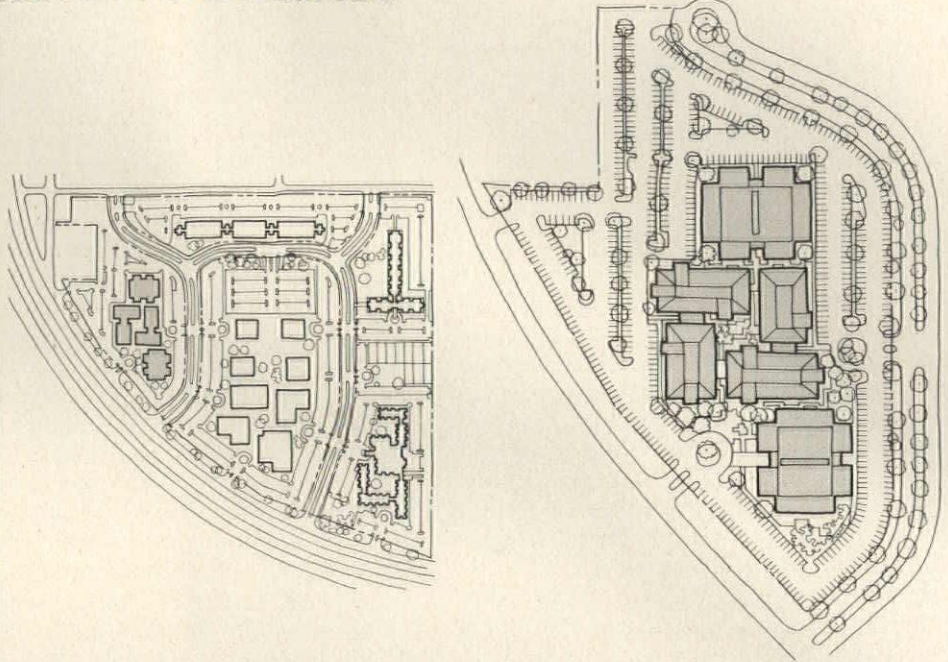
"There are too many corners and too many turns," says Dan Ross of his Burlingame building. "The bay depths range from 27 ft. to 45 ft. in a corridor run of 160 ft. That makes it tough to lay out offices. It's much easier to sell nice straight runs where you can cookie-cut the tenants' spaces."

Rented space at the Burlingame center, now 75% leased after opening in January, ranges from 300 sq. ft. for a sales representative's office to 55,000 sq. ft. for an insurance company's headquarters. Average space per tenant is 1,500 sq. ft. The three-story center has roughly 33,000 leasable sq. ft. per floor.

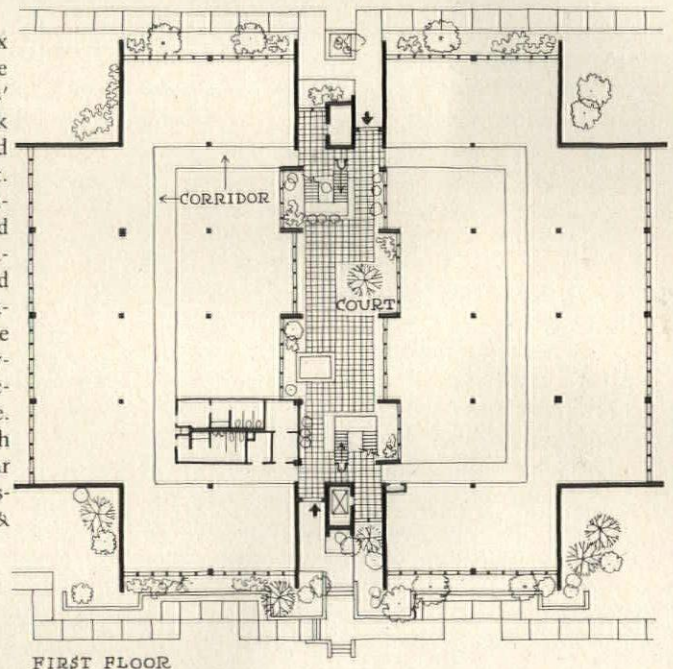
Non-rectangular buildings needn't be headaches, however. At One Park Ten, a cluster of four buildings, two L-shaped buildings present no interior planning problem. Reason: the two wings of each building share a single elevator/stairwell core, which is outside the building. That leaves only a restroom core inside. "So the two L-shaped buildings are, in effect, four rectangular buildings," says General Manager Jim Millikan. "They're extremely efficient."

Bay depths in One Park Ten buildings, which total 165,000 sq. ft., range from 25 ft. to 48 ft. but can be combined to create spaces up to 72 ft. deep. As a result, the complex can offer tenants spaces from 300 to 30,000

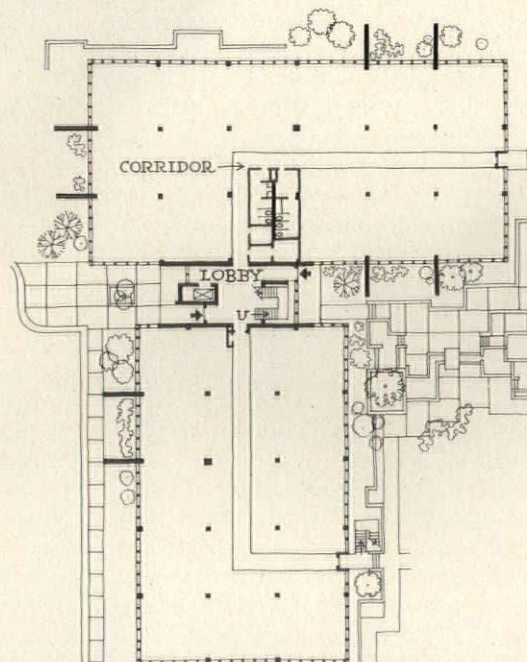
KAPLAN'S ONE PARK TEN



This four-building complex is the first completed phase of Max Kaplan & Associates' 65-acre office and retail park in San Antonio. Enclosed space totals 165,000 sq. ft. Each of two roughly rectangular buildings is planned around a skylighted air-conditioned mall. Two L-shaped buildings overlook a brick-paved central plaza and are linked by second-level covered passageways. Construction is steel and concrete. Exterior walls are brick with bronze solar glass in cedar frames. Architects: Gernsbacher/Hughes, Wheeler & Stefoniak, both of Dallas.



FIRST FLOOR



FIRST FLOOR

sq. ft. The primary tenants are national firms like Xerox and Aetna, each of which leases 20,000 sq. ft. The buildings are designed so that handicapped persons in wheelchairs can enter and reach any floor or facility.

Quincy Lee's office designers generally use an offset hallway system, typically creating a 25 ft. bay on one side and a 31 ft. bay on the other. To simplify space rearrangements, partitions are placed on top of carpeting.

Another way to simplify wall moving is to use demountable partitions, although there's some disagreement about how practical they are: "Initial cost makes them unfeasible," says Tom Perkins, Quincy Lee vice president for commercial construction. And Jim Millikan adds, "conventional drywall partitions are more satisfactory in everyday use, even though they're costlier to move."

But Dan Ross likes the flexibility of demountable walls. He uses vinyl-covered panels applied to aluminum studs with double-faced tape and sound-deadened at the joints with foam tape.

"The sound deadening is pretty good," says Ross, "and if we run into a particular noise problem, we solve it by packing the partition with insulation."

Tom Ford uses a demountable system for remodeling within tenants' spaces, but builds conventional partitions with metal studs and drywall between tenants.

Space per tenant has been increasing steadily for Koger Properties, and now averages 1,700 sq. ft. for 2,100 leases. So Koger is increasing its bay depths from 32 ft. to 36 ft.

"Tenants prefer to spread out more and treat themselves to some luxuries," says Dave McCain. "Most now want their own conference rooms. For those who don't, we provide common conference rooms."

Although 80% of Koger's tenants are national corporations and the space per tenant is rising, the company still provides offices as small as 160 sq. ft. for small tenants. To house these offices, Koger developed and patented a one-story building called the Kogerama. It consists of three circular sections grouped as a cloverleaf around a common lobby and reception area. And it accommodates 47 tenants in offices of 160, 225 and 260 sq. ft.; rents are \$85, \$120 and \$185.

Like all other Koger buildings, the Kogerama is a standardized design repeated in park after park. And standardization is Koger's formula for holding down costs.

Costs: Standardized design can save money on the front end

So says Koger's Dave McCain. His company now has 21 standard office buildings, which are repeated in varying combinations in all Koger parks.

"We've squeezed out all the design extras," says McCain. "The modules work. There aren't any columns in the wrong place. The net-to-gross ratio (leasable to total space) is right. And we don't permit any field changes."

The most substantial savings come in planning rather than construction, accord-

ing to McCain. Architect's fees for the use of repeat designs are typically two-thirds less than fees for originals. Legal, accounting and engineering fees are also much lower. And so is construction-loan interest because of the time saved.

Koger standard prototypes are careful compromises between economy and aesthetics. Some differ only in facade style; others are different throughout . . . ranging from H-shaped plans to L-shapes, rectangles and cloverleaves. All types of construction are used—brick, steel frame, wood frame and precast and poured-in-place concrete. But all exteriors are designed to be compatible.

Interiors are designed to simplify future remodeling of lobbies and tenants' spaces. Koger retains every building and derives its earnings almost exclusively from rental income. So the buildings' effective lives are essential to the life of the company.

To fill up new buildings fast and keep them filled, Koger and other suburban office developers concentrate on a basic leasing approach.

Leasing up: Do it yourself, and don't spare the shoe leather

Office developers generally agree that real estate brokers aren't much help in leasing new suburban buildings.

Woodruff Construction's Dan Ross regularly solicits the help of brokers but finds they account for only a small percentage of his tenants.

Park Ten's Jim Millikan, an office-leasing and management specialist, has had even less success with brokers in San Antonio. He explains: "Until recently, there hasn't been enough office development in San Antonio to support brokers who specialize in office leasing. Our local brokers are knowledgeable only in residential and land sales. The office specialists stick to larger cities like Dallas and Houston."

Quincy Lee's Tom Perkins adds: "Brokers are only helpful if they happen to have connections."

And of 2,100 Koger Properties leases, only 13 are commissionable to brokers.

So, the experts agree, there's just one effective way to lease new office space: knocking on doors.

"You call on people in other buildings," says Koger's Dave McCain. "We've got 1,800 prospects, and we just work them."

As soon as Koger closes the contract for office-park land, a personal letter goes to every prospective tenant in that city. A month later, four to six people are sent to the city to make followup calls on every prospect. They answer questions, show photos of Koger buildings and explain how Koger parks are operated. Meanwhile, a full-time manager is assigned to the city to follow up on the followup calls.

"Person-to-person canvassing is the only way," says Millikan. "I've sent direct-mail flyers and brochures, even to Dallas and Houston, but our basic marketing program is simply door-to-door coverage of every building in San Antonio."

WOODRUFF'S BURLINGAME

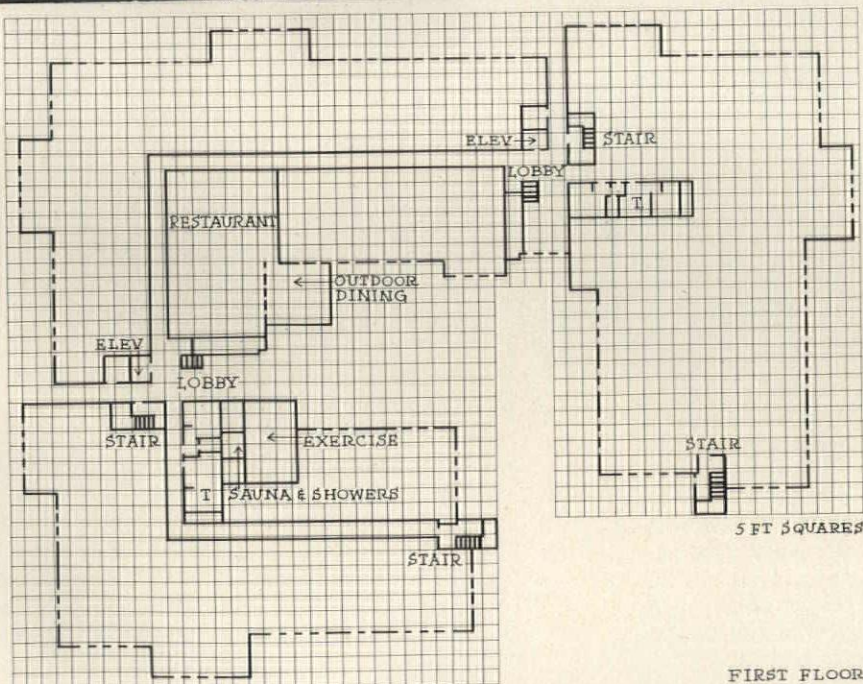


Redwood and stucco exteriors lend a residential character to Woodruff Construction Co.'s three-story office building in Burlingame, Calif. Outside, planters and benches formed from railroad ties give office workers rustic areas for conversations and al-fresco dining. Inside, exercise and sauna rooms are provided for lunch-time workouts. Parking ratio for the 105,000-sq.-ft. building is one space per 300 sq. ft. Woodruff joint-ventured the center with Kaiser Aetna, sold it to the Oakland-based Grubb & Ellis Realty fund, and operates it on a leaseback arrangement. Architect: Matt Copenhaver & Associates, San Francisco.

CENTER



JOHN ANDERSEN



Developer Tom Ford, formerly active as a real estate broker, has spent 15 years in helping companies relocate to new offices. He encouraged other brokers to help him lease the 180,000 sq. ft. in his new Sand Hill center—even paying their commissions the day each deal was closed. Nevertheless, his first tenant was his next door neighbor, and his second was an old friend.

Preleasing campaigns are important for lining up national tenants, particularly when the leasing agent can show his company's track record and a portfolio of its buildings. But for the average local tenant in the 1,500-sq.-ft. range, preleasing shouldn't be started too early.

Says Dan Ross: "Local tenants often can't visualize what a building will look like from plans the way a national tenant can. So we don't start a preleasing program for them until the building is under roof and they can actually walk through it."

Owners with completed buildings or parks aim for 100% occupancy, but some developers with expanding parks try to avoid filling all their space. Koger vice president Wade Hampton explains: "There's danger in keeping too much inventory, but there's also danger in not keeping enough when your park is still expanding. If you ever get the reputation of being out of space, it can take six months to two years for the word to get around that you have vacant space again. So we try to run at 95% to 96% occupancy."

Current monthly rentals—including carpet, drapes, lights, heating/cooling, security and five-day janitorial service—in San Antonio suburbs to more than 70¢ at 3000 Sand Hill Road in suburban Menlo Park. Koger Properties' rents are lower, ranging from 50¢ to slightly over 54¢ a sq. ft. annually throughout the company's 17 markets.

Standard lease lengths are three to five years. And most leases written these days contain escalation clauses to pass future rises in operating costs along to tenants.

One rising cost that can't be covered by escalation clauses is new construction. When Woodruff Construction recently repriced the shell of its Burlingame center with an eye to repeating the same basic design in another location, the company found that the shell cost had risen \$7 a sq. ft., or 30%, in a year's time. That's why Koger Properties says its standard buildings save primarily in design and other front-end expenses rather than in construction costs.

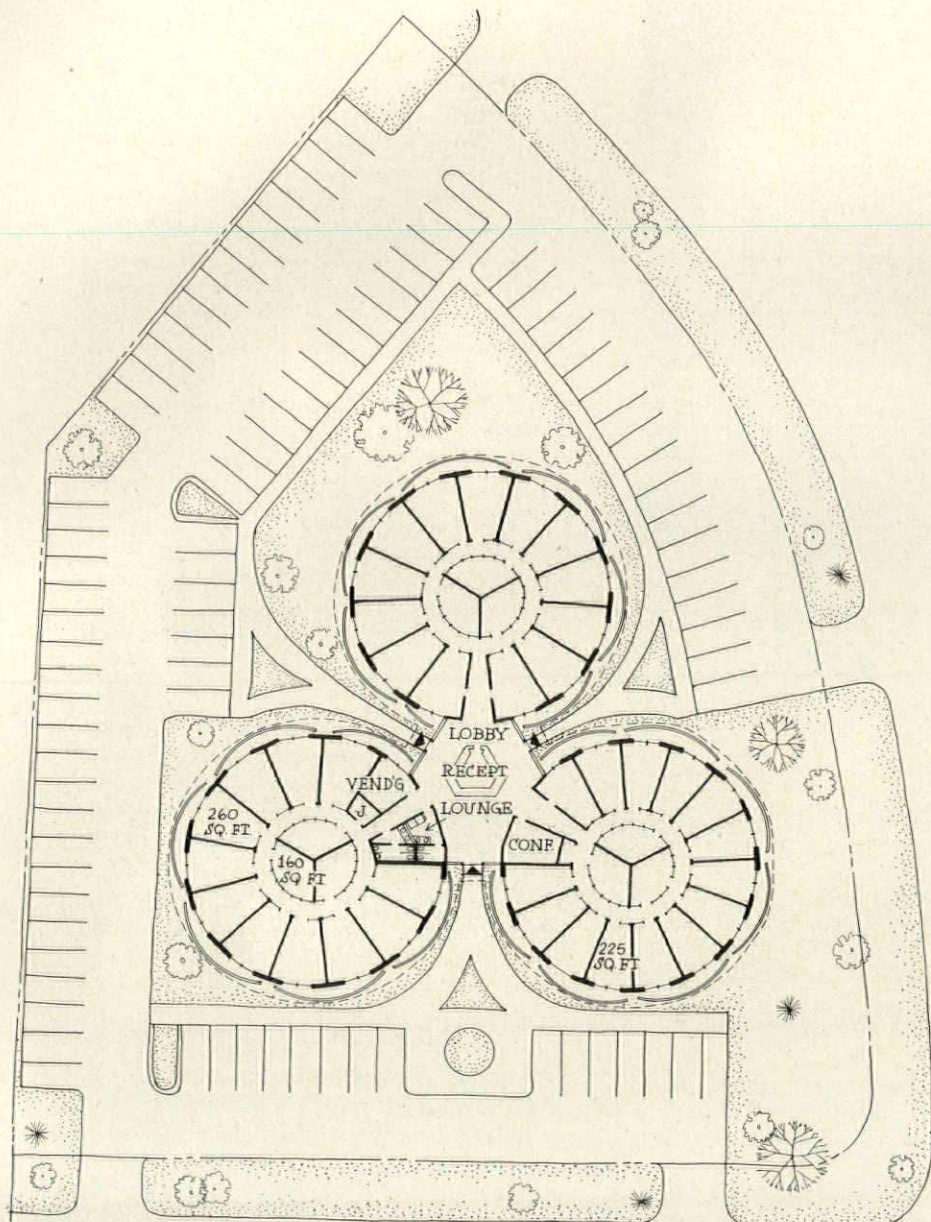
Another way office developers hold down both overhead and operating costs is to fill up new space with old tenants.

The best rental prospects for new space are your old tenants

"We fill up new buildings with expanding companies that are already located in our parks," says Koger's McCain. "In fact, 50% of our new space is leased to existing tenants, and some tenants have offices in as many as eight of our parks."

Koger's major tenants include General Electric, which has 33 leases; Borg-Warner,

KOGER'S KOGERAMA



Offices for small-space tenants are provided in this cloverleaf building, which is repeated in each of Koger Properties' office parks. Spaces range from 160 to 260 sq. ft. and can be combined into suites. Construction is expensive because every tenant has a separate thermostat. Operating costs are also high because the 47 tenants in each building are on one-year leases, resulting in constant

turnover. Says a Koger property manager: "One Kogerama per park is enough." But Koger doesn't build the Kogerama as a high profit maker. It is an incubator for up-and-coming small businesses that one day may expand into larger buildings where the minimum space requirement is 700 sq. ft. The design is patented by Koger Properties, which specializes in office-park development.

15; Continental Insurance & Casualty, 10; Minneapolis-Honeywell, 10; John Hancock, 10; Olivetti, 8; and the U.S. Government, 23.

Insurance companies are among the top prospects and Koger's national leasing staff keeps in constant touch with them.

But Koger doesn't overlook the expansion potential of its small tenants. The Kogerama, not a big profit maker from an operational standpoint, is used as a worthwhile source of new business for the larger Koger buildings, where the minimum space requirement is 700 sq. ft. "It's an incubator," says Wade Hampton. "Some of those struggling 200 ft. businesses expand into 1,500 ft. companies later on."

Tom Perkins, whose Quincy Lee group has built 800,000 sq. ft. of combined office, sales and warehouse space, cites an example of growing business from one tenant. A pharmaceutical company's division that has expanded from 6,000 to 112,000 sq. ft. in Quincy Lee buildings.

Current tenants are also prime sources of referrals. But referrals—and for that matter, repeat business—depend heavily on the quality of building management.

Management: Do it yourself if you want referrals and renewals

All developer/owners agree: Continued success in the suburban office business takes in-house management, with emphasis on fast service and faultless maintenance.

"Two jobs I don't delegate," says Tom Ford, "are supervision of landscape maintenance and tenant service." Ford's permanent offices are in his Sand Hill center, where he can respond quickly to air-conditioner breakdowns, stopped-up plumbing and the like. He keeps an eye on landscaping maintenance because the main appeal of his complex is its environment.

"My referrals come from two sources," says Ford. "From existing tenants who are happy with the service and from visitors who are impressed with the landscaping."

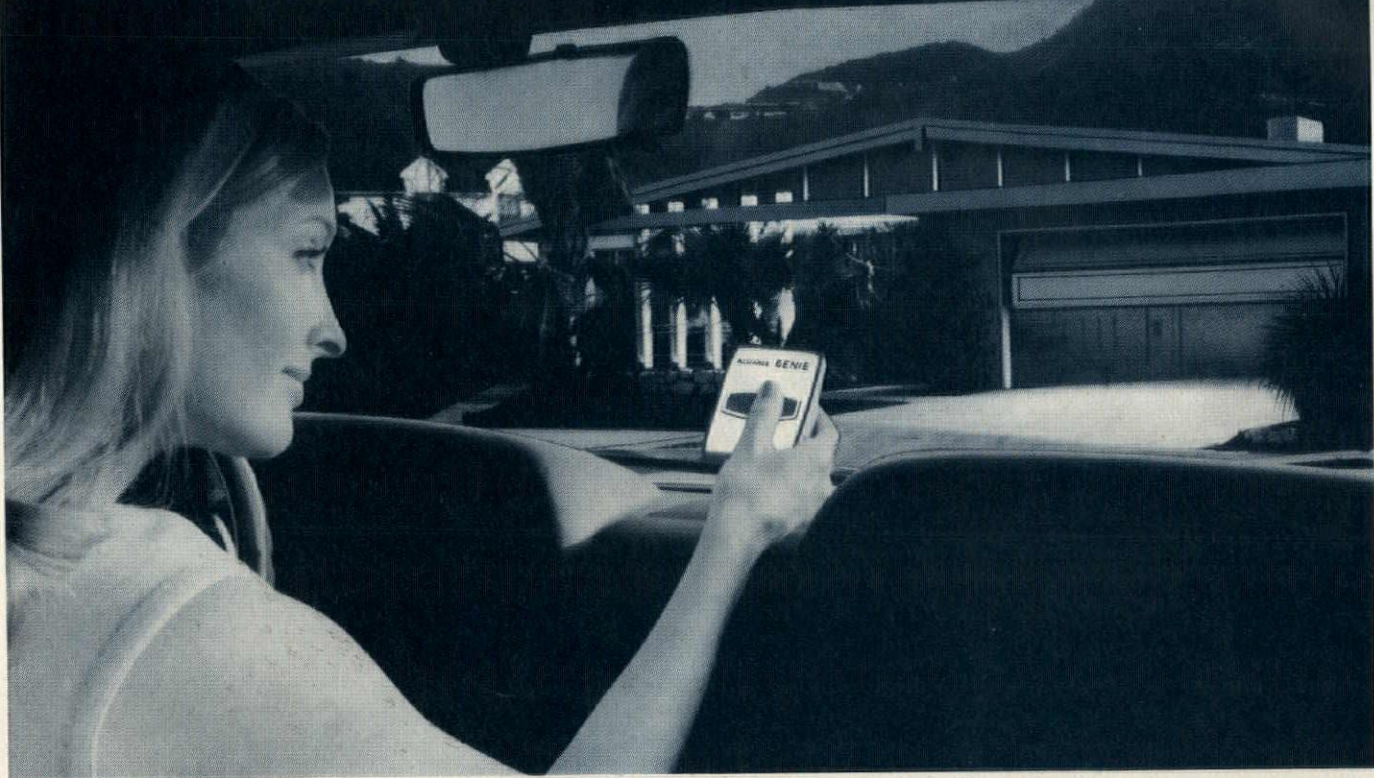
Tom Perkins tried managing offices with The Quincy Lee Co.'s apartment management staff, which handles several thousand multifamily units in Houston, Austin, Corpus Christi and San Antonio. But, he says, "it didn't work. We needed better control of our relationships with tenants than the apartment people are accustomed to having with theirs. So we set up a separate management staff for the office buildings."

Dan Ross and Jim Millikan concur. Says Millikan: "You have to keep management in-house not only to respond fast to tenants' complaints but to assure the tenant that he has close contact with the owner." Both Ross and Millikan function as leasing-, maintenance- and tenant-service directors during the leaseup period and then install a full-time manager on the premises.

"Conscientious service is the only way to generate repeat business, referrals and lease renewals from your present tenants," says Ford, "and no one but the owner has the strong desire it takes to work that hard."

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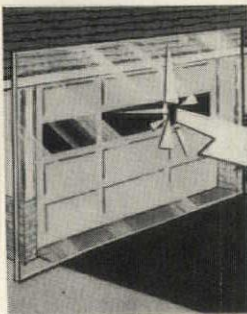


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†all categories include modular housing

*remodelings must take in the whole structure. Custom additions to a detached house must be tied into original design of house. No single room or single apartment remodelings are admissible. Redecorations are not admissible. Face-liftings must be structural. Photos of both before and after construction will be required for judging.

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Entry fee: \$30 per entry. Deadline: postmarked by midnight, November 8, 1974.

Submission of material:

On receipt of registration form and fee, entrant will be sent a spiral binder—color-coded to the project's category—which is to be filled with sufficient black and white photographs and plans to illustrate the design, any unusual

problems or solutions. (Detailed instructions for preparation of entries will be included in the binders.)

Judging:

Will be held on March 18 & 19, 1975 at the American Institute of Architects headquarters in Washington, D.C. The panel will consist of outstanding architects housing industry leaders and editors of *Architectural Record* and *House & Home*. There are two types of awards; First Honor Awards and Awards of Merit. The number of these to be presented shall be solely determined by the judges.

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Will be notified by telegram immediately after judging. Award certificates will be presented and photos of winning projects will be displayed during the 107th annual convention of the American Institute of Architects, May 18-22, 1975 in Atlanta, Ga. Winners will be expected to prepare and ship to the AIA convention—at their own expense—a project display board representing the winning entry. Instructions for these boards will be forwarded to the winners. Winning binders and display boards will not be returned to entrants.

Conditions:

Entries must be approved by all parties concerned. The Entrant represents that he is the sole proprietor of all rights in and to the material, illustrations and photographs submitted; that such items are free from copyright restrictions that would prohibit publication by *House & Home*; that Entrant hereby grants to *House & Home* the right to publish such material, illustrations and photographs at such times and in such manner as *House & Home* shall determine, and agrees to indemnify and defend *House & Home* from any claims arising out of or in connection with any such publication by *House & Home*. The Identification sheet (white) must be signed to validate your entry.

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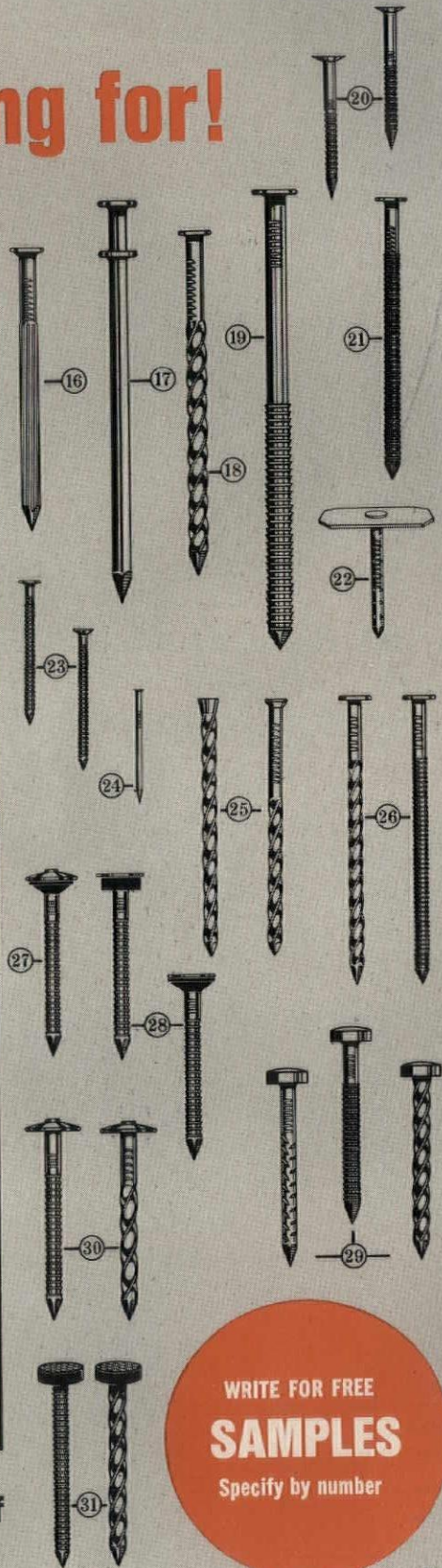
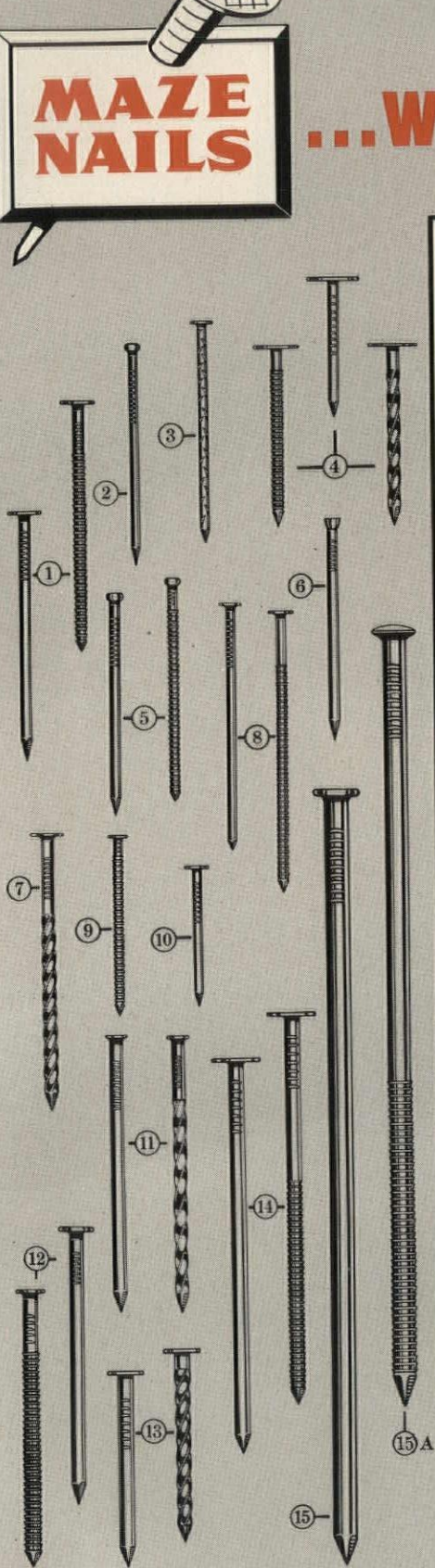
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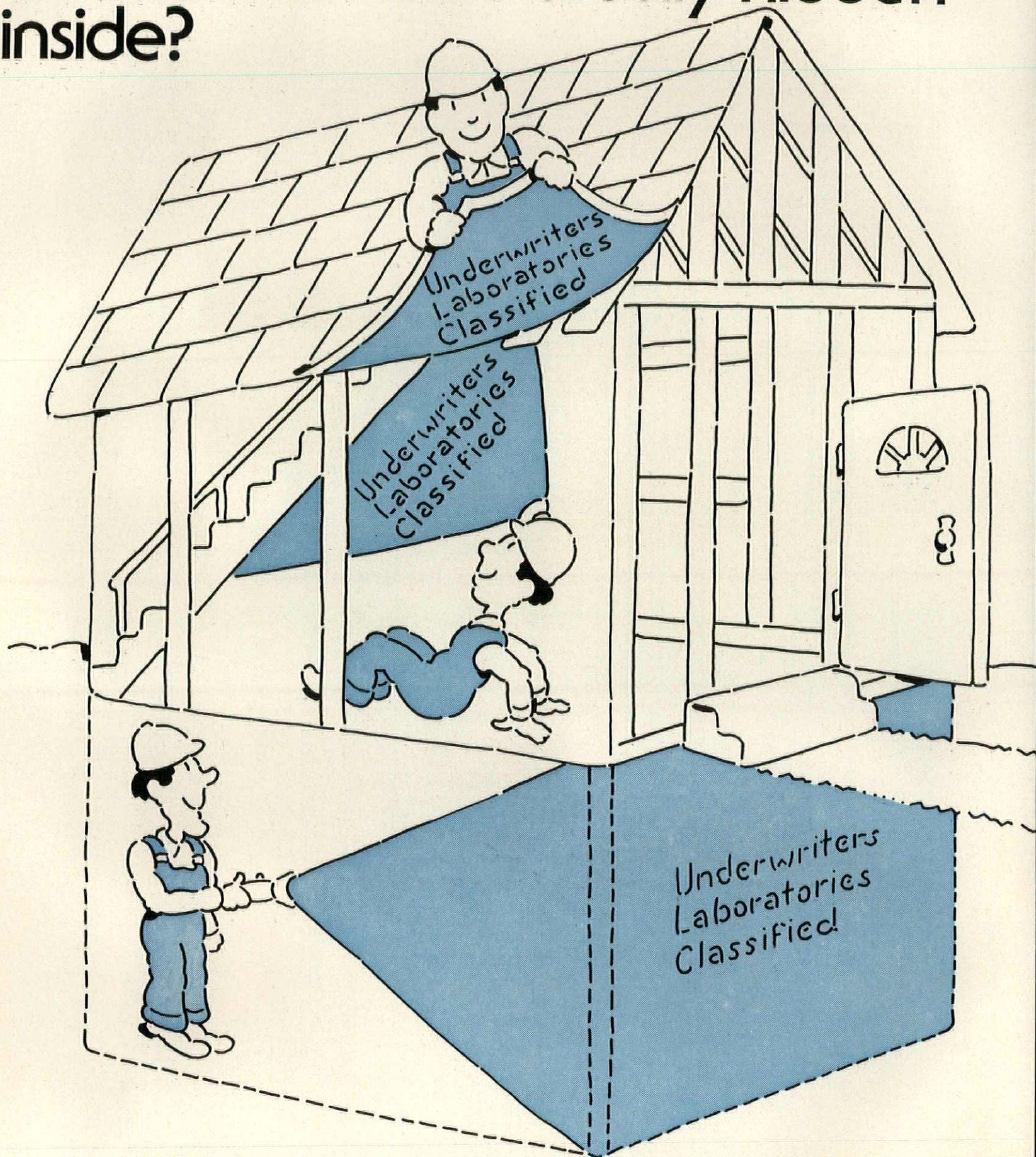
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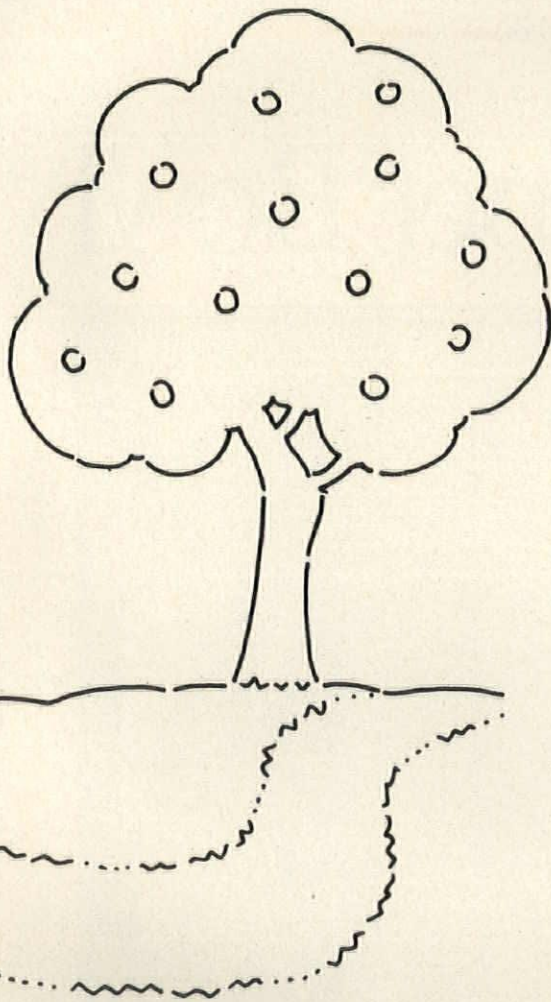
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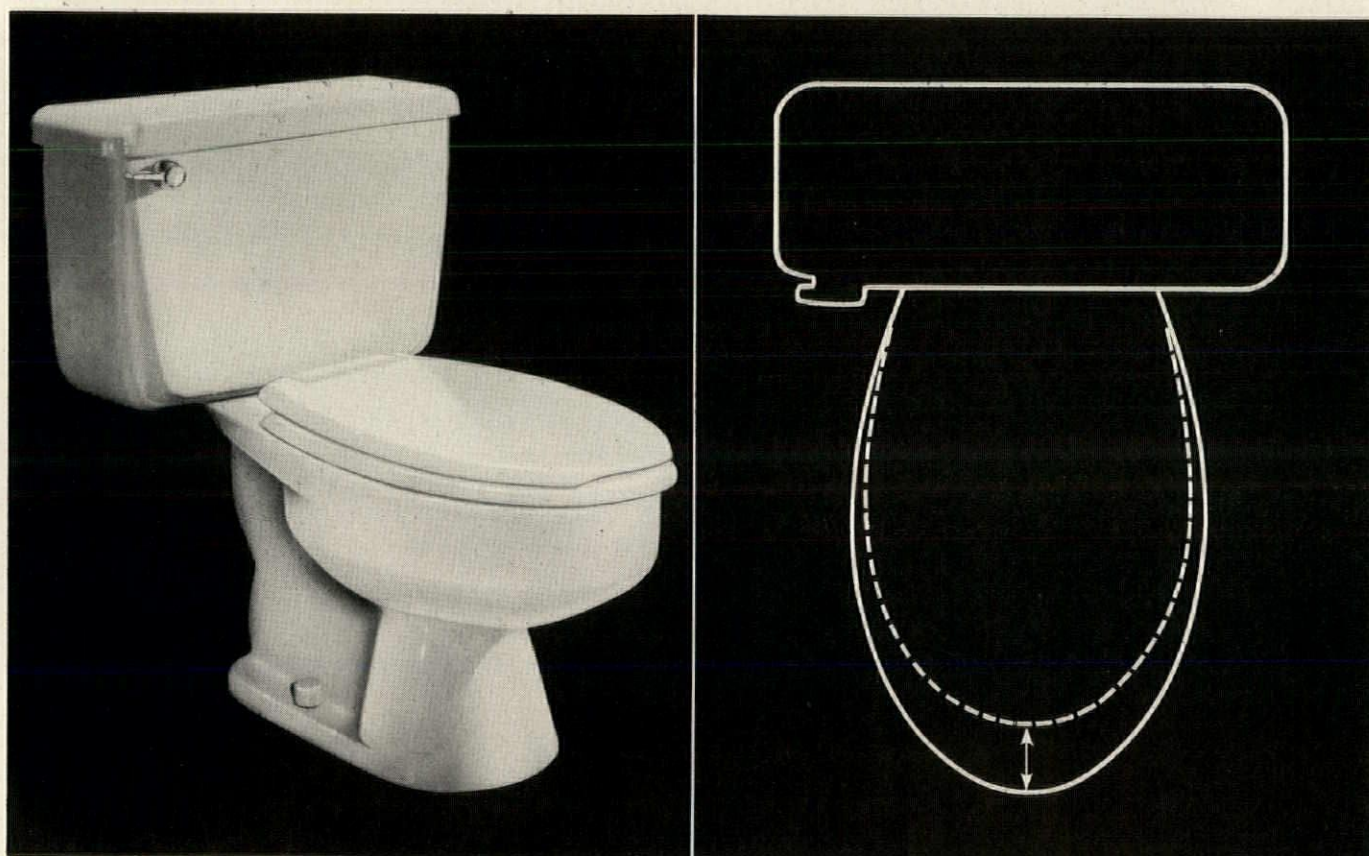
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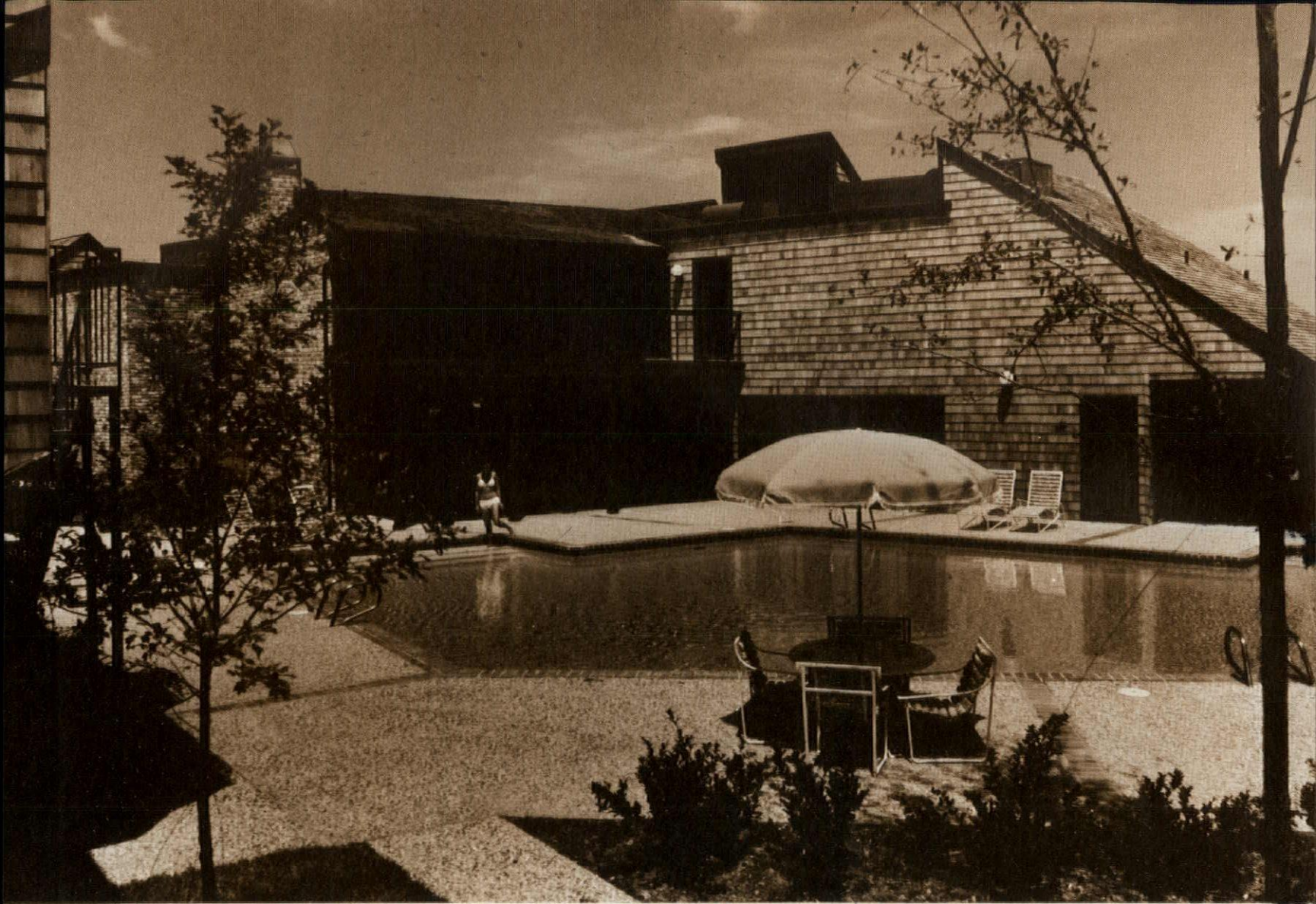
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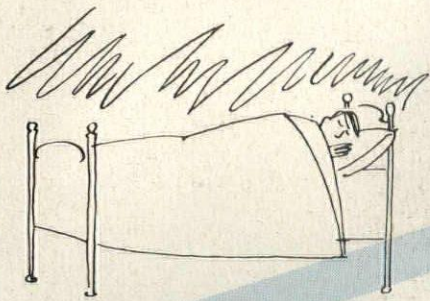
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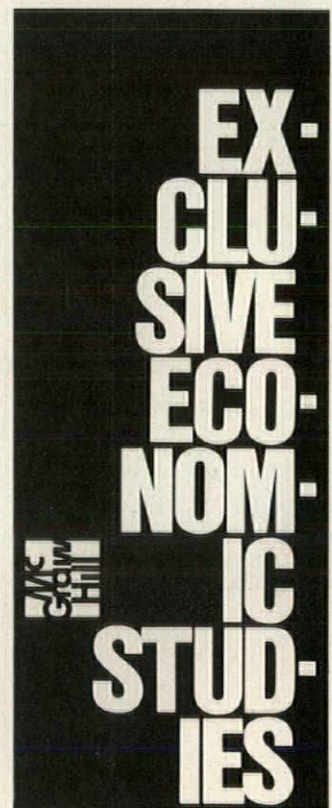
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Get 1,000 home designs now

The Custom Home Plans Club has been created to provide a fresh flow of design ideas you can use to make your business more profitable.

As a new member, you will immediately receive an attractive binder containing 1,000 home designs illustrated with full color renderings and detailed floor plans.

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As you guide clients to a commitment, you—as a member of the Custom Home Plans Club—will lose no time in coming up with a complete set of working drawings, which will be shipped postage-free from Club headquarters the same day your request is received.

And with your working drawings you will also receive a complete list of the building materials you will need—essential for accurate bids and reliable cost estimates.

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plus 5 new home designs- of-the-month each month for the next 12 months

To supplement your library of 1,000 home designs, the Custom Home Plans Club will provide you with a steady flow of 5 new home design ideas each month for the next 12 months.

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In this manner, the Custom Home Plans Club broadens the range of selections available to you and your clients, and keeps you current on home design trends beyond your immediate market.

A full set of working drawings with collateral floor plans and a list of building materials will be available on both the original 1,000 home designs and the 60 new designs you will receive during the coming year.

plus 12 sets of professional working drawings for homes of your choice

Members of the Custom Home Plans Club are entitled to receive a total of 12 sets of professional working drawings without charge.

These building plans may be ordered in any combination desired: 12 sets of drawings for 12 different homes; 4 sets for 3 different homes; or any other way you prefer them.

Beyond the initial 12 sets available as part of the Club



and get 1,000 home designs now the next 12 months plus 12 sets for homes of your choice.

membership fee, members may obtain additional working drawings at a 35% discount off published prices which range from \$25 to \$50 for single sets and from \$50 to \$75 for four-set packages—depending largely on the square-footage of single-family homes and the number of units for multi-family dwellings.

Drawn to FHA and VA general standards, these blue line prints—size 36" x 20"—are easy to read on a white background. Depending on the size and complexity of the house design, plan sets may include as many as nine sheets. Notes and drawings indicate location and types of materials to be used. With complete freedom of choice, Club members may order their 12 sets of detailed working drawings at any time during the 12-month membership period.

Club working drawings include: (1) Floor Elevations, (2) Complete Framing Plans, (3) Wall Sections, (4) Floor Plans, (5) Basement/Foundation Plans, (6) Roof Plan, (7) Plot Plan, (8) Kitchen Cabinet Details, (9) Fireplace & Built-in Details, (10) Specification and Contract Booklet.

plus itemized lists of building materials for accurate bids and reliable cost estimates

To eliminate the time-consuming task of taking off material requirements from each set of plans ordered, the Custom Home Plans Club automatically provides members with item-

ized lists of building materials needed to obtain reliable bids, to make accurate cost estimates, and to order building materials from suppliers.

The lists include the size and quantity of all millwork such as doors, lumber and built-ins . . . framing lumber . . . roofing . . . flooring . . . wallboard . . . masonry . . . concrete . . . reinforcing . . . insulation . . . beams . . . finishing materials, and more.

The lists of building materials used in conjunction with the detailed working drawings—save Club members dollars, drudgery and valuable time more profitably spent with clients.



Application for membership

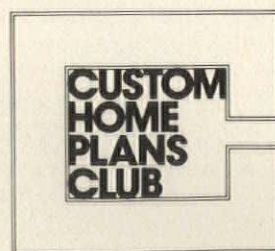
Enclosed is a check for \$360 for a full year of membership in the Custom Home Plans Club. For this I am to receive immediately a binder containing 1,000 home designs, plus a portfolio of 5 new designs each month for the next 12 months.

My membership also entitles me to a total of 12 sets of professional working drawings and a list of building materials for Club homes of my choice. These sets of working drawings may be ordered in any combination I desire: 12 sets for 12 different homes, 4 sets for 3 different

homes, or any other way I prefer them. Beyond these 12 sets included in my membership fee, I will be able to buy additional sets at a 35% discount off published prices during my membership period.

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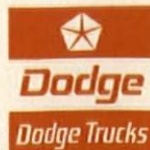
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- 7.** *On the job, you might want the convenience of automatic speed control.* It's a great option that makes long-distance driving easier. Dodge pickups offer it! (Ford pickups don't.)
- 8.** *On the job, you want the cargo to slide in smoothly.* That's why Dodge has done away with exposed bolt heads in the cargo box. A little point? You'll like it! (It's a real joy to have this smoother operation.)

**Extra care in engineering
makes a difference.**





Integral vanity top and bowl that fits into a corner is designed especially for a small bathroom. The 34" unit is fabricated of DuPont "Corian" a man-made, solid-composition material with the look and feel of marble. Durable, easy-to-maintain units come in beige, olive and white. DuPont, Wilmington, Del.

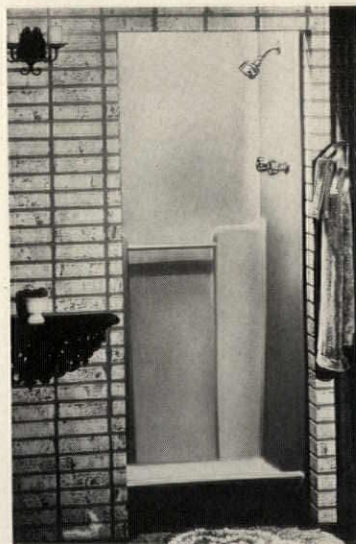
CIRCLE 204 ON READER SERVICE CARD

Distinctive bathroom ensemble, "Continental Bath," (left) provides luxury and comfort. Part of the "International Collection," the ensemble features a gracefully curved "Aquatonda" pedestal lavatory, a low-profile "Luxor" toilet and a 7' oval tub made of fiber glass reinforced polyester. American Standard, New Brunswick, N.J.

CIRCLE 205 ON READER SERVICE CARD

One-piece fiber glass shower module (right) is part of the "Galaxy" line of bathing units. Available in white or four decorator colors, modules have a high-gloss finish that is stain, mar and scratch resistant. The 36"x36" model shown features integral convenience shelves and a built-in grab bar. Crane, New York City.

CIRCLE 200 ON READER SERVICE CARD



Tub and shower enclosure (below) is available in two- or three-door models. Offered in sizes from 32" to 58½", units fit any opening. Enclosures, with satin-finished anodized-aluminum frames, feature high-impact polystyrene panels in clear, avocado or amber. Shower Shield, Diston, Hialeah, Fla.

CIRCLE 201 ON READER SERVICE CARD

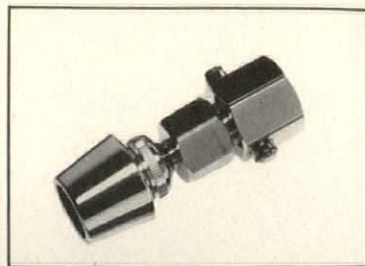


Early-American-style vanity, "Georgian Manor," adds traditional elegance to a modern bathroom. Carefully matched and toned wood with an authentic distressed look has a protective finish. Units are available in a wide range of sizes. Brammer, Davenport, Iowa. CIRCLE 202 ON READER SERVICE CARD

PRODUCT INDEX	119 Bathrooms	144 Coatings & Adhesives
	120 Bathrooms	146 Tools & Equipment
	124 Interiors	148 Plumbing & Piping
	128 Interiors	156 Flooring
	138 Doors/Windows	161 Interior Environment
	142 Doors/Windows	



One-piece fiber glass tub/shower unit has an easy-to-maintain, non-porous surface. Module, available in avocado, white, beige, gold and blue, features integral soap dishes, chrome-plated grab bar and a non-skid safety floor. Theodore Efron, Chicago. CIRCLE 206 ON READER SERVICE CARD



Controlled flow shower head, "Nova," is designed to reduce water flow to 2½ gallons per minute—a cut from the 8-12 gpm average. Aerating unit, constructed of solid brass with chrome plating, has a pushbutton control that regulates water stream and provides a cut-off for soaping up. Park, West Hartford, Conn. CIRCLE 209 ON READER SERVICE CARD



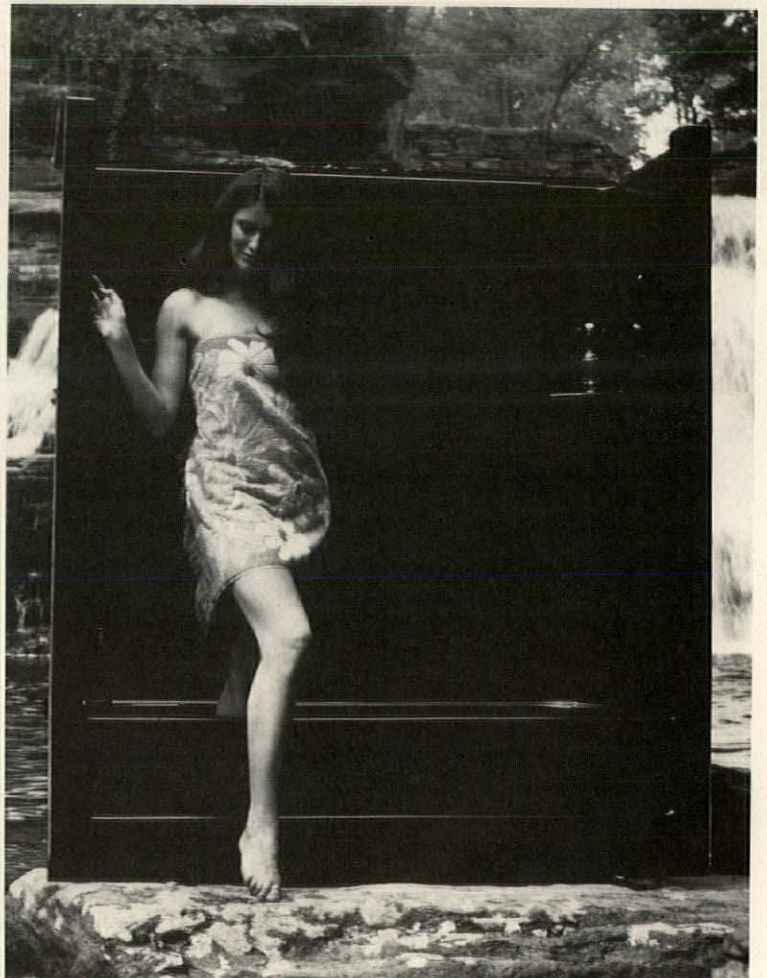
Vanity bases with exposed drawers are being added to three traditional cabinet lines including "Medici" shown. Units, available in a full range of sizes from 24" to 48", come in a selection of standard finishes and colors. Rutt-Williams, Elkhart, Ind. CIRCLE 210 ON READER SERVICE CARD

Elegant vitreous china fittings, "Aphrodite," feature 24 carat gold accents. Also available in wedge-wood blue with white, the line includes lavatory fittings in 8" or 12" centers, tub fillers, tub-shower units, shower fittings and a full range of matching accessories. Bradley, Menomonee Falls, Wis.

CIRCLE 207 ON READER SERVICE CARD



"Mediterranean" vanity cabinets with Formica doors feature self-closing hinges and interiors of easy-to-maintain, washable vinyl. Units come in a full range of one-, two- and three-door models in a choice of finishes. Formco, Cincinnati, Ohio. CIRCLE 208 ON READER SERVICE CARD



One-piece fiber glass bathing units are offered in striking "Diamond black." The "Emporia" tub, shown, and the "Boutique" shower feature sculptured integral ledges for toiletries. A black vanity top completes the group. Environmental Enclosures, Falls, Pa. CIRCLE 211 ON READER SERVICE CARD

more products on page 124

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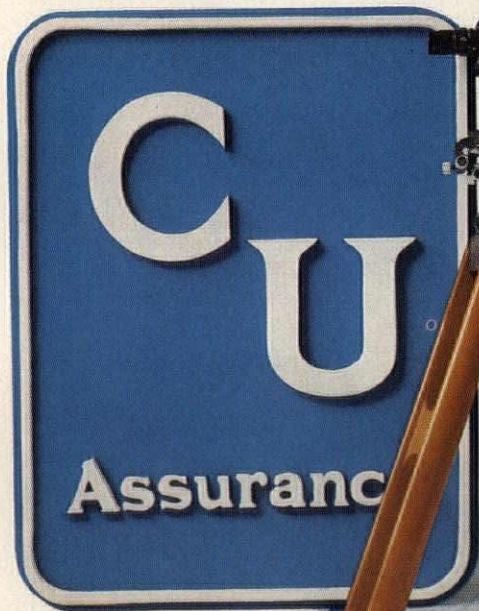
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PRODUCTS '75

New Products from House & Home Advertisers



a timesaving guide to the 1975 NAHB exhibits

Builders attending the big sprawling NAHB convention in Dallas next January will face a bewildering array of products, new and old, spread out over a huge exhibit area. Products '75 has been created by House & Home and its advertisers to organize your shopping tour of this impressive display. Copies will be available free at Dallas.

see the best, newest, most exciting

This 6th annual pocket-size guide to the exhibits is a collection of building products, materials, tools and equipment . . . in each case especially selected by the exhibitors themselves as being the best, the newest, the most exciting they will be offering in 1975. Each product will be handsomely illustrated in full color, described in detail and identified by company and booth number.

save time and steps

The order of presentation in Products '75 will be by booth sequence enabling you to move quickly and

efficiently through the aisles pinpointing just the specific products of interest to you.

The booth numbers will also be color coded to match the carpeting and banners that identify the different sections of the exhibit area. This means you can start your Products '75 tour at any exhibit and still save hours of time and thousands of footsteps.

can't make the show?

If you can't make the show this year you can use Products '75 to see for yourself just what the participating exhibitors are displaying as their

best, their newest, their most exciting. Every copy of Products '75, including those distributed in Dallas, will have two reader service cards so that you and your associates can request catalog information by mail.

reserve your copy now

If you can't make the show, you can reserve a copy now by sending three dollars along with your name and address to Products '75, House & Home, 1221 Avenue of the Americas, New York, New York 10020. Your copy will be mailed immediately on publication in January.

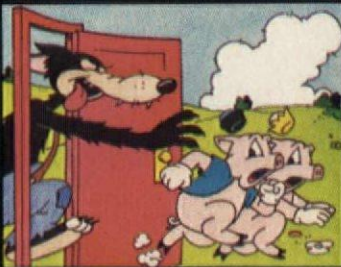
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RESULTS: **DOOR FLEW OPEN!**



TEST #2
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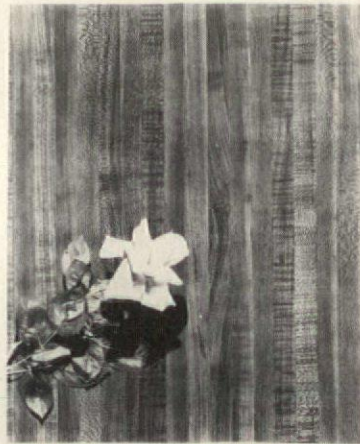
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FORCE: **350 FT.-LBS.** RESULTS:
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PEACHTREE  DOOR

You're invited to write for test results.
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PRODUCTS/INTERIORS

"Butcher Block" patterned high-pressure laminate is suitable for vertical or horizontal application. Offered in three wood tones in a choice of satin or velvet finish, the material will not warp, split, scratch or stain. Wilson Art, Temple, Tex. CIRCLE 212 ON READER SERVICE CARD



Decorative ceiling tiles, "Constitution," (below) inspired by the Colonial era, provide a monolithic appearance. Part of the "Chandelier" line, the pattern has a sculptured design with gold tracing on a beige ground. Armstrong, Lancaster, Pa. CIRCLE 213 ON READER SERVICE CARD

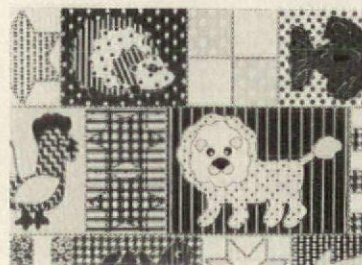
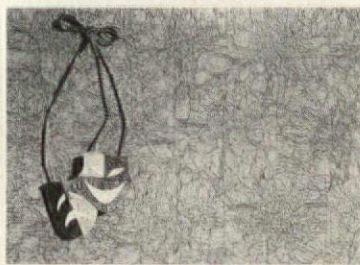


Decorative plastic laminate is available in a rich, dark-toned, simulated wood grain pattern, "Tavern Pine". Knots and markings of real wood are faithfully reproduced. Material is suitable for a wide range of uses. Parkwood, Lowell, Mass. CIRCLE 216 ON READER SERVICE CARD

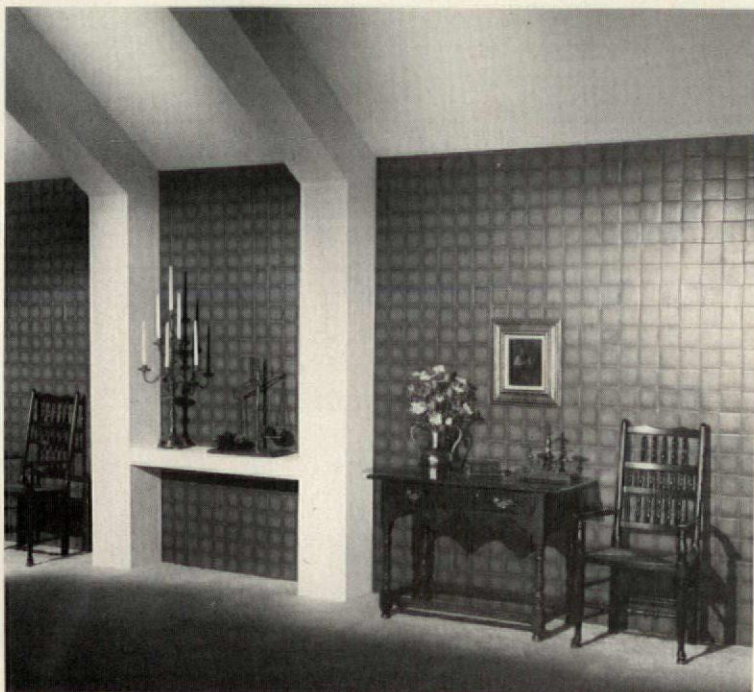
Weathered-look decorative wall paneling (below) is available in the grey-toned "Old Barn Pine" or in the brown "Old Mill Pine". The 7/16"-thick real-wood panels are top-coated with a catalyzed-vinyl finish. Roseburg, Roseburg, Ore. CIRCLE 217 ON READER SERVICE CARD



Abstract vinyl wallcovering pattern, "Intaglio," has a deep-textured three-dimensional surface. The design is irregular free-form furrows fanning out towards a thin-lined honeycomb grid. Two shades of one color produce a monochromatic effect. Pattern is offered in 20 colors. L. E. Carpenter, New York City. CIRCLE 214 ON READER SERVICE CARD



Whimsical wallcovering for the nursery, "Krazy Kraker Quilt," is an adaptation of a child's quilt design. The muted pastel pattern is part of the "Family Fun" collection of vinyl wallcoverings. Prepared for easy application, scrubbable, strippable coverings feature a durable gloss coating. United-DeSoto, Chicago. CIRCLE 218 ON READER SERVICE CARD



Prefinished hardboard wall paneling, "Mexicotta," used on an accent wall adds a dramatic Spanish look to a formal foyer. The authentic-colored, simulated, terra-cotta-tile paneling is easy to install and maintain. Masonite, Chicago. CIRCLE 215 ON READER SERVICE CARD



Three-dimensional suspended ceiling system, "Tonico," is a combination of 2'x2' reveal-edged tiles and a packaged grid offered in a black or white finish. Metal tees, cross tees, wall moldings, clips and instructions are provided. Gold Bond, Buffalo, N.Y. CIRCLE 219 ON READER SERVICE CARD

more products on page 128



How close to wood can you get?

A deep sculptured Certain-teed Hallmark Shingle™ roof may look like wood in all its natural beauty, but it's not. It's asphalt. So, unlike wood, our wood-textured Shingles resist rot and fire. Won't warp or split.

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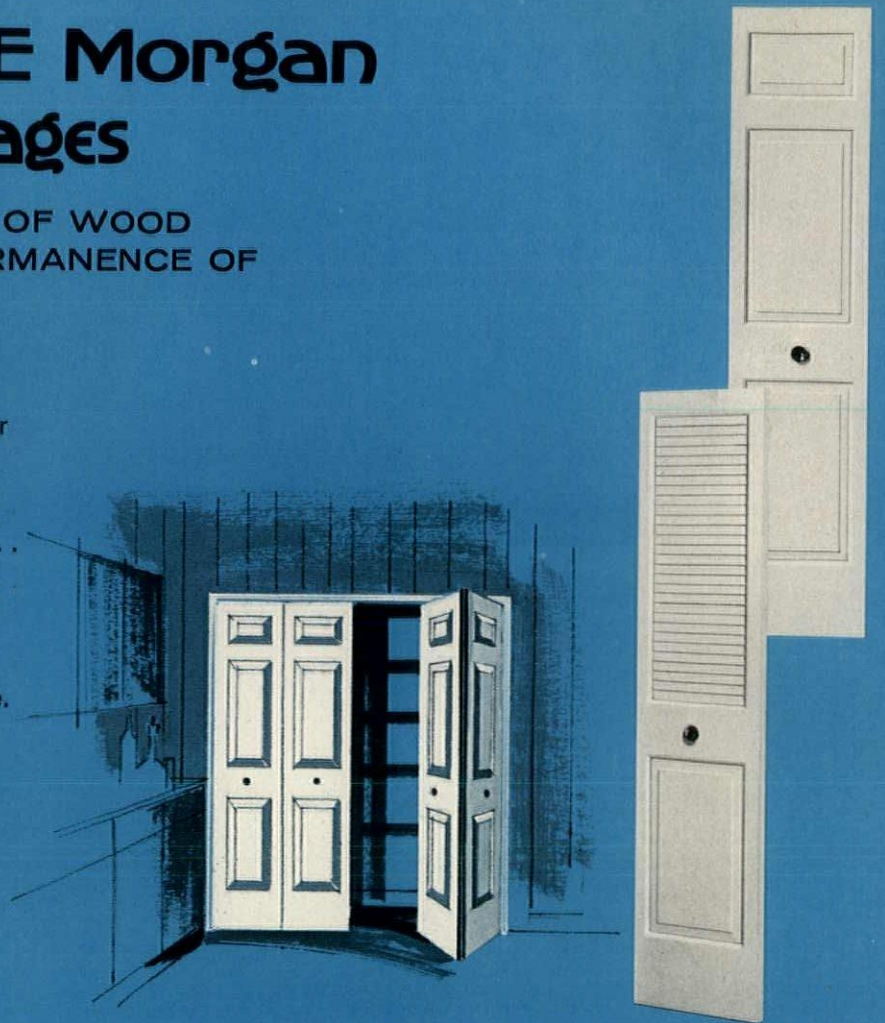
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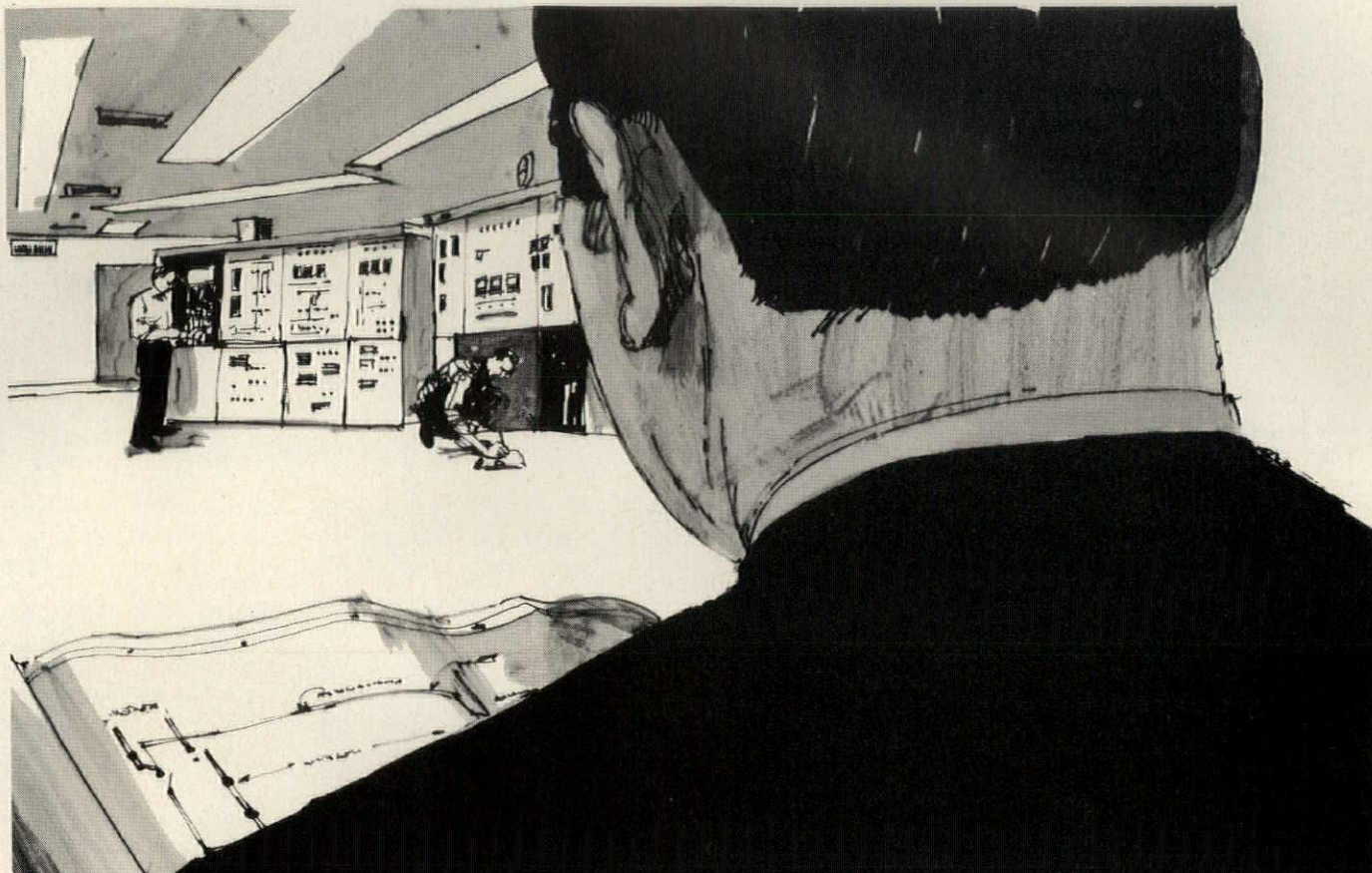
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CIRCLE 126 ON READER SERVICE CARD



DOORS AND OTHER DISTINCTIVE BUILDING PRODUCTS



How do electrical contractors improve life-cycle operations?

NECA study reveals opinions of general contractors.

In a study commissioned by the National Electrical Contractors Association (NECA), the problem of life-cycle building operation and maintenance was considered. Solution?

The majority of participants agreed: the full benefit of complex and sophisticated electrical systems can only be realized when regularly maintained by professional electrical contractors. Reasons? As members of the building team, electrical contractors possess specialized

knowledge and electrical applications experience. They understand the benefits of electricity and the potential operational difficulties that can arise... even in expertly designed buildings. They know that the best way to solve operations and maintenance problems is to correct them before trouble results.

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National Electrical
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Washington, D.C. 20014

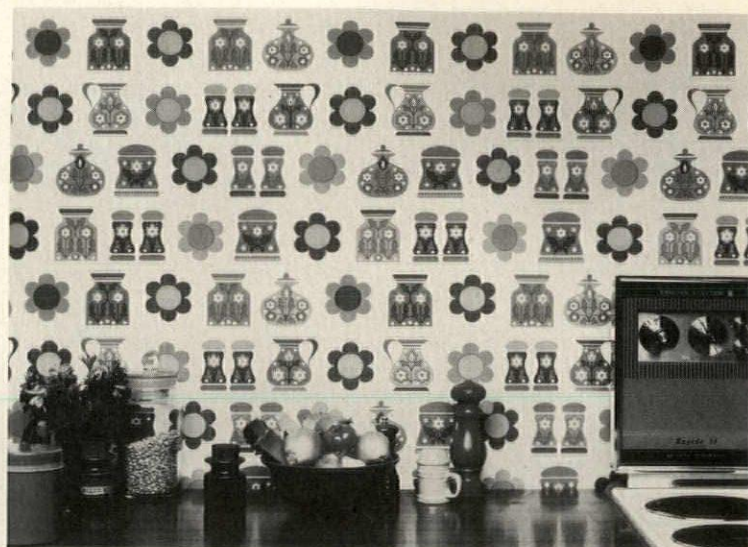
If electricity makes it possible, electrical contractors make it practical.



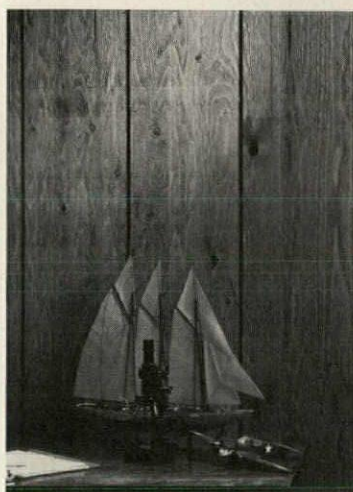
Three-dimensional vinyl wall paneling, "Wall sculpture," simulates the depth, shapes and textures of chiseled stone. A variety of dramatic effects can be achieved with lights and shadows. The easy-to-install paneling is washable and non-flammable. Decro-Wall, Elmsford, N.Y. CIRCLE 220 ON READER SERVICE CARD



Decorative hardboard wall paneling, "Malibu," is a swirling pattern inspired by the surf. Available in a selection of colors, the easy-to-maintain 4'x8' panels have a baked-on finish which is grease-, stain-, moisture-, and heat-resistant. Tech-Panel, Springfield, Ky. CIRCLE 221 ON READER SERVICE CARD



Stylized kitchen wallcovering, "Al-fresco," is a blend of traditional motif and contemporary design. Part of the "Plus Two Vinyl!" series, the pre-trimmed, strippable, scrubbable wallcovering is available in a selection of modern color combinations. W.H.S. Lloyd, Buffalo, N.Y. CIRCLE 223 ON READER SERVICE CARD



Genuine wood paneling, complete with knots and grain, adds natural warmth to any room "Brushed Blue Noche Spruce," shown, is one of seven designs added to the "Rustic" series. These plywood panels have faces of either rough-textured pine or spruce. Boise Cascade, Portland, Ore. CIRCLE 224 ON READER SERVICE CARD



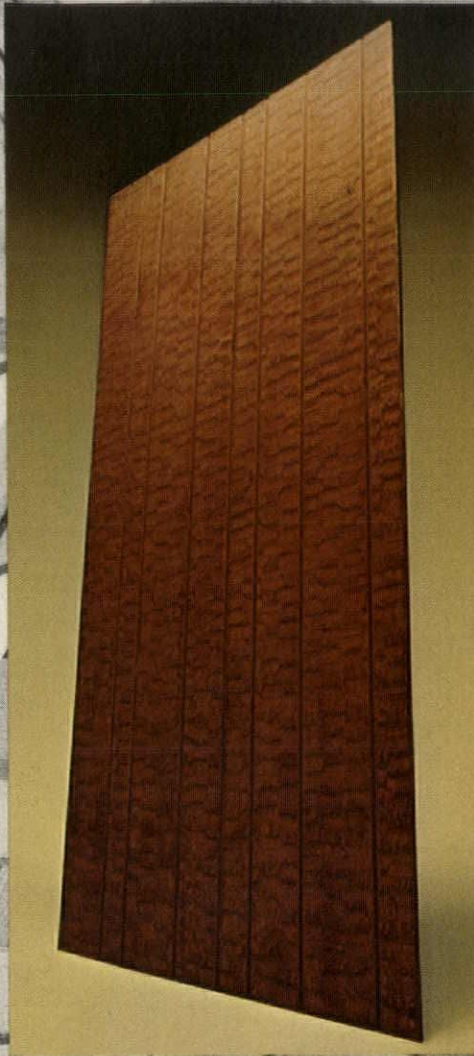
"Chiltern" vinyl wallcovering is a striking accent in an attic bathroom with an Early American decor. The wallcovering, available in three muted colorways, is part of the prepasted "Life Style Vymura" collection. ICI United States, Wilmington, Del. CIRCLE 222 ON READER SERVICE CARD



Prefinished woodgrained hardboard paneling, "Conestoga," is a reproduction of knotty cedar. Offered in 16"x8' planks, the T&G panels are easily installed over old walls or new framing. The easy-to-maintain material resists wear. Marlite, Dover, Ohio. CIRCLE 225 ON READER SERVICE CARD

more products on page 138

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When Tom Lyons decided to expand his ocean-front Holiday Inn®, he wanted the old section to match the new. Glid-Tex did the job outside, and Glidden Ceiling Texture did the job inside.

“We’d already used these two Glidden textured finishes and we know the smooth, long-lasting cover up performance they give. We’ve used stucco, too, so we know Glid-Tex and Ceiling Texture outlast stucco by at least five times.

“We not only got one-coat hiding that lasts, we also got the service of Glidden’s man in Virginia Beach. He knows more

about paint than anyone in this area.

“We figure we saved at least 200% compared to stucco.”

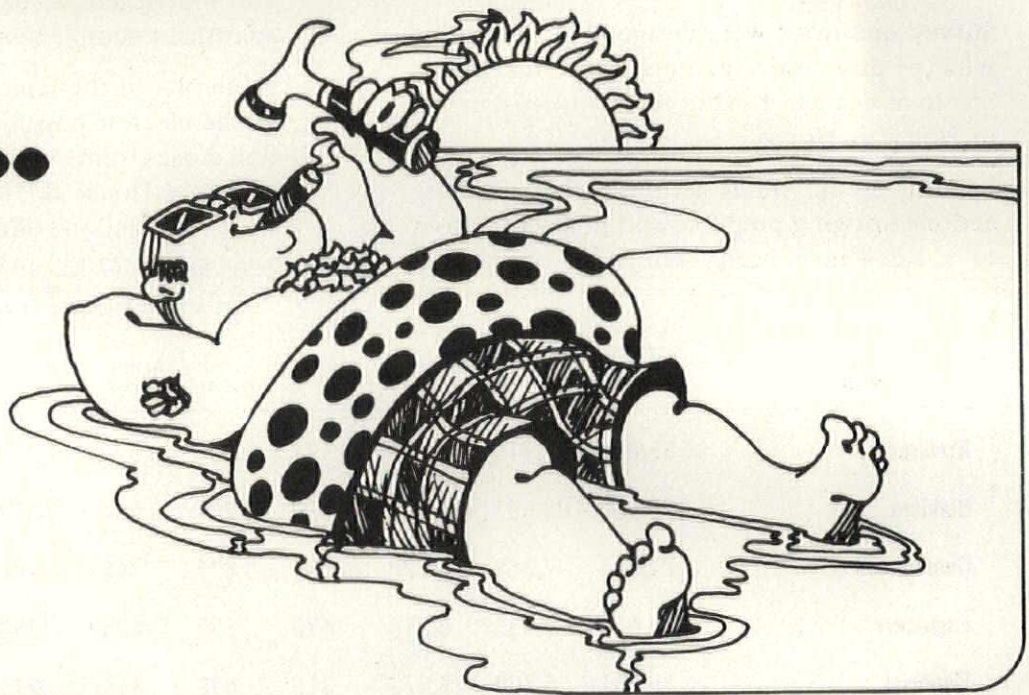
You don’t have to face the ocean to profit by using Glid-Tex and Ceiling Texture. Just face facts.

Ask your Glidden representative for complete data, or write.



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Summertime, and construction is easy...



Until your supplier tells you there will be a six-week delay on those patio doors you ordered, and your other supplier mentions that he's out of brick, and your third supplier says that wood finishes you want are hard to find.

If what those suppliers are saying sounds familiar to you, maybe it's time you talked to E. C. Keys & Son.

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massive study of 769,097 sales leads from House & Home readers confirms that sales action in housing & light construction comes from every segment of the industry

To identify all the important people in housing and light construction active in the selection of building products, materials, services and equipment, House & Home has followed up 769,097 advertising inquiries from its reader service cards and received a 33% return involving 257,032 inquiries.

Survey questions were designed to determine what, if any, "sales actions" were taken as a result of readers having seen advertisements in House & Home.

For this study, "sales actions"—that is, those actions bringing products and prospects closer to a sale—have been defined as *specifying,*

recommending, approving, purchasing, and still investigating for possible purchase.

For each sales action, of course, the unknown multiplier is the number of residential or other units for which the sales action was taken. For example, a single *purchase* mention could involve a 10-house development, a 280-unit apartment complex, or anything in-between.

As shown in the table below, results indicate in the clearest possible manner that sales action comes from every segment of the industry and only House & Home—with its industry-wide circulation—offers advertisers all the sales action in the market.

SALES ACTIONS TRIGGERED BY ADVERTISING

Reader Classification	Literature Requested by Readers Surveyed	Literature Requested by Survey Respondents	Literature Received by Survey Respondents	Specified Product	Recommended Product	Approved Product	Purchased Product	Still Investigating Product	Total Sales Actions	Sales Actions as % of Literature Received
Architects	155,627	57,714	50,203	7,193	8,394	5,020	1,359	12,331	34,297	68.3%
Builders	325,500	102,661	87,699	7,090	10,264	9,561	9,377	30,108	66,400	75.7%
Commercial	21,941	7,266	6,228	462	837	349	286	2,069	4,003	64.3%
Engineers	18,084	7,195	6,310	470	739	425	293	2,241	4,168	66.1%
Financial	16,251	6,704	5,872	310	598	467	271	2,020	3,666	62.4%
Government	15,626	6,675	5,811	355	639	405	276	1,919	3,594	61.8%
Realty	30,529	10,193	8,995	511	930	775	517	3,439	6,172	68.6%
Retailers	14,813	4,669	3,855	337	471	351	349	1,459	2,967	77.0%
Subcontractors	28,219	8,127	7,088	552	937	830	703	2,313	5,335	75.3%
Wholesalers	9,125	2,991	2,537	172	319	163	167	893	1,714	67.6%
Others not identifying self	133,382	42,837	37,040	2,350	3,634	2,726	1,671	11,278	21,659	58.4%
TOTAL	769,097	257,032	221,638	19,802	27,762	21,072	15,269	70,070	153,975	69.5%

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Here's why you should attend

Because today's tough market and tight money make it more important than ever that you market the right product at the right price in the right location.

Because today's restrictive travel situation makes it more important than ever that your advertising and promotion reach—and pull—just the right prospects.

Because today's rising costs and prices make it more important than ever that your merchandising and sales programs hammer every advantage your product offers.

And finally, because no matter how experienced you and your sales staff are, it's vitally important that you keep your competitive edge; and that means constant reviewing of the basics as well as the newest trends and techniques.

You'll get practical answers to these and other key questions

Market Analysis

How can the research budget be spent more effectively?

Can a small builder get sound research at reasonable cost?

What must you know about your prospective buyers in order to plan land purchasing? Prices? Design? Effective ads? Sales programs?

How do you discover your market's price voids? Product

Product Research

How can you determine the strongest possible product for your market?

What extra features have the greatest appeal?

How do you know if your product is hitting—or missing—the market?

How should you monitor your competition to further your own success?

Advertising

How do you pick—and work with—a good advertising agency?

How much should the ad budget be in your particular market?

What are the three key ingredients in every good ad?

How can you slant your advertising towards a specific market?

Where is the prospect in today's tougher market, and what new advertising approaches will bring him out?

Public Relations

Can a good PR program make an ad campaign more effective?

What are some of the new ways to use the media?

How can you make referrals really work?

What kinds of communications are most effective after a prospect has visited your project?

On-Site Merchandising

How much do you need to spend to have an effective sales office?

What kind of sales office should you have—Permanent? Movable? Model? Garage? Nothing?

What percent of the merchandising budget should go into the sales and model area?

How do you create graphics that make the sales area and the models more appealing?

How can you control traffic in the sales and model area?

Model Presentation

How can you minimize model-area costs?

How much should you spend to decorate your models?

When don't you need to decorate?

What colors turn buyers on—and off?

How can you make one model do the work of many?

Sales and Sales Training

What motivates today's buyers, and how can these motivations be turned into an effective sales program?

What criteria should you use in determining how to compensate your sales staff?

Which face-to-face sales techniques are most likely to give results?

How do you train and motivate your sales staff to sell **your** product?

What monitoring systems can you use to make sure your salesmen are performing at their peak?

How can your salesmen reach your prospects most efficiently in today's frugal economy?

CT RESEARCH, ADVERTISING E MERCHANDISING, MODEL NING & SALES TECHNIQUES



Bayne A. Sparks is vice president, communications for Santa Anita Consolidated, whose homebuilding subsidiary, Grant Corp., is one of the country's major developers. Formerly, as corporate vice president of marketing for Grant Corp., he supervised the firm's marketing and merchandising operations in Northern and Southern California, Nevada, Arizona and Hawaii. Before joining Grant Corp., Mr. Sparks directed marketing and sales operations for Coronado Cays and for Rancho Bernardo, well-known projects in the San Diego area.



W. E. Mitchell is president and senior associate of Market Profiles, a marketing, merchandising, sales and research consulting firm. Previously, he was director of residential marketing for Walker & Lee, Inc., one of the West's largest residential real-estate firms, and later became general sales manager for Deane Brothers, Inc., a builder widely respected as one of the most creative marketers in the country. Market Profiles was formed in 1968.



Jack Risbrough is founder and head of Jack Risbrough Associates, a consulting firm that provides comprehensive marketing services specially designed for the small and medium-volume builder. Before founding his own firm he held a number of key marketing positions: general sales manager of a division of American Housing Guild, project manager for Deane Brothers, Inc., national marketing vice president of J. H. Snyder, Co., and national marketing vice president of Deane & Deane, Inc. He is currently Region II chairman of the Sales and Marketing Council of NAHB.



Dave Stone is president of The Stone Institute, Inc., a market and management consulting firm with offices in California, Minnesota, Missouri and Washington, D.C. He has been both a realtor and a builder, and served as general manager of Stone & Schulte Inc., a realty firm that represented many of the San Francisco Bay Area's most successful builders. He is best known as homebuilding's leading expert on sales and sales training; over the last 20 years he has lectured on these subjects to more than 100,000 industry people in 50 states, and he has authored eight books on real-estate selling.



Seminar Director:
Maxwell C. Huntoon, Jr.,
Managing Editor,
of *House & Home*

DALLAS, OCTOBER 8-9 MARRIOTT HOTEL
TORONTO, NOVEMBER 14-15 REGENCY HYATT HOUSE

MARKETING MERCHANDISING & SELLING

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Seminar Fee

The full registration fee is payable in advance and includes the cost of all luncheons, workbooks, and meeting materials\$375.

Seminar hours

Registration starts at 8 a.m.
Sessions are 9 a.m. to 5 p.m.,
informal discussions to 6 p.m.

Hotel Reservations

While House & Home does not make individual reservations for seminar participants, we have arranged with the Marriott Hotel in Dallas and the Hyatt Regency-Toronto to hold a limited block of rooms for the use of attendees. You can reserve your room at the Marriott Hotel in Dallas by phoning (800) 228-9290, and at the Hyatt Regency-Toronto by phoning (800) 228-9000.

Please be sure to say that you are attending the House & Home seminar. This will identify your reservation with the block of reserved rooms, and assure you of the special seminar rate.

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Registrations may be cancelled without charge up to five working days before the seminar date. Registrations cancelled later than this are subject to a \$50 service charge. Substitutions of attendees may be made at any time. Registrations may be transferred with full credit to a later seminar any time prior to the original seminar date.

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An income tax deduction is allowed for expense of education (includes registration fees, travel, meals, lodgings) undertaken to maintain and improve professional skill. See Treasury regulation 1.162-5 Coughlin vs. Commissioner 203F. 2d 307.

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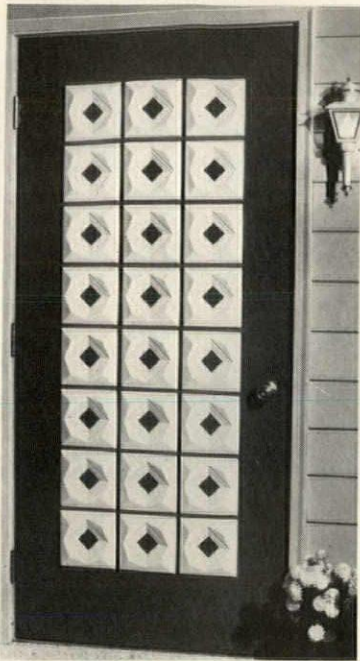
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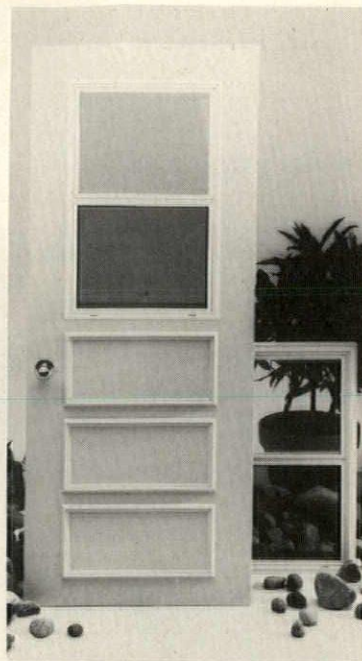


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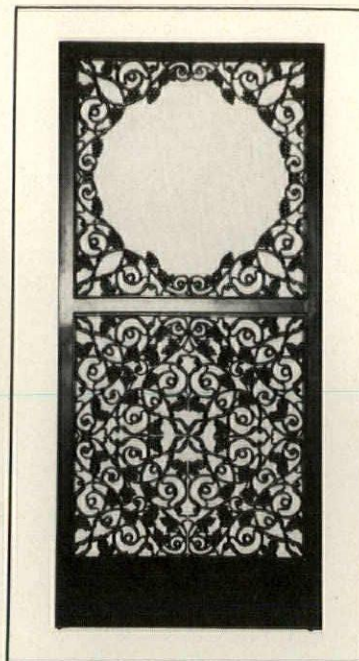
P.O. Box 423, K Farmington, Mich. 48024 / Phone 313 / 474-0433



"Designer group" steel entry doors provide insulation and security as well as a decorative look. The diamond "Copia" pattern shown is one of four. Designs are made up of plastic plant-ons that can be arranged in many ways to blend with any decor. Other styles in the line are "Roma," "Estrada" and Ribbonette." Steelcraft, Cincinnati, Ohio. CIRCLE 227 ON READER SERVICE CARD



Thermal ventilating door light "Uniguard" operates like a window. The easy-to-install unit is constructed of insulated glass and extruded vinyl frames and tracks. Flexible components pressure fit on either wood or metal doors providing weatherstripping. Window and fiber glass screen panels snap out for cleaning. Ottawa, Zeeland, Mich. CIRCLE 228 ON READER SERVICE CARD



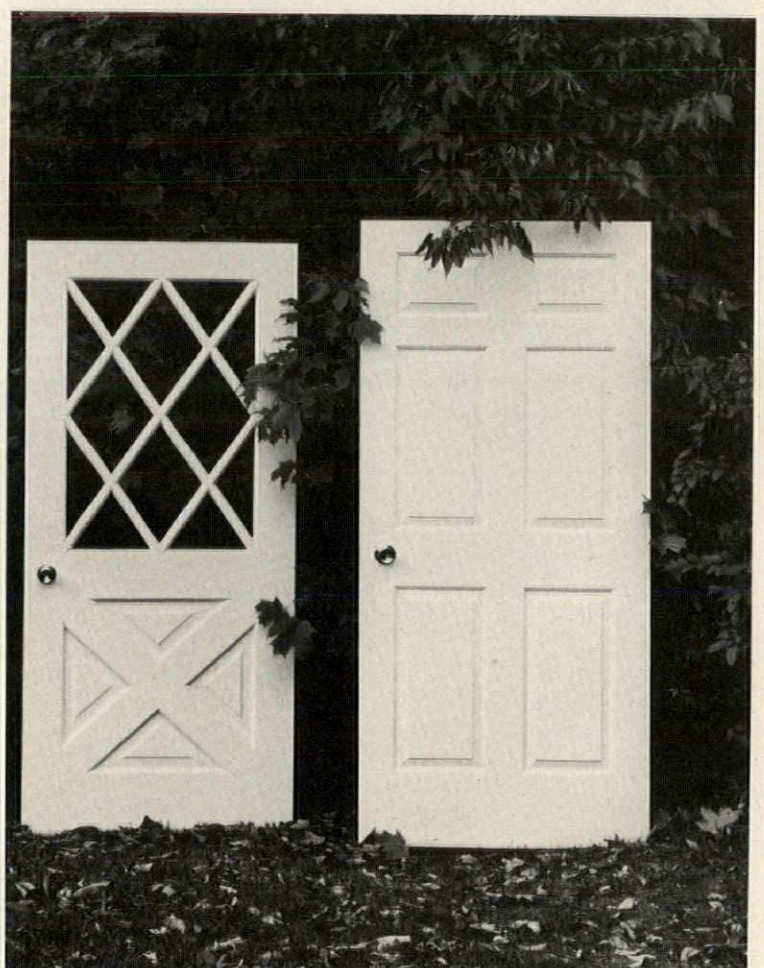
Ornamental security door with tempered glass is weatherstripped to provide protection from the elements. The "Uni-Frame" door is fabricated of structural aluminum with alloyed ornamental aluminum castings welded into the one-piece construction. A specially designed double tumbler cylinder lock is offered. TEFCO, Memphis, Tenn. CIRCLE 230 ON READER SERVICE CARD



High pressure laminate door, "Hard Knocks," covered with a thick skin of high-density plastic, is impervious to household abuse. It is mar-proof and scratch and stain resistant. An occasional damp-wiping is all the maintenance needed. Pre-sized, pre-machined doors are ready to hang. A selection of colors and woodgrains is offered. Bruce, Memphis, Tenn. CIRCLE 231 ON READER SERVICE CARD



Four-panel mirror door is part of the "Float-Away" line of closet systems. Mirrors are securely mounted on steel bifold doors with heavy-duty cleats. Systems, which also include steel adjustable shelves, feature a mar-proof enamel finish that won't chip or crack. Side trim compensates for fractional width adjustments. Kinkead, Chicago. CIRCLE 229 ON READER SERVICE CARD



Embossed metal entry doors with polyurethane cores are adaptable to a wide range of colonial designs. The basic door (above right) can be transformed into two-, nine-, gothic-, or diamond-lite models. The cross-buck supplied with a blank top, accepts nine-lite or diamond-lite panels (above left). Johnson Metal, Richmond, Ind. CIRCLE 232 ON READER SERVICE CARD

Only Owens-Corning has both.



Sculptured beauty

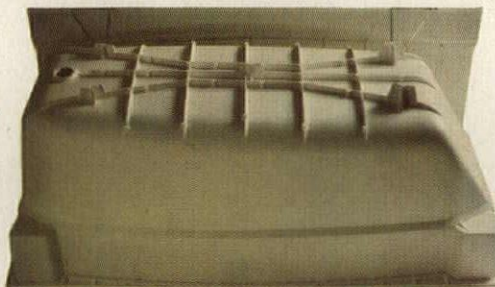
Owens-Corning's reputation for building the finest in Fiberglas* tub/showers and shower stalls rests partly on its rigid control of materials and workmanship.

But partly, too, it's a simple matter of *design superiority*.

Home buyers are captivated by the clean, contemporary look of our units. And by the optional color panels that let them tie in with room decor. It's a *quality* appearance—one that can help you sell your houses faster.

And quality is engineered *into* every Owens-Corning unit, too. Your buyers may never see our

exclusive bottom design. Those firm, interlocking structural ribs. But they'll *feel*, and appreciate, the solidity they give every time they



Rock-ribbed strength

step into their tub or shower.

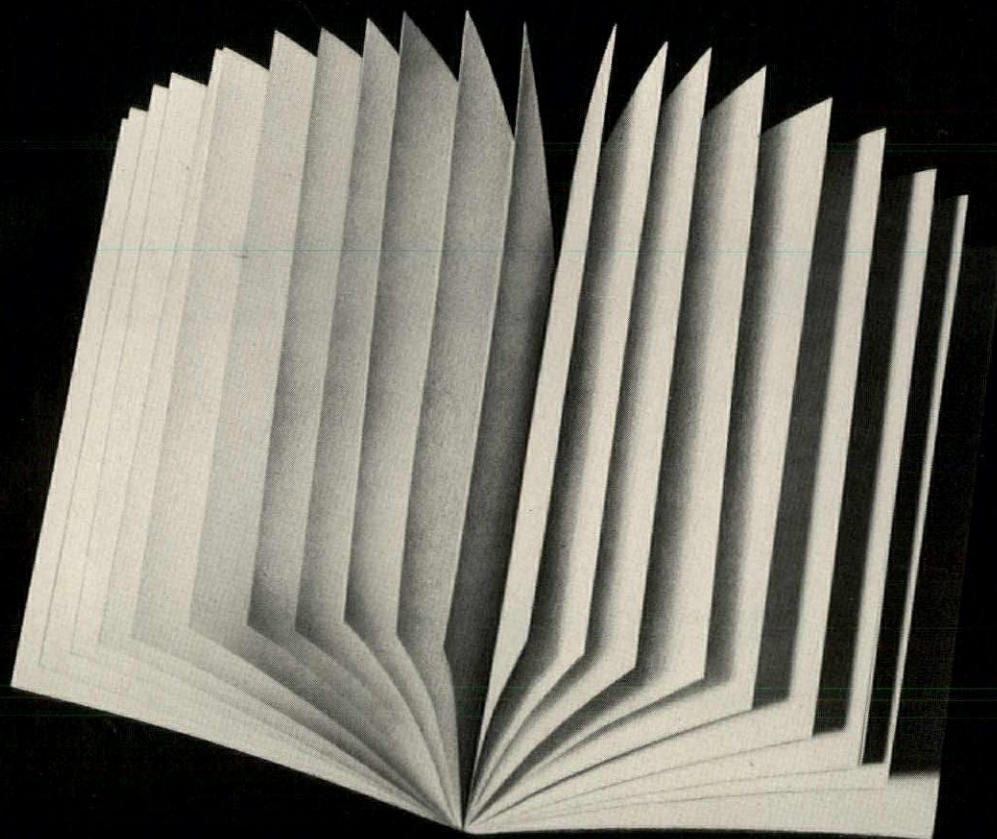
Both units come in four pieces, precision-molded to 1 ten-thousandth of an inch to fit together perfectly. The units can be put in anytime, even after the framing is up. (Which makes them ideal for remodeling, too.) And with no tiling or grouting, installation costs are minimized.

Write for a copy of our colorful, illustrated, free brochure, "Bath Systems 4," with more details. The address: O.V. Meeks, Owens-Corning Fiberglas Corporation, Fiberglas Tower, Toledo, Ohio 43659.

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What you see is what you hear: ARI's Sound Certification Directory

You can find out—before installation—what the sound level of outdoor central air-conditioning units will be at any location such as a lot line, a patio, or at a window.

How? Simple. First, require your contractor to install ARI *certified* sound-rated equipment. Second, ask him to show you the listing of the model in the ARI *Directory* (most contractors have the *Directory*). Third, tell your contractor to use the ARI formula which makes it possible to predict in advance of installation what the sound level produced by any certified unit will be at any point of evaluation.

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conditioning contractor can solve sound problems before they are created. And you can know in advance if a unit will comply with sound control ordinances.

More than 90 percent of the unitary air-conditioning equipment produced in the United States is listed in the ARI *Directory*. If you would like to have a copy of the *Directory*, write us. We can also send you a booklet explaining how to predict and control sound in advance of installation.



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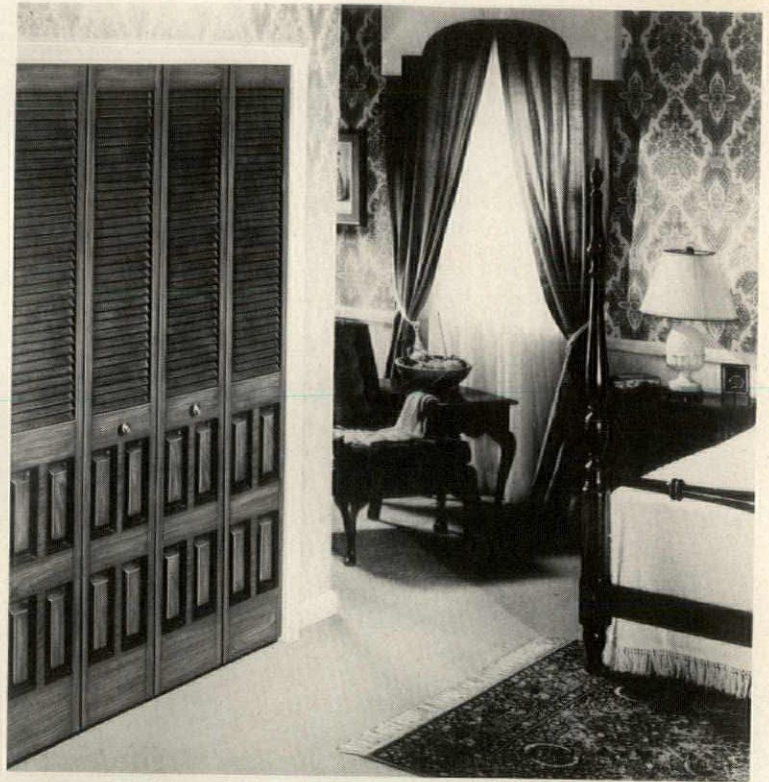
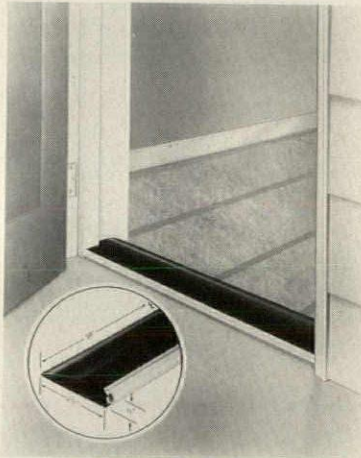


CARKOTE™ double-hung wood windows feature a durable four-in-one fused exterior finish. The factory-applied weatherproof protection is comprised of a water repellent preservative, primer, enamel and a sealer coat. Interior is unfinished. Caradco, Dubuque, Iowa.

CIRCLE 233 ON READER SERVICE CARD

Vinyl door saddle serves as a threshold, a weatherseal and a doorstop. An integral flexible vinyl gasket acts as a cushion and creates an effective seal with the door in a closed position. Door saddle comes in a choice of colors. Mercer, Newark, N.J.

CIRCLE 234 ON READER SERVICE CARD



Bi-fold closet door with a wood look is fabricated of steel-reinforced structural polyurethane. Offered in louver and raised-panel styles, doors will not warp, swell or crack. Hardware and hinges are included. Grandor, East Paterson, N.J.

CIRCLE 236 ON READER SERVICE CARD

Double-hung wood window, "The Squire," features a factory-installed white aluminum storm and screen combination. Windows, made of pretreated ponderosa pine, have quality stain-grade interiors and pre-finished white exteriors. Malta, Malta, Ohio.

CIRCLE 237 ON READER SERVICE CARD



Pre-hung, pre-finished "Ready-Pak" doors can be easily installed in less than 10 minutes. Lightweight, economically-priced hardboard doors come packaged with matching jamb and trim. A choice of colors and textures is offered. U.S. Plywood, New York City, N.Y. CIRCLE 235 ON READER SERVICE CARD



Pre-hung vinyl-veneer doors can be easily and quickly installed by one person. Reverse-printed vinyl film resists bumps, scuffs, dirt and stains. Doors, in a choice of woodgrains or in white, come in standard sizes. Permaneer, Maryland Heights, Mo. CIRCLE 238 ON READER SERVICE CARD



We've got everyone in Glen Valley surrounded.

How did we encircle an entire community of townhouses in Houston, Texas? With GAF® Timberline® roofing. And Stratalite® siding.

And just why did the builders choose GAF? They wanted the homes to have the warmth and charm of wood. With none of the problems of wood.

GAF Timberline, a heavyweight asphalt roof shingle, looks like natural wood shingles. Yet provides the freedom from maintenance of asphalt. And a self-sealing adhesive keeps each shingle in place even in the strongest winds.

GAF Stratalite Thatch Siding with the durability of stone, looks just like natural wood shake shingles, too. Which not only makes it a great looking

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Both GAF Timberline and GAF Stratalite are highly resistant to weather and wear. So they won't warp. Crack. Shrink. Or Split.

Good looks. Carefree maintenance. And the GAF reputation. You couldn't ask for more beautiful surroundings.

For more information call your GAF distributor or write: GAF Corporation, Dept. HH104, 140 West 51 St., New York, New York 10020.

gaf® Roofing and Siding



One-step ZAR latex stain finish primes, stains, seals and finishes interior or exterior wood surfaces. Suitable for use anywhere except on floors and decks, the coating comes in brown, red, green and gray tones. United Gilsonite, Scranton, Pa. CIRCLE 239 ON READER SERVICE CARD

Releasable carpet adhesive, "RC-711," can be put back into a liquid state even years after it has been set, allowing for easy removal of carpets. The water soluble, non-flammable, latex-based emulsion is odorless and non-staining. No special primer or preparation of floor is needed. Macco, Wickliffe, Ohio. CIRCLE 240 ON READER SERVICE CARD



Fast-setting Pre-Krete® cement, mixed with a special bonding agent, is ideal for difficult repair jobs. The substance is suitable for repairing wall and sidewalk cracks, chipped steps, overhead concrete surfaces as well as for featheredging and shallow and hairline patching. Pocono Fabricators, East Stroudsburg, Pa. CIRCLE 241 ON READER SERVICE CARD

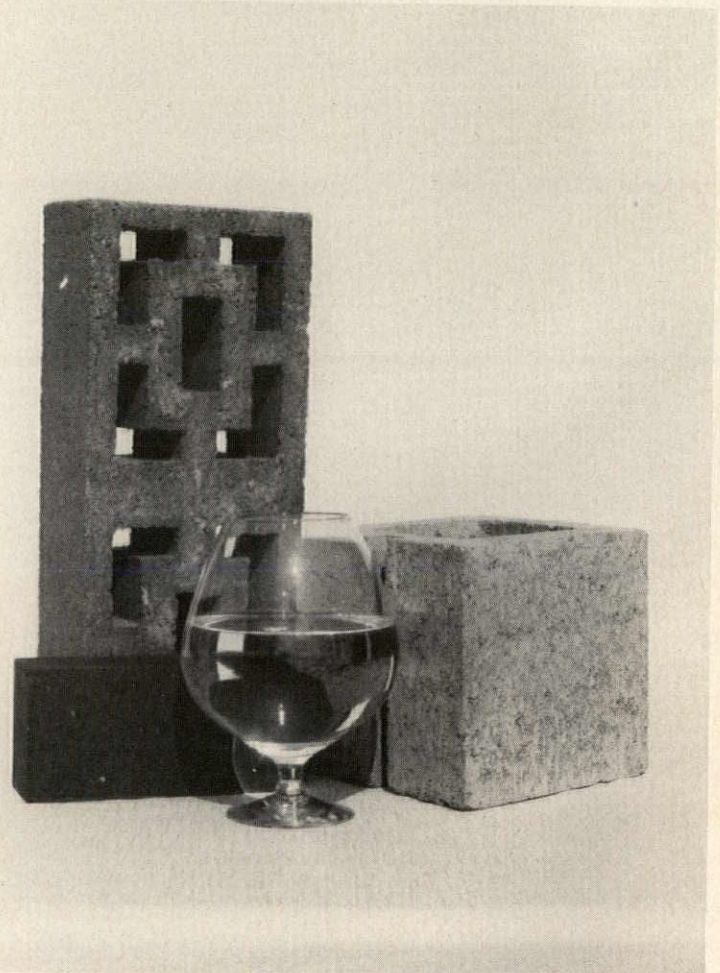


Contact cement, suitable for a wide range of application, provides a permanent bond which increases in strength with age. Available in gallon, quart and pint-sized cans, the cement is easy to use and requires no clean-up. Red Devil, Union, N.J. CIRCLE 242 ON READER SERVICE CARD



Multi-purpose adhesive, "The Fastener," can be used for bonding paneling, polystyrene foam or hardboard. Stronger than nails, the substance will never mar the surface. It is packaged in handy 1/10-gallon tubes and goes on as a continuous bead for easy one-step application. Contech, Minneapolis, Minn. CIRCLE 243 ON READER SERVICE CARD

Silicone sealant (below) is especially suited for use with unitized bath systems. It is included in Borg-Warner's "Versa-bath" package. The substance does not deteriorate like conventional caulking. It is fungus- and mildew-resistant even in the hot, humid environment of a bath. Dow Corning, Midland, Mich. CIRCLE 244 ON READER SERVICE CARD



Waterproofing compound, Aquanix™ protects masonry without changing its appearance. The colorless coating is designed for above-ground use on vertical or slightly inclined surfaces. It can be easily spray- or brush-applied. E.L. Moore, Costa Mesa, Calif. CIRCLE 245 ON READER SERVICE CARD



VINTAGE MAPLE Authentic Early American Styling

by *AristOKraft*[®]

The combination of rich, warm maple and baked-on finish gives Vintage Maple the quality and beauty found only in AristOKraft custom-made cabinets. This Early American styled cabinetry is solidly constructed from selected hardwoods and veneers to offer long-lasting, low-maintenance service.

WAREHOUSES: Avon Park, Florida • West Hanover, Massachusetts • Columbus, Ohio • Grand Rapids and Howell, Michigan • Indianapolis, Indiana • Kansas City and St. Louis, Missouri • Lodi, New Jersey • Milwaukee, Wisconsin • Minneapolis, Minnesota • Nashville, Tennessee • New Orleans, Louisiana • Omaha, Nebraska • Schenectady, New York • Huntingdon Valley, Pennsylvania.

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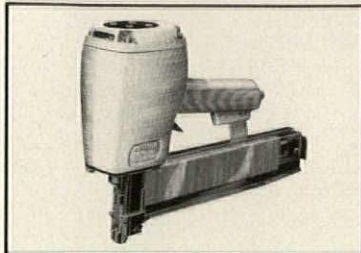


PRODUCTS/TOOLS & EQUIPMENT

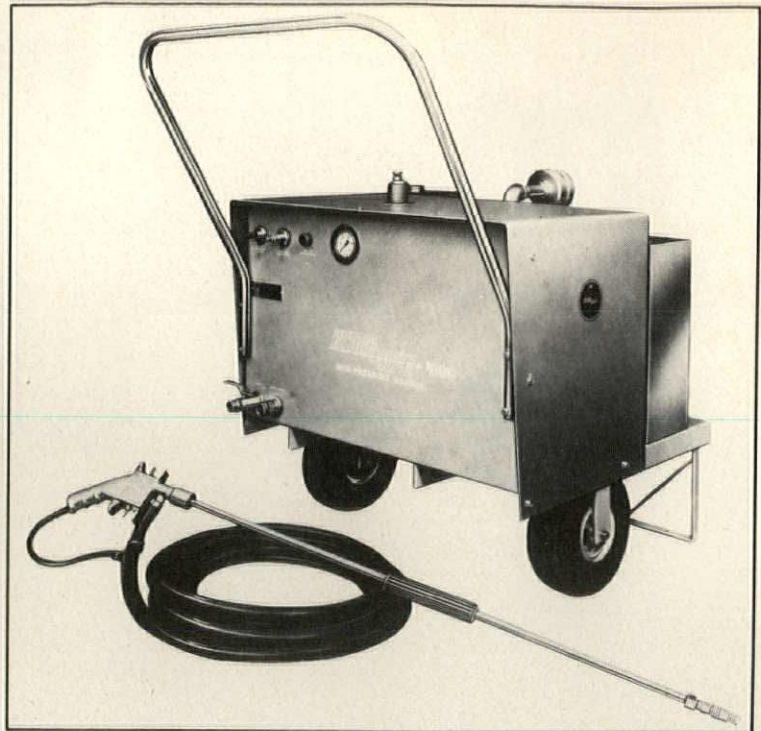
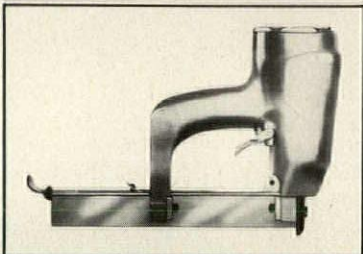
Lightweight demolition hammer is for fast fast chipping, chiseling, ramming and drilling in concrete and asphalt. Powered by a heavy-duty electric motor, the unit delivers 2000 blows per minute. The hammer features a trigger switch and a three-position pipe handle. Milwaukee Electric Tool, Brookfield, Wisc. CIRCLE 254 ON READER SERVICE CARD



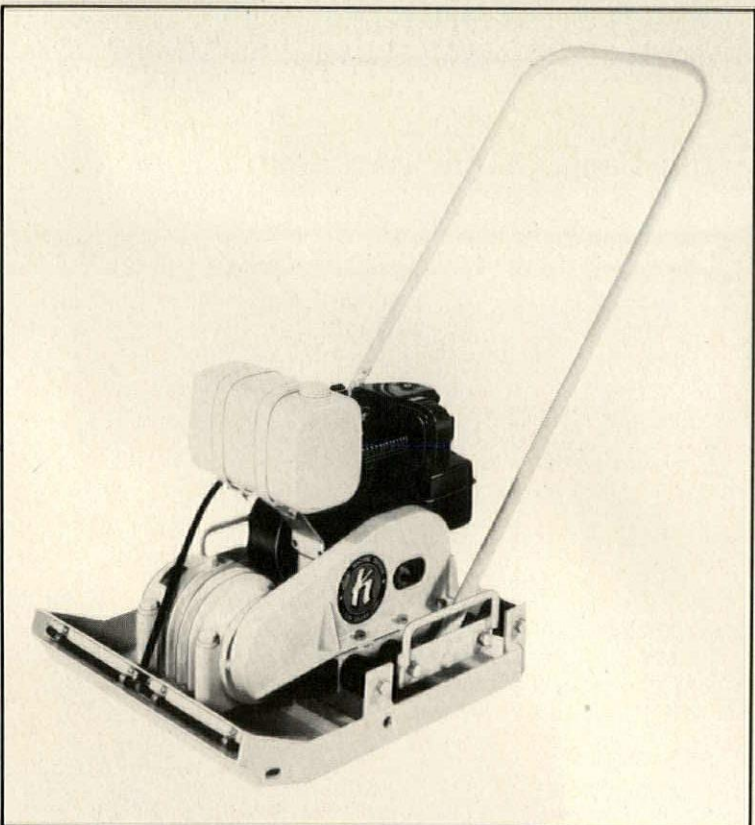
Heavy duty stapler, "S25," (below) is capable of driving staples into hardwood with one blow. Unit features a special "E-Z Clear Nose" to assure a smooth, jam-free flow of staples. The tool, with a 150 staple capacity, handles 14 gauge staples up to 2½" long with a ½" crown. Paslode, Chicago. CIRCLE 255 ON READER SERVICE CARD



Compact, harddriving "AOL" stapler/nailer, is designed with a long lip making it easy to maneuver in hard-to-reach work areas. The lightweight, easy-to-load unit drives staples up to 1¼" long and can handle T-nails up to 1¼" in length. Unit is also offered as a micro-nailer. Power-Line, El Monte, Calif. CIRCLE 256 ON READER SERVICE CARD



Heavy-duty pressure washer, "1000 Hydro Blitz," delivers up to 10 gpm at 1,000 PSI. Both pressure and volume are adjustable. Unit features remote control of stop, start, wash and rinse and automatic chemical mixing. Hydro Systems, Cincinnati, Ohio. CIRCLE 258 ON READER SERVICE CARD



Easy-to-handle pad tamper hits a 3,000 lb. blow almost 6,000 times per minute. Suitable for use on sand, gravel and other non-cohesive materials, tool has an optional water tank and manifold kit that permits smooth, even asphalt finishing. Kelley, Buffalo, N. Y. CIRCLE 257 ON READER SERVICE CARD



"Compact 16 Autoscrubber" is designed for quick efficient cleaning of large floor areas. The easy-to-handle, lightweight tool can be easily adapted for dry-top-buffing, polishing and vacuuming. American-Lincoln, Scott & Fetzer, Bowling Green, Ohio. CIRCLE 259 ON READER SERVICE CARD

more products on page 148



Plate No 277

Bring eye-catching natural beauty indoors with Primitive ceramic tile.

Put Primitive® into almost any room in your model, and prospects will stand back and take a long, admiring look.

They'll be struck at once by its rich handcrafted look and variegated texture...by its warmth and solidity. After all, natural materials are a tremendous trend today.

They'll enjoy the individuality Primitive gives their prospective house or condominium.

They'll be impressed by the increased

resale value they get for their money.

And don't underestimate the powerful plus of Primitive's ease of upkeep.

Primitive is one of our most popular ceramic tiles. We keep advertising it in the national magazines your prospects read, to pre-sell it for you.

Primitive tile comes in several shapes and sizes, and about a dozen colors, all "naturals" for the homes you're building and remodeling. Aspen, the refreshing neutral above, is one of the newest.

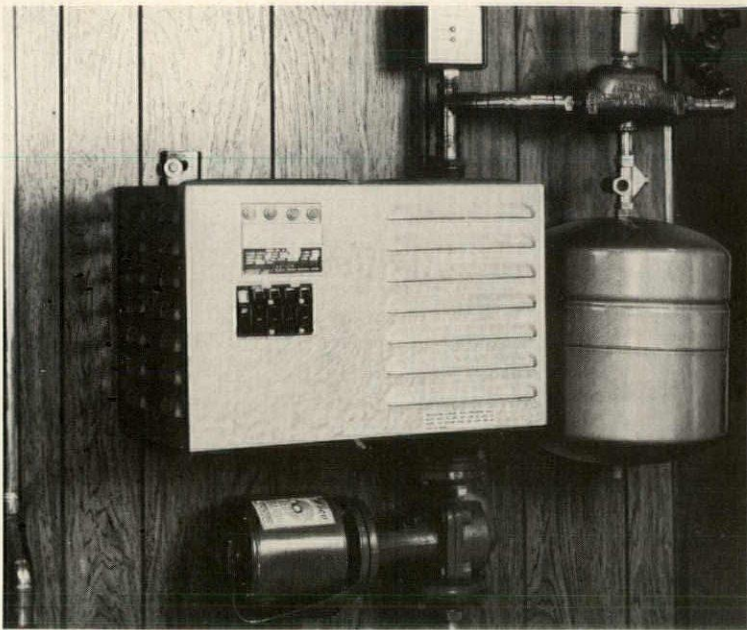
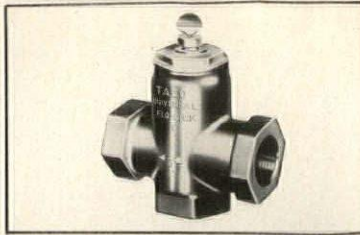
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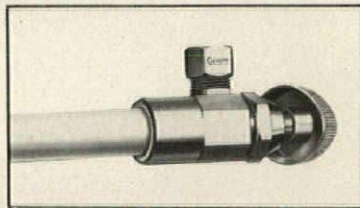
American Olean ceramic tile. It's the natural thing to use.™

"Taco Flowcheks" designed for use on heating boilers that heat domestic hot water, prevent gravity flow when the circulator is not operating. Available in 3/4" to 4" sizes, devices do not permit boilers to overheat due to gravity flow. Units can be manually opened. Taco, Cranston, R.I.
CIRCLE 246 ON READER SERVICE CARD

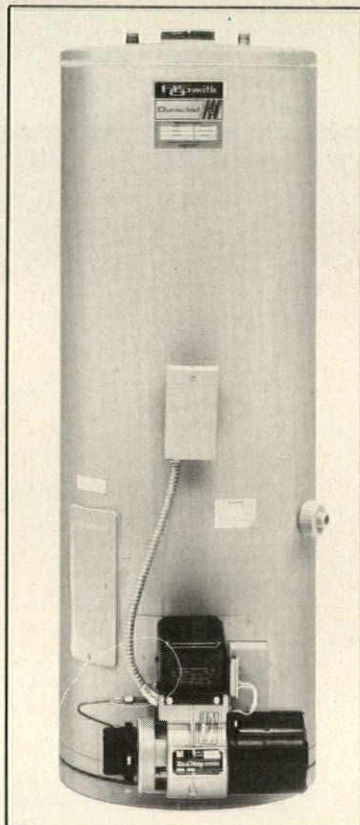


Electric hot water boiler for hydronic space-heating systems combines the comfort of hot-water heat with the cleanliness of electricity. Units, with cast iron boiler section and low-density heat elements, come in a range of sizes. Hydrotherm, Northvale, N.J. CIRCLE 247 ON READER SERVICE CARD

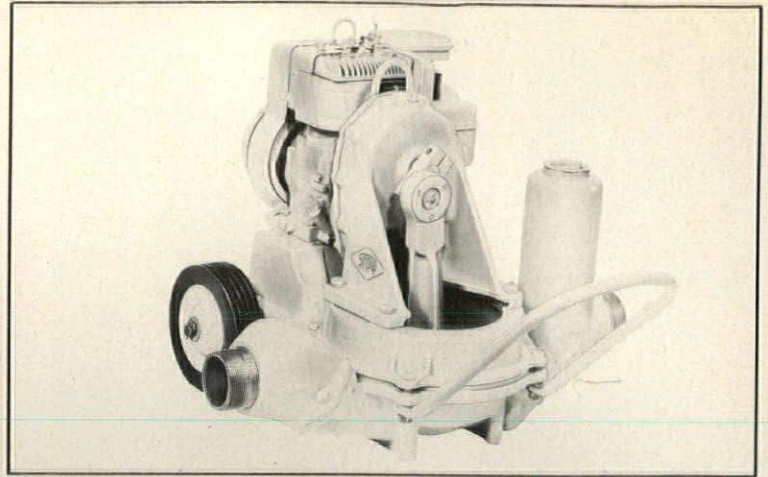
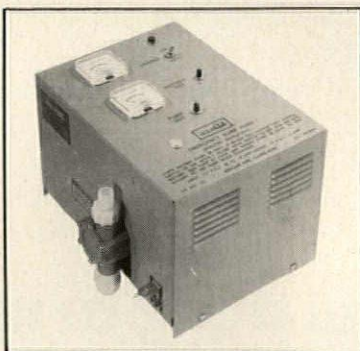
"Full-flo" brass valves and fittings eliminate the need for transition fittings to connect CPVC tubing with other plastic, copper, brass or iron pipes. The line of 13 direct-connect devices is for hot and cold water tubing. Genova, Davison, Mich.
CIRCLE 248 ON READER SERVICE CARD



Tank type oil-fired water heaters are available in 30- and 50-gallon storage capacities. The "Duraclad" heaters have glass-lined, high-carbon-steel tanks which are pre-coated and anodically protected for long life. A.O. Smith, Kankakee, Ill.
CIRCLE 249 ON READER SERVICE CARD



Automatic standby sump pump, (below), can prevent costly flooding. The 500 gallon-per-hour capacity pump operates on 115-v AC current but converts to DC battery-current automatically if household power fails. AquaNot, Highland Park, Ill.
CIRCLE 250 ON READER SERVICE CARD



Construction pump with a 3" diaphragm is designed to handle constant seepage and recurring water problems. The pump requires no priming. Lightweight, fully-portable unit can handle muddy, sandy water or sewage. Stow, Binghamton, N.Y.
CIRCLE 252 ON READER SERVICE CARD



Easy-to-install water filter screens out rust, dust, sand and sediment. The low-cost "Fulflo" filter, which installs on the main cold water line, has a head, shell and clamps constructed of high strength "Celcon." The material makes the filter lightweight and leakproof. Commercial Filters, Lebanon, Ind.
CIRCLE 252 ON READER SERVICE CARD



Under counter water purifier, "PCP Mark II," removes chlorine, chemicals, and odor-causing agents and kills bacteria. The unit dispenses purified water at the rate of a gallon-and-a-half per minute. Operating on an activated carbon filter impregnated with oligodynamic silver, unit taps into cold water lines. PCP, Fort Lauderdale, Fla. CIRCLE 253 READER SERVICE CARD

more products on page 156



The Gerber Garden Bath Promotion— It's a natural salesmaker.

There's nothing like a great new idea to put customers in a buying mood.

The Gerber Garden Bath Promotion is a great selling idea that homemakers who are thinking about new or remodeled bathrooms can get excited about. And that can be pretty exciting—and profitable—for you!

We've put together a complete Garden Bath promotion package to help sell for you.

A unique bath planning booklet

Heart of the package is a colorful 28-page booklet that makes it easy for you to put fresh ideas in the mind of any homemaker.

They'll love it (and the man who gave it to them) because there's never been a bathroom planning booklet like this before. It tells all about how to use live green plants and Gerber fixtures to create dazzling baths and powder rooms.

Let Gerber give you a \$green\$ thumb. Fill out and mail the coupon for all the facts on the Gerber Garden Bath Promotion. Gerber Plumbing Fixtures Corp., 4656 W. Touhy Ave., Chicago, Ill. 60646



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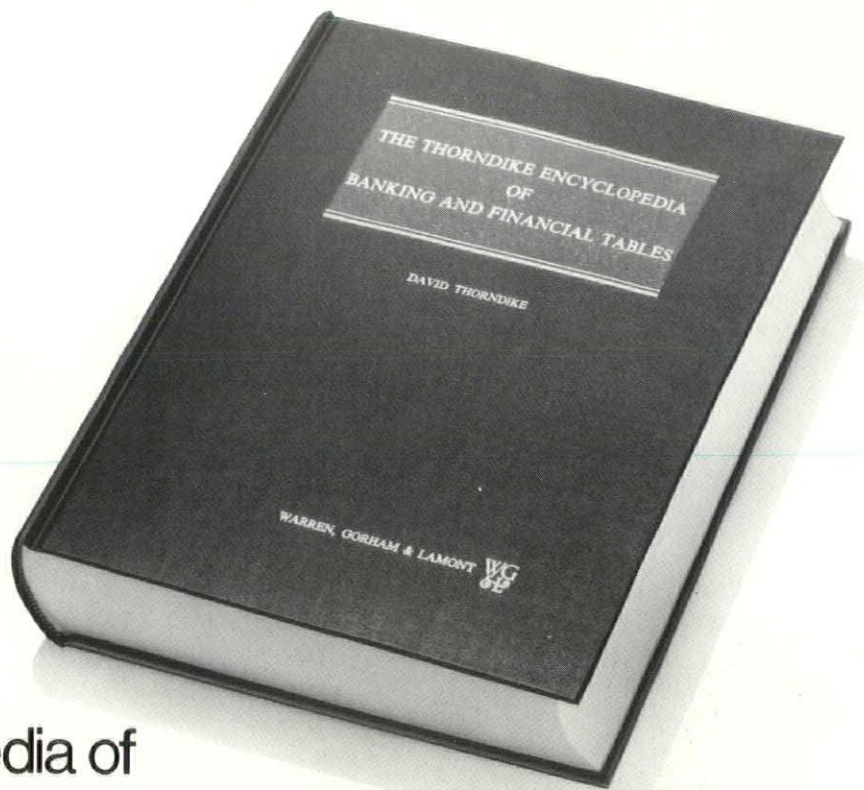
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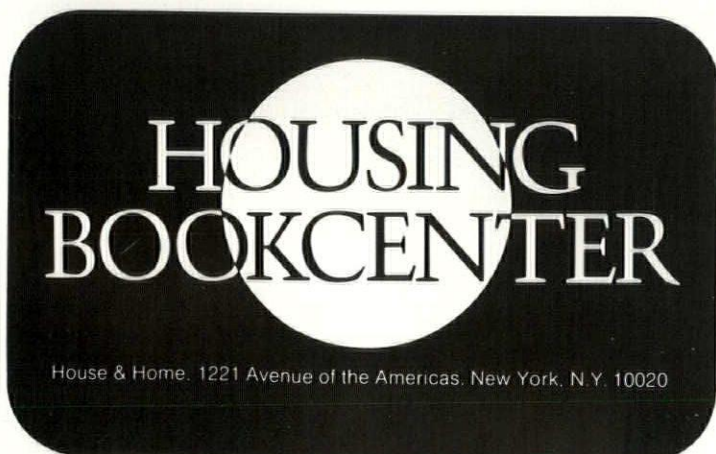
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"Wood detail is important in my Hawaiian homes. And for my entryways, I use Nord doors."



Hawaiian builder Roy Morimoto and Nord's Voyager Cadiz entry door.

Honolulu builder Roy Morimoto got his start as a carpenter. He still designs and does most of the wood detailing in his houses. And when it comes to his entryways, he uses Nord doors.

Reasons:

Appearance, quality, price.

"A fine entry is the feature that first attracts people to a house. If they like the looks of the outside of the package, they'll want to open it and investigate further."

Morimoto has used Nord doors on a wide variety of homes. He picked the Voyager Cadiz to dress up the small guest house

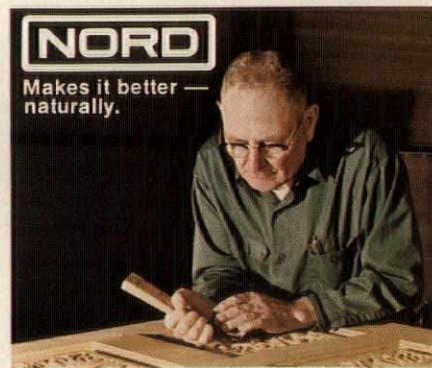
pictured above. At the same time, he's using a pair of Nord doors for the double entry of a \$265,000 five-bedroom home that's under construction.

"Nord doors hold their form. They don't twist or warp. And this can be a problem in Hawaii because of the high humidity."

Nord's philosophy.

For over 25 years, the Nord family has been combining fine wood and old-world craftsmanship with modern technology. Builders, like Morimoto, know they can count on Nord for select Western woods, rich detail, quality production, and "commodity" prices.

For full-color literature on Nord carved entry doors, write "doors" on your letterhead and mail it to E. A. Nord Company, Everett, WA 98206.



VALLEY



Just the right touch

For the feather-touch control it's Valley's deck model with the exclusive "hydroseal", leak-proof internal design. Many years of protection are yours with the mirror-like "tri-plate" chrome finish.

For the touch of added elegance, in the bathroom, Valley features the Starburst series. The Starburst design is the complete new shape in acrylic handles—a shape that sets both the water flow and temperature with just the right touch.

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A **House&Home** Seminar

MANAGING APARTMENTS FOR PROFIT

LOS ANGELES, NOVEMBER 4-5

DALLAS, DECEMBER 2-3

CHICAGO, JANUARY 6-7

MANAGING APARTMENTS

Too many owners and developers see apartment management as just a necessary evil. As long as occupancy is good and rents get collected on time, they don't worry about the details of managing their apartment projects.

That approach has never been more wrong than it is today.

With new apartment development at a standstill, projects are filling up now even in markets that were only recently disaster areas.

But they're not making money.

Even at full occupancy, project after project is running in the red or barely breaking even.

Why?

Because operating costs have reached 45% and even higher. Because taxes are rising. Because debt service is too high. Because rents are too low. And today, owners and developers can't bail themselves out in the old way—moving on to new projects.

There's only one answer, and that's **management**. Not the old necessary-evil brand of management, but management geared to producing positive cash flow from rental income. Profit-oriented management.

Profit-oriented management means . . .

- Not resigning yourself to a consistently high and costly turn-over rate, but finding the cause and putting a stop to it.
- Not running your own maintenance crews when subbing out the work would cost less—or vice versa.
- Not leaving it up to your

resident manager to decide when and how to communicate with tenants, and how to interpret tenant law.

- Not being satisfied with a 93% occupancy rate when an incentive plan could make managers push for 98% or better.

Whether you're an owner, a builder or a professional manager, if you have a financial stake in apartments, this seminar is designed for you. It's designed to help you find—and stop—unnecessary cash drains caused by your management approach, and turn them into profit.

You'll learn practical solutions to problems like these:

In tenant-manager communications

How tenant surveys can uncover hidden complaints and stop them before they erupt.

How to become a master at the fine art of post-selling.

How to reduce turnover through lease-renewal interviews.

How to make sure managers really understand the law.

How far to go with social and recreational programs and newsletters.

How to organize a follow-up program for service requests.

What to include in the tenant's orientation interview, and the orientation handbook.

In marketing

Why pricing is the most important part of marketing.

How to structure rents and adjust as you go along.

How to raise rents without losing income.

How to interpret a rent roll for effective marketing.

Why rents head the list of all operating factors.

How comments from your tenants can be used to increase your cash flow.

In managing resident managers

Training: Is it worthwhile, or is expensive experience the best teacher?

Which organizational structure is best for your size operation?

Recruiting: Where to find good managers today.

How to tell the difference between a manager and a cleaning lady.

What level of compensation it takes to get good managers.

How special incentives can almost always raise occupancy a few more percentage points.

Organizational structure: How many managers can a district manager manage?

Reporting systems: Where to draw the line on paperwork.

How to size up available training programs for managers.

In maintenance

How to provide maximum service for minimum dollars.

What is the difference between maintenance administration and just nuts and bolts.

How to set up—and enforce—work standards.

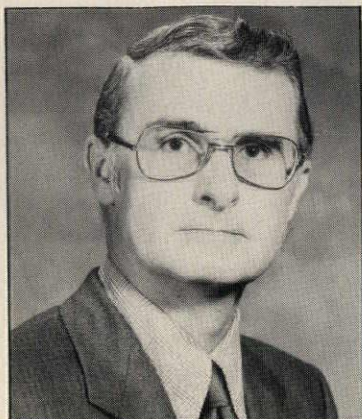
How to size up qualified contractors.

Why flexibility is the best approach to maintenance systems.

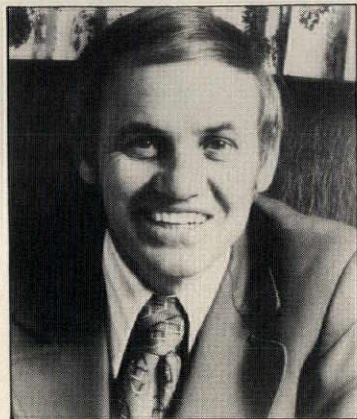
When to put workmen on your payroll and when to subcontract.

How to keep on-site staffs lean and effective.

MENTS FOR PROFIT



Harold Hewitt, Jr., CPM, is a California-based real estate investor and developer, and president of two firms involved in apartment management. His Corbin-Hewitt Company operates apartment complexes, and his H/H Research Company provides apartment management surveys and feasibility studies. Mr. Hewitt's speciality is showing managers and owners how to turn around troubled apartment projects and make them profitable. In 1970, the nine-county Sacramento Valley chapter of the Institute of Real Estate Management voted Mr. Hewitt Outstanding Manager of the Year.



Donald B. Lawrence, CPM, is the national president of Levitt Property Management Corporation and a vice president of Levitt Multihousing Corporation. Formerly he was founder and president of an apartment company that for ten years was the largest in the Southwest, handling more than 18,000 units. He has long been an advocate of close supervision of resident managers in their relationships with tenants and in their understanding of tenant law.



Linda Stratton, property manager for 6,000 apartments in Indianapolis, El Paso, Corpus Christi, San Antonio, New Orleans, Baton Rouge and Houston. She learned management from the ground up, starting twelve years ago as the resident manager of a 20-unit apartment building. Mrs. Stratton is considered an innovator in the operation of child day-care centers in apartment complexes. She is also a specialist in solving administrative problems in the field of apartment maintenance.



Edward N. Kelley, Certified Property Manager and consultant to apartment developers, investors and lenders, has been chief administrator for the management of 60,000 apartments over the past 15 years. He was for many years vice president of property management for Baird and Warner, one of Chicago's oldest and largest real estate companies, and senior vice president of property operations for the Kassuba Development Corporation. He is past chairman of the Chicago Real Estate Board's renting and management division. Mr. Kelley's recently completed textbook, "Practical Property Management," is used in real estate training courses throughout the country.



Seminar Director:
H. Clarke Wells
Senior Editor,
House & Home

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Registration starts at 8 a.m. Sessions are 9 a.m. to 5 p.m., with informal discussions to 6 p.m.

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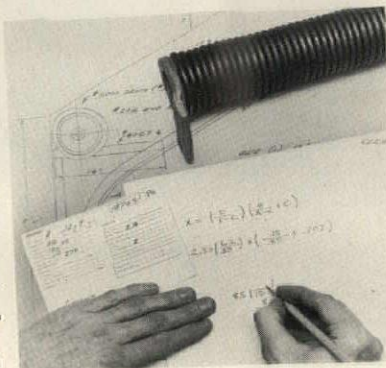
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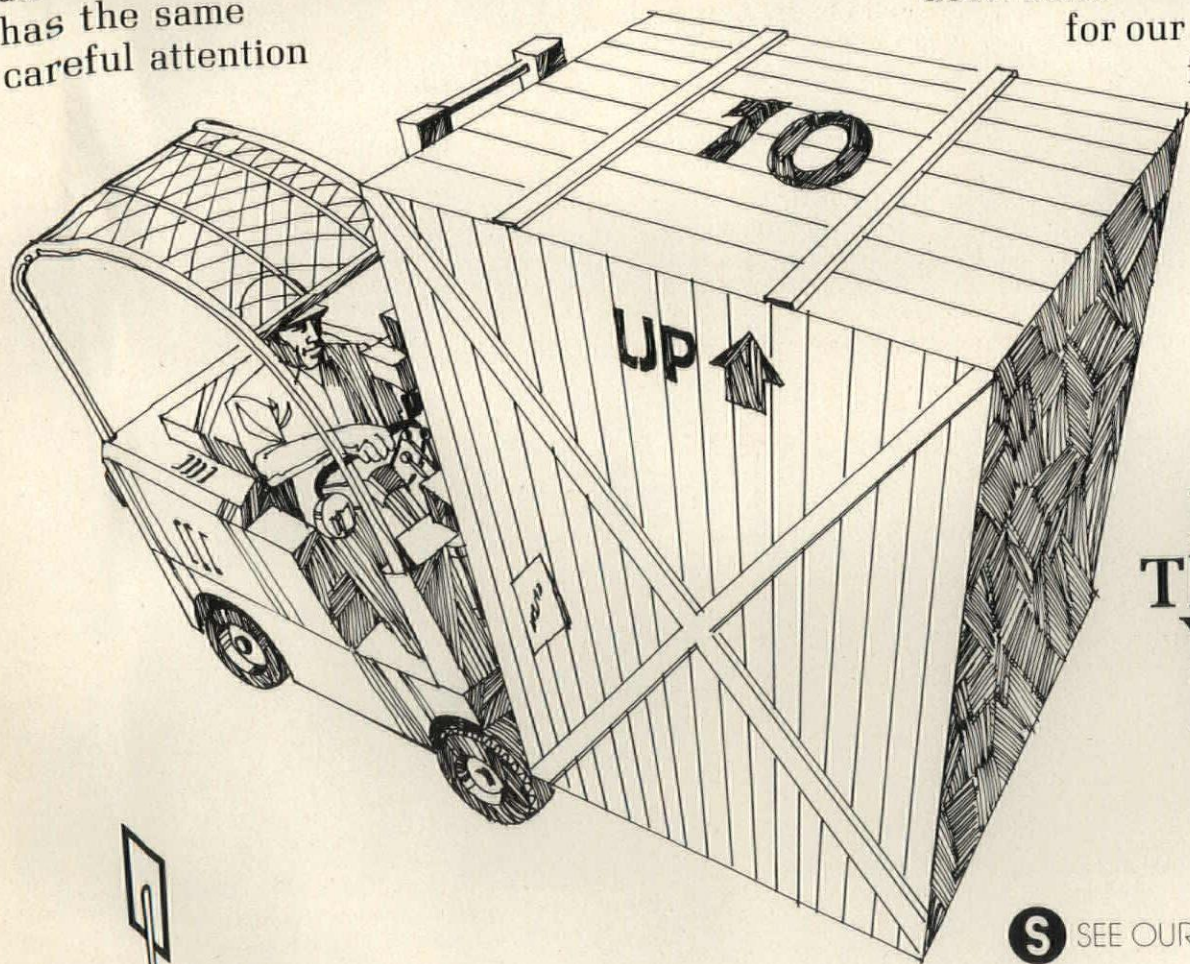
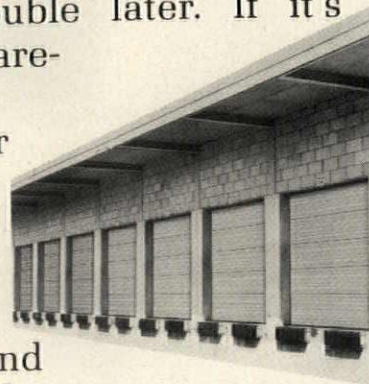
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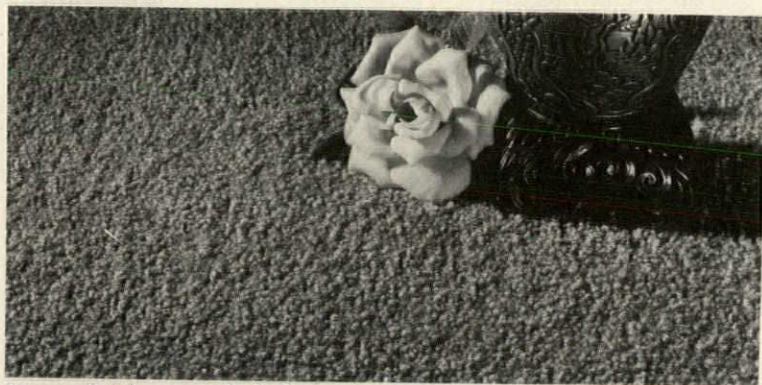
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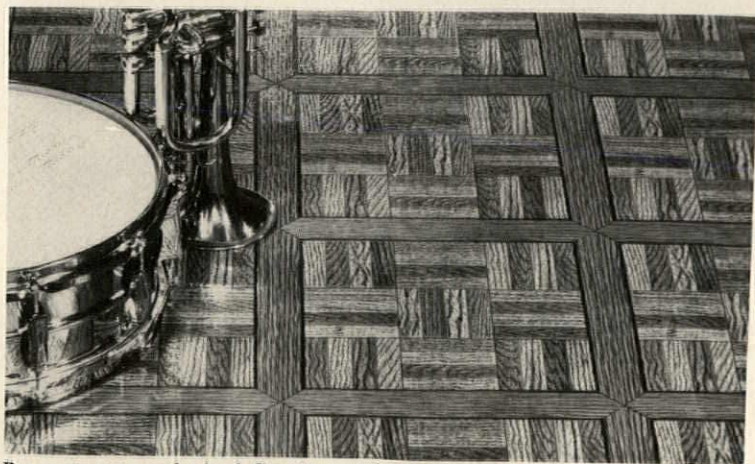
S SEE OUR CATALOG IN SWEET'S



Luxurious multi-level shag carpet, "Impressions," provides a sharp contrast to a traditional stone hearth. Constructed of 100% space dyed nylon, pattern is a random cut and loop design. It is available in standard 12' widths in a choice of a dozen colorways including a wide range of golds and yellows. Lewis Carpet, Cartersville, Ga. CIRCLE 260 ON READER SERVICE CARD



Saxony finish textured plush carpet, "Vesta," has a luxurious extra-thick nylon cut pile. Available in 15 solid colors, carpet features a lustrous yarn that adds strong textural highlights. Retail price is about \$10.95 a sq. yd. Philadelphia Carpet, Cartersville, Ga. CIRCLE 261 ON READER SERVICE CARD

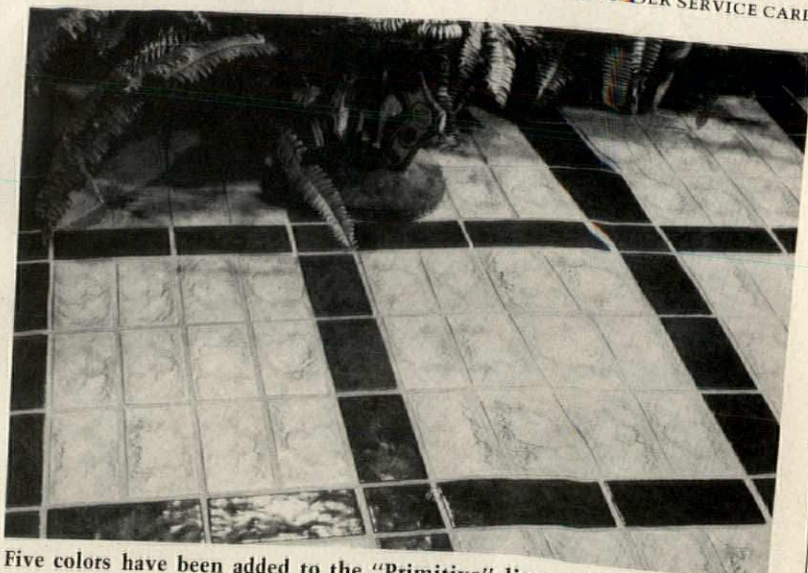


Parquet-patterned vinyl flooring, "Chateau," is a reproduction of handcrafted wood floors found in French villas at the turn of the century. It is an embossed, cushioned vinyl with an asbestos backing and a surface that needs no waxing. Pattern comes in shades of pecan and walnut in 6' and 12' rolls. Mannington, Salem, N.J. CIRCLE 262 ON READER SERVICE CARD



Plush carpet for residential use, "Gaiety," has a soft hand. Tufted of 100% space-dyed continuous filament nylon, the carpet resists soil and static electricity build-up. Pattern is available in a range of ten brilliant colors. Carpet retails for approximately \$9.95 a sq. yd. Gulistan, New York City.

CIRCLE 263 ON READER SERVICE CARD



Five colors have been added to the "Primitive" line of handcrafted-look ceramic tiles. Greenstone, leather, mahogany and Aspen show glimpses of a darker glaze beneath, while Flame is a rich red with brown undertones. Tiles are offered in rectangles and in hexagon, Andora, and Monaco styles. American Olean, Lansdale, Pa. CIRCLE 264 ON READER SERVICE CARD



A selection of 16 rich colors is offered in Franciscan Terra Grande ceramic tiles. Ranging from glossy, reflective surfaces to semi-mat textures, tiles with a handcrafted appearance are accented by irregularities, spots and a crackled glaze. Easy-to-maintain tiles come in 2 1/2"x8", 3"x6", 3"x9", 4"x8" and 4"x9" sizes. Interspace, Los Angeles. CIRCLE 265 ON READER SERVICE CARD

more products on page 161