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## House&Home

McGraw-Hill's marketing and management publication of housing and light construction

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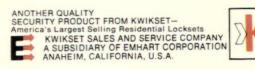


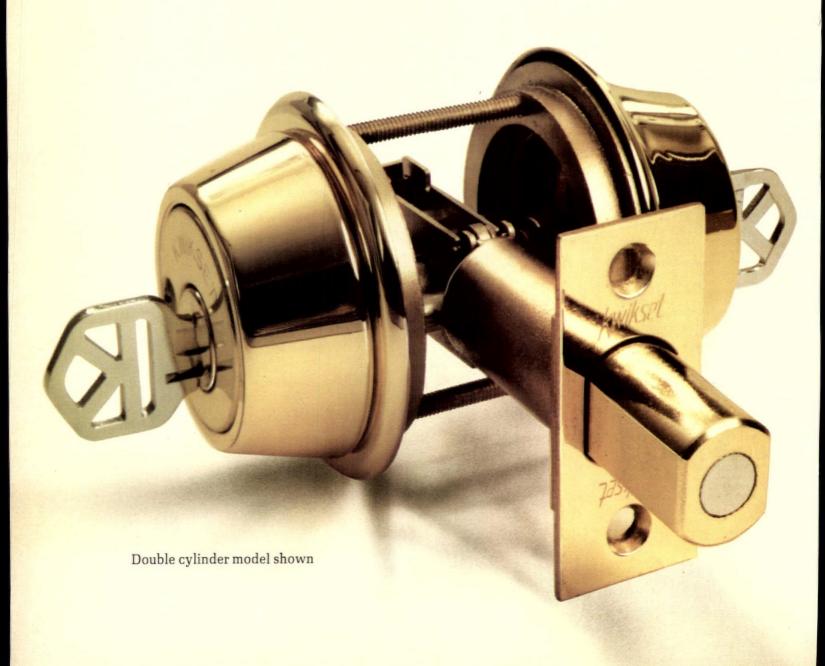
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### A housing recovery is some way off—The buyer is still cautious

Economists are now voicing rising hopes for a moderate to strong second-half recovery that will carry on through next year.

The optimism is highly guarded, however, and somewhat cheerless. The scenario outlined by government and private forecasters includes a painfully high unemployment rate through 1976 and sluggish upturns for the key automotive and housing sectors.

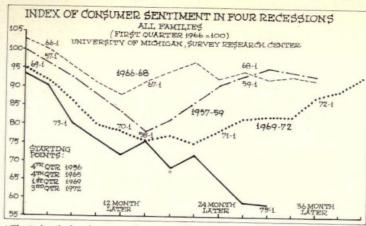
The consensus on the likelihood of a second-half upturn is broad, though even economists within the government differ on the numbers. Alan Greenspan, chairman of the Council of Economic Advisers, expects the real gross national product to rebound to a 7% annual growth rate later this year, while James Pate, the assistant commerce secretary for economic affairs. predicts a GNP gain averaging 5% for the half.

Tax cut's impact. The rebound, spurred by a \$22.8billion 1975 tax cut that is already putting rebate checks in consumers' hands, is expected at least to slow the sickening slide in corporate profits later this year and stem the upturn in unemployment. But even an extension of the income tax cuts into 1976 is not expected to cut very far into a jobless rate that is now at 8.9% and expected to peak around 9.3%.

The continuation of high unemployment rates long after the recession bottoms out poses major uncertainties for consumer confidence, as most economists see it. Some even fear that the recovery could run out of steam in 1976, unless the tax cut is extended and further federal stimulus is provided.

The good news. There are several bright spots for the near term. The sharp deceleration of the rate of inflation in recent months, combined with the tax cut, seem certain to bear major benefits both for retail sales and deposits in thrift institutions. This should at least enhance credit availability for housing.

Economists differ widely on how fast the tax cut will impact on spending patterns, but Chief Economist Morris Cohen of Schroder Naess & Thomas, the New York merchant bank, thinks the effect is already being



\*The index decline between 4th quarter 1973 and 1st quarter 1974 was actually twice as large as shown in the chart. However, the 1st quarter 1974 Survey Research Center report stated that approximately half of the decline was due to the temporary impact of fuel-availability problems.

"Consumer outlays will be up substantially in the current quarter-for the first time in a year and a half." he told the National Economists Club in Washington recently. At an annual rate, checks now going to the public pack a \$50-billion punch, "by far the largest stimulus to which the economy has ever been subjected in such a short period."

Caution. While Cohen sees a retail upturn rippling out from this stimulus, Thomas Juster of the University of Michigan's Survey Research Center was a



MICHIGAN'S SCHMIEDESKAMP 'From God-awful to awful'

bit more cautious at the NEC meeting. Juster expects a "vigorous upturn" in the consumer sector this year but says it depends on the public's beginning to believe that inflation has, indeed, moderated and will continue to do so.

For the moment, Juster says, consumers will sock their tax windfall into thrift institutions. driving the national rate of savings, as a percentage of disposable income, to about 11%. He expects this rate to persist through summer. If consumer confidence picks up as expected, the rate will slide by year end toward its historical average of 6% and below that by mid-1976.

Consumer reluctance. Despite general optimism, neither Cohen nor Juster is especially hopeful on autos and housing. Juster sees very little "concrete evidence of improvement in consumer anticipations" these sectors.

This view was affirmed by reports from Detroit that the upturn in auto sales expected in April failed to materialize and by a warning from Economist Saul Klaman of the National Association of Savings Banks that "the future of housing is nowhere."

Klaman and the Washington forecaster Michael Sumichrast both say the housing recovery "is expected to be very slow."

Sumichrast, chief economist for the National Association of Home Builders, expects housing starts for 1975 to total 1.3 million or a bit more, assuming some 100,000 units under the leased public-housing program. For 1976, his econometric model predicts starts of 1.5 million or less, even with 200,000 subsidized units. Unless Congress can push some of its proposed housing legislation past President Ford, prospects are not great for a strong homebuilding recovery.

The key: Apartments. Says Sumichrast: "The key area to watch is multidwelling projects. An upturn in apartment construction is essential to a stronger recovery, and that is highly uncertain."

The biggest cloud over this type of project is the danger that the Treasury's efforts to finance

a tremendous federal deficit. when coupled with an upturn in general business activity, will send short-term interest rates surging upward (see story, p. 10)

The best that Sumichrast can say about the housing slump right now is that it is bottoming out. And here the new federal tax credit of up to \$2,000 per purchase of newly built homes may be helping somewhat. A new survey of 1,000 builders by the NAHB shows they were able to sell 23% of all qualified units in their inventories during the first 30 days of the new law; and they expect to sell another 42% in the next 60 days. For singlefamily dwellings alone, the figures were 30% and 48%; townhouses ran at 9% and 24% and condominiums at 18% and

Slow starts, slow buyers. Sumichrast is certain that the tax credit is helping to take down housing inventory, but is unwilling to read too much into this trend for its impact on

"Many of the builders say they have no inventory, so the tax credit doesn't help them," he notes, "while others are simply undecided about whether or not to put their cash into new starts or sit tight. The reading is about 50-50 on this."

Similar uncertainty emerges on the buyer side. Says Jay Schmiedeskamp, consumer attitude survey director at the University of Michigan's Institute for Social Research:

"House-buying attitudes have improved somewhat because of an awareness of increased availability, and people think interest rates are going down."

But he adds that the economic outlook remains so fuzzy that buyers are still hanging back.

In Michigan's most recent survey, in February, consumers thinking this is a good time to buy a house came to 20% of the public, up from 15% last October, while those thinking it is a bad time eased to 64% from 71%. As Schmiedeskamp sums it up:

"Attitudes about housing buying have improved from God-awful to awful."

> -Norman Jonas McGraw-Hill World News, Washington

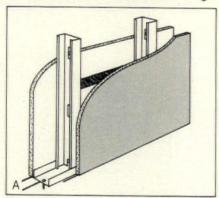


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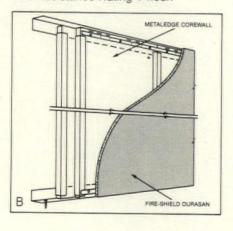
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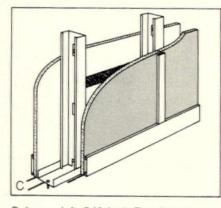
#### Four examples of Durasan's versatility.



A. Upper left, the look of cork and the wearability of vinyl. Mediterranean Parquet® Fire-Shield Durasan panels over steel studs with 2½-inch Fiberglas in cavity. Sound Transmission Class 45, Fire Resistance Rating 1 hour.



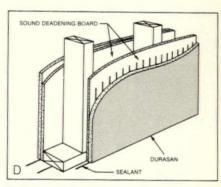
B. Upper right, 1/2-inch Fire-Shield® Durasan is applied with batten-covered screws to 2-inch Gold Bond Metaledge Corewall in the elevator area. Fire Orange Burlap is shown. Durasan is particularly effective in high traffic areas such as this. STC 36, Fire Rating 1 hour.



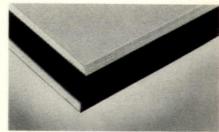
C. Lower left, 5/8-inch Fire-Shield Durasan in a woodgrain pattern with matching battens is used in the demountable Contempo-Wall® system. Durasan over steel studs with 3-inch Fiberglas in cavity. STC 49, Fire Rating 1 hour.

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D. Lower right, 1/4-inch Gypsum Sound Deadening Board base layer is nailed to wood studs. Face layer of 1/2-inch Fire-Shield Durasan is laminated with beads of Joint Compound, nailed top and bottom only. STC 45, Fire Rating 1 hour.



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## Second look at housing rebate: Will it harm rather than help?

The tax-credit rebate for buyers of new homes could discourage housing construction, the Morgan Guaranty Survey has just warned.

The Survey is published by the Morgan Guaranty Trust Co. in New York City, the fifth largest commercial bank.

The credit, enacted as part of the recent tax cut [News, May], offers an outright tax rebate of 5%—up to \$2,000—on new houses bought after March 26. Construction must have started before March 26.

Delay on starts. By giving a special price favor to houses that were under construction when the bill was passed, the Survey pointed out, the rebate could delay new housing starts in the next few months-"just the opposite of what the economy needs right now."

The Survey went on:

"Builders, who usually expect to sell houses four to six months after they are started-whether they are actually completed and ready to occupy or not-may hold back on new construction.

"A builder would presumably be in no hurry to start new homes that will have to compete for buyers with those units that qualify during the rest of this year for a tax credit of up to

Policy criticism. The Survey broadened its warning to include government mortgage pol-

"If the credit produces an adverse effect," the bank's authors warned, "it would not be the first time that government efforts to influence the market place in a positive way actually produced quite different results from those intended.

"This was the case with below-market interest-rate ceilings on GI and FHA loans. It was also the case in the on-again-offagain investment tax credit of the late 1960s."

Damper on sales. The Survey said there were several other negative aspects of the housing credit.

"For instance," it cautioned, "housing sales could be adversely affected after December. when the credit expires and the cost of any units still unsold at that time, in effect, will go up by \$2,000.

"Meanwhile, the market for

used houses may be hurt as prospective buyers naturally show a preference for rebatequalifying new homes. The same may be true of units converted to condominiums, even if completely rebuilt on the inside; such units do not qualify for the credit.

Stimulus? The Survey warned that the stimulative aspects of the tax credit might turn out to be far less effective than expected once prospective buyers read the fine print in the tax law.

"Though practically unnoted in all the hoopla," the Survey said, "there is a requirement that the capital gain on the sale of an individual's present house must be subtracted from the purchase price of the new house in figuring the housing credit. (This provision is bound to affect a big share of the market: more than 55% of homebuyers sell an existing house before buying a new one.

'For example, assume an individual bought a house ten years ago for \$20,000. He reads about the housing gimmick and decides to get in on it. He sells his old house for \$40,000. He has. thus, a \$20,000 capital gain.

"The seller can postpone payment of tax on that gain as long as his new house costs at least as much as his old. So he proceeds to buy a new \$40,000 house, confident that when he files his 1975 return the Treasury will mail him \$2,000.

"Not so. The \$20,000 gain on the old house must be subtracted from the \$40,000 basis of the new house in figuring the credit. On the basis of \$20,000, the credit of 5% comes to only \$1,000."

Break for the rich. The Survey points out that higher-price homes will not suffer such penalties, however:

"Assume a new-home buyer's present home cost \$40,000 when bought some years ago and is now sold for \$80,000.

"The new house to be purchased costs \$90,000 but the capital gain of \$40,000 on the old house reduces the basis of the new house to \$50,000which still qualifies the buyer for a full \$2,000 credit."

Morality. The Survey says the whole tax-credit scheme raises a serious question of ethics.

"What is the justification," it asks, "for giving an upperbracket taxpayer who is building himself a \$200,000 home (started, say, last October and finished in May) a \$2,000 tax credit? (For the taxpayer in the 50% bracket, the credit is worth \$4,000 of pre-tax income.) Why pay for something the individual was perfectly willing to do without a federal reward?"

Fairness. The authors also question the basic fairness of a program that favors those builders who went into the spring season with large inventories of "started" but unsold homes.

"Builders who for one reason or another-including aggressive price promotion-have managed to avoid a heap of 'For Sale' signs find themselves on the wrong side of the picture window," the article said, and it went on:

"The building industry had roughly half a million singlehomes under construction before the March 26 cutoff. Of these, almost 300,000 could be classified as sold or otherwise under contract leven though final closing and title conveyance had not taken placel.

"Those homes will all presumably qualify. In other words. more than half of all single-family homes under construction already are spoken for and needed no federal subsidy to prompt families to make investment decisions."

Politics. The Morgan Survey-and The Wall Street Journal-were particularly critical of political maneuvering that led to enactment of the credit.

The Journal reported that Senator Russell Long insisted on the tax credit as an exercise to win a game of one-upmanship with Chairman Al Ullman of the House Ways and Means Com-

The Survey pointed out:

"One would suppose that the housing tax credit's noveltyand its obvious potential for setting a costly precedent-would automatically have insured careful deliberation.

"Just the opposite was the case. The tax credit was hustled through the Senate Finance Committee and through the entire Senate with no public hearings, and, from all appearances, with little if any expert advice.

"Similarly, congressional conferees, when evaluating the House and Senate versions of the tax bill, handled the housing credit with dispatch.

"The hasty passage of the tax bill-including the housing gimmick-led Congressman John Rousselot to complain:

"'We are rushing into a monumental change in tax law that has been brought about after a few days in conference . . . We are voting on something that we are not familiar with."

"Earlier, the White House had objected even more strenuously to portions of the tax bill, especially the housing credit."

NAHB's comment. Asked to comment on the Survey article. **Economist Michael Sumichrast** referred to figures indicating the tax-credit was selling houses (see story, p. 5), and he added:

"They really have no basis for what they're saying.

"On the question of whether the program is working, they have no basis for their judgment."

#### REITS: Shakeup at First Wisconsin

After two months David E. Billings resigns as chairman of First Wisconsin Mortgage Co., a real estate investment adviser, and as vice president of First Wisconsin Corp., the parent holding company.

Billings is the second chairman to leave the adviser after brief service: James B. Smith quit after three weeks last July.

First Wisconsin Mortgage is the real estate adviser for First Wisconsin National Bank of Milwaukee, another subsidiary of First Wisconsin Corp., and of

First Wisconsin Mortgage Trust, an independent REIT. The REIT lost \$13 million in 1974, and it is suing the adviser, the parent and the bank, alleging violations of fiduciary responsibility.

In Detriot, meanwhile, Barnes Mortgage Advisors, which advises the \$100-million Barnes Mortgage Investment Trust of Boston, elects Kenneth A. Neal president. He replaces Thomas P. Bryan, who moves to a Canadian branch of the complex of mortgage companies known as the Barnes Group.

## Experts see no sharp rise in mortgage rates—and some see a dip

It's possible to overdo the new fear of a run-up in mortgage rates—particularly if one considers that the capital markets might just keep their nerve when the Treasury starts its heavy borrowing.

Granted that big "if," home-financing costs are not expected to go roaring back up into the 9%-or-higher area at any time before 1976.

The bad news is that rates seem clearly to be bottoming out in the expensive 8%-plus range. Given the need for lenders to maintain a spread over their own cost of funds, no lower rate seems possible, say the analysts.

But if market psychology does not collapse into panic under the stress of federal borrowing, the mortgage market should steady down. And the very large supply of mortgage money available in thrift institutions should become the dominant near-term influence.

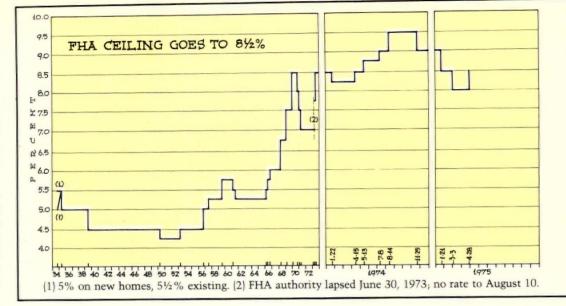
'Down somewhat.' The Mortgage Bankers Association's executive vice president, Oliver Jones, who doesn't often err on the side of optimism, puts it this way:

"The average of rates over the year ought to be down somewhat. I'm mildly optimistic for the next six months and scared as hell about a year to 16 months from now."

What perturbs all observers is the prospect of an economy reviving so fast that private borrowers will crowd into the credit markets in competition with U.S. Treasury debt managers scooping up billions every week. Such a collision would force up all interest rates—perhaps on a scale sufficient to dry up mortgage money.

With that consideration in mind, there was deep consternation at the Washington headquarters of the National Association of Home Builders when Housing Secretary Carla Hills raised the Federal Housing Administration's ceiling on newhouse mortgages from 8% to 8½% on April 28. The NAHB's chief economist, Michael Sumichrast, now fears that the already uneasy financial markets will be further disturbed by even higher congressional spending.

**Economy as a damper.** So far in 1975, however, the economy



has been so sluggish, and monetary policy has been so accommodating, that Sumichrast and other experts think it would take quite a lot of bad luck to engender a substantial rise in mortgage rates.

Jones allows that "the whole process (of rising rates) could be accelerated by private borrowers coming in heavily to anticipate the recovery, while lenders try to stay short this year in the hope that they can get better yields in the long-term market next year."

But, Jones adds, if Treasury borrowing has the side-effect of luring funds out of mortgage-lending thrift institutions too soon, the Federal Reserve can pump out the money needed to drive rates down. Chairman Arthur Burns of the Fed has promised Congress to keep the money supply growing at a rate faster than that experienced so far this year.

Long trend: Down. Analysts do agree that mortgage rates will probably bounce around this year in response to pressure in the financial markets. But these fluctuations, most experts feel, will prove misleading. The long-term trend line will be horizontal—maybe even down.

The Federal National Mortgage Association's chief economist, Harry Schwartz, looks for rates to decline through late September, "though there could be a storm in the summer." After that, he sees rates tilting back upward. But by year's end, Schwartz says, declines will outweigh increases.

Turbulence. The mortgage

market had a deeply unhappy period this spring. The fortnightly auctions of mortgage commitments held by FNMA produced consistently higher yields. The only sizable secondary-market outlet for mortgages in the private sector, the Government National Mortgage Association's pass-through securities program, ran into rising rates in February and March. By the end of April, Advance Mortgage Corp. of Detroit, an authority on interest patterns, was predicting a bottoming out of rates on apartment mort-

It was in that climate that Mrs. Hills raised the FHA rate to 8½%. Market expectations were such that, with the 8% FHA mortgage, lenders were charging nine discount points to get the effective return up to the level of a conventional loan. (A point is 1% of the face amount of a mortgage.) Builders—faced with the alternative of absorbing the points out of profit or raising the price of houses that weren't selling—were getting out of the FHA market.

Pressure for rise. A housing official summed up: "The thing was beginning to feed on itself. There was so much speculation about an impending rate increase that a number of sellers were holding units off the market waiting to get rid of the points." By late April most mortgage bankers, the lenders who work the FHA market, were putting heavy pressure on HUD to raise the rate.

Adds this government source: "I don't think they (the depart-

ment) had any choice. The truth is, they were a little over-anxious last winter and led the market too much when rates were coming down. It is because they got carried away with rate reductions that they had to pay by adjusting the rate upward."

All the same, says Fannie Mae's Schwartz, it seems likely that the FHA rate may yet be cut again this year. "HUD was burned," he says, "and couldn't take any more heat. But it doesn't follow that the FHA rate will hang there."

Plenty of money. Sumichrast finds that the sluggishness of building implies some good news for rates, and he points as well to the continuing gusher of money into thrift institutions. Net inflows to savings and loan institutions in the first four months ran at an annual rate of \$50 billion—compared to a mere \$38 billion in the previous record year of 1972.

**Faith.** Most observers still have faith in the slackness of the private economy, with its high unemployment rate, to prevent any crowding out of mortgage borrowers.

The new president of the New York Federal Reserve Bank, Paul Volcker, spoke for them all when he said that, while the markets could handle an expected \$80 billion of Treasury borrowing, \$100 billion would be too much.

Volcker's advice to Congress was, therefore: "Take a holiday for the summer."

—Stan Wilson McGraw-Hill World News, Washington



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## Angry consumers and Congress kill variable mortgage - for now

Congress has given the savings and loan industry a chance to make its case for the controversial variable rate mortgage—and the attempt has backfired.

INE WY SITVICINE

After hearings on the subject, Capitol Hill's enthusiasm for the VRM not only failed to build; it collapsed. So for 1975, the legislators intend to retard rather than encourage the spread of this instrument devised to shield lenders from inflation.

A larger solution. When the 94th Congress digs deeper for a more comprehensive solution to the problems thrift institutions have in borrowing short and lending long during inflationary times, the lawmakers may come back to the VRM. It might then fit into the complex of remedies Congress might propose. Partly this will be an effort at over-all consistency. Partly it will be old-fashioned politics: Since thrifts want VRM, it seems to some in Congress a good idea to withhold it from them now for horsetrading purposes to win their acquiescence in other lending law changes.

Down to defeat. The decisive defeat of the VRM came when a bill by Rep. Fernand J. St. Germain (D.-R.I.) overwhelmed even the S&L industry's powerful Washington lobby.

The measure forbade the 2,064 federally chartered S&Ls to use VRMs,\* and the House passed it by a vote of 291 to 104.

The Home Loan Bank Board, the S&Ls' friendly supervisory agency, had campaigned tirelessly for the VRM.

Another chance? If the VRM is down, however, it is not necessarily out. To help induce the House to vote down the variable concept this time, Chairman Henry Reuss (D.-Wis.) of the Banking Committee dangled hope for VRM's backers.

The variable, he said, "may well be revealed by our new financial-institutions study to be part of the solution." But, he added, "it must not be permitted" until Congress has agreed to abolish government ceilings on deposit dividends paid by the S&Ls.

By the device of hitching the



House's St. Germain A long, hard look at the VRM

interest rate on a mortgage to an index of credit market rates, the VRM would transfer the risk of inflation from the lender to the borrower.

The U.S. League of Savings Assns. and the National Savings and Loan League had, however, represented the VRM as necessary because their members' profit margins were being squeezed by old mortgages yielding less than the current cost of funds acquired by the lenders.

And the Federal Home Loan Bank Board's chairman, Thomas Bomar, had followed the S&L line. It was his specific proposal to allow federally-chartered S&Ls to offer variables that was up for judgment in the Congressional hearings. Bomar argued that the VRM was necessary to stabilize mortgage flows and iron the feast-famine syndrome out of housing construction.

Aroused consumers. Testimony by S&L men and their handful of official friends was drowned out by a chorus of opposition from just about every other witness to show up during two weeks of testimony before



Bank Board's Bomar A long day on the carpet

the House and Senate Banking Committees.

Hostile labor union and consumer spokesmen pointed out that the VRM would exploit the borrower, who could never assess inflation's risks as well as a professional lender. And, they said, the variable mortgage would eliminate borrowers whose income wasn't likely to rise. If his income wasn't going to rise, he probably couldn't cope with an interest rate that was all too likely to rise.

Brush-off from NAHB. When lenders looked around for allies in support of VRM, they found instead the politically powerful National Association of Home Builders. The NAHB said in a terse statement that its executive committee had voted to oppose the Bomar proposal.

When the battle smoke had settled, the variable rate's most implacable foe in Congress, Rep. Fernand St. Germain (D.-R.I.) implied that it was he, all along, who had won the fight during marathon hearings in his financial institutions subcommittee. The day Bomar testified, the committee convened at 10 a.m.

and adjourned at 8 p.m. In the process, St. Germain unearthed negative material on the VRM proposal that swayed the thinking of Chairman William Proxmire (D.-Wis.), whose Senate Banking Committee was next to hold VRM hearings.

Proxmire started out openminded if skeptical. But that original skepticism deepened to the point where he now wants borrower-protection features taken out of Bomar's hands and mandated by Congressional action—if and when Congress ever sees fit to give the VRM a green light.

Deposit-rate ceilings. In contending they needed VRM, the thrift associations were badly handicapped. They were not willing to take the logically related step of surrendering the government ceilings that limit the dividends that S&Ls may pay on deposits. For the S&Ls, this was tantamount to asking inflation protection for their own loans but insisting on denying the equivalent protection to depositors who placed money with them.

So unrealistic did this seem in political terms that the National League's witness, Chairman Ray Edwards of Glendale Federal S&L in California, added a suggestion to his testimony on his own behalf: If the variable was permitted to S&Ls now, said Edwards, and deposit ceilings were kept for five more years, then the ceilings "could and should be allowed to expire."

Consumer protection. Just how Congress will move to shore up thrift institutions probably won't be fully clear until late in 1976, when the 94th finishes legislating. But it is already clear that the VRM will have to be toned down a lot—made less favorable to the lender—in order to pass muster on Capitol Hill. And there will probably have to be sacrifices in several other directions that S&L men won't relish.

By 1976, meanwhile, mortgage rates seem likely to be on the rise. And in that environment, borrowers will give the VRM a chilly reception. So the battle St. Germain and other VRM foes have fought may prove decisive on this front for some time to come. —S.W.

#### A modern-day RFC is proposed

The formation of a federal lending agency to aid incomeproducing real estate has just been proposed by Jack L. Wolgin, one of Philadelphia's major land developers.

In an address at Temple University's Real Estate Institute, Wolgin predicted that 50% of all income-producing real estate could not produce earnings without such help.

**Scope.** Wolgin envisions an agency similar to the old Reconstruction Finance Corp. It would provide rescue financing for *all* income-producing real es-

tate, residential or commercial.

Wolgin pointed out that 35% of the assets of all financial institutions in the U.S. are represented by mortgage debt, which now totals \$700 billion.

Warning. "If only 5% of the mortgage debt becomes a loss, you would far exceed all of the loss reserves . . . of all the financial institutions," Wolgin cautioned.

"I'm not suggesting that the real estate industry be given a handout. The industry does not need subsidies; it needs temporary relief."

<sup>\*</sup>There are another 3,200 state-chartered S&Ls, and 17 states permit those S&Ls to offer variable rate mortgages.



4

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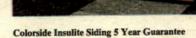
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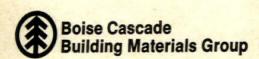
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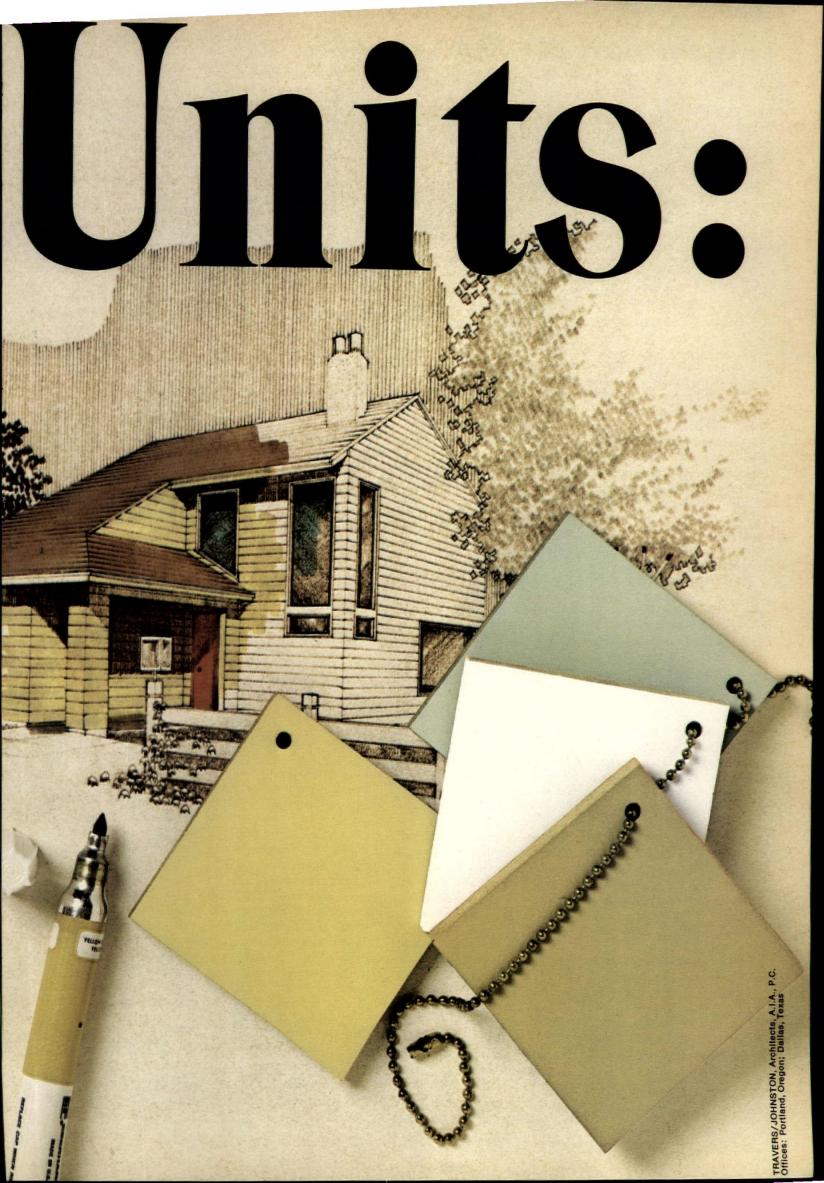
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NEWS/MANAGEMENT

### Levitt and Sons will be unprofitable indefinitely, trustee reports

First the good news:

Victor Palmieri & Co., the court-appointed trustee for Levitt and Sons, believes that, "subject to the restoration of general health to the national homebuilding industry, Levitt and Sons can be reconstituted as a profitable operating company."

This was the trustee's preliminary conclusion in its first report, submitted early this spring, to the Federal District Court in Hartford, Conn.\* The court is overseeing the divestiture of Levitt from ITT, a severance required under a consent decree signed with the Justice Dept. in 1971.

**But...** the bulk of the report deals with the bad news.

"Given the recent history and present condition of Levitt and Sons," observed the trustee, "(reconstruction) will require rebuilding the management team, redirecting the regional production and marketing organization, and establishing financial controls and forward planning processes, all within the context of a drastic reduction in ... overhead."

The money tree. ITT will be watching the trustee's performance with bated breath, no doubt, because the big conglomerate has a great deal at stakeover a quarter-billion dollars at latest count—and has no direct say whatever in the affairs of Levitt and Sons. Palmieri & Co. has replaced the former ITT-appointed board of directors with three men of its own choice, substituted its own Edward Eichler for the ITT-appointed president, Gerhard Andlinger, and has advised the court that "prior review or approval of . . . decisions is not being sought from ITT or the Department of Justice." Palmieri is even seeking a new auditor to go over the books instead of the one used by

Negative flow. ITT will, however, be obligated to pay the bills for the fix-up work, when and as necessary, and that could add materially to the conglomerate's stake.

Just how materially is suggested by this year's firstquarter results at Levitt—a negative cash flow of \$10.8 million. The trustee expects negative cash flow to continue until the housing market turns around and until a transformation of Levitt and Sons, as yet barely begun, has been accomplished.

... "For the indefinite future," the report told the court, [Levitt and Sons will be] "unprofitable and capital-absorbing."

Much of what the trustee found wrong with the home-building company makes familiar reading [The Decline of Levitt and Sons, H&H April]. But access to inside data now makes the account seem more harrowing than ever.

Losses in cash and men. The company's diversification attempts in the late 1960s, for instance, led to losses totaling, by the trustee's calculation, \$68 million, and Levitt and Sons' illstarred multifamily business is still producing losses.

The departures from top management that picked up destructive speed in 1972 are given an accounting in the report to the court. Of the executives making \$22,300 a year and up, one-third

left in 1972 and one-third in 1973. In 1974, when the proportion of ITT-derived people was much larger and there was depression in the housing industry, the rate dropped—to 23%.

Inexperience. The report adds: "Less than half of the present regional managers had direct homebuilding experience prior to assuming their present positions."

Heavy reliance on bank debt, the trustee also notes, backfired for Levitt and Sons—and other major homebuilders—when the prime rate soared.

Another idea that backfired was the splitting of the company into Company A, a financially viable and operating company with some land and little debt, and Company B, a nonviable and negative-net-worth congeries of high-cost land and massive debt. After negotiations to sell A to founder William Levitt fell through, it was thought that A would eventually go public.

"Records began to be kept separately and the basic management . . . focused almost entirely on A Company matters (to the detriment of B Company and overall operational control), the report discloses."

"In fact, when the trusteeship began, conversations were difficult because references to the 'Company' often were references only to the A Company and not to (Levitt and Sons as a whole).

"The arbitrary nature of this separation led A Company management in some situations to begin buying new land in markets to sustain operations at the same time the B Company management was seeking to liquidate well-located and buildable (but high book cost) land in the same markets."

Poor records. The A-B split was one major aspect of a more general lack of control. According to the trustee, reviewing the company's condition was complicated by a "relative lack of readily available and complete information..."

Among other things, the trustee is compiling a master-project book to collect all the relevant facts about the company's vast land inventory in one place for the first time.

Many internal reports, the trustee said, focused so heavily on monthly profit-and-loss figures that working up cash-flow figures was difficult.

Whither Levitt? What steps is the trustee taking to repair the company? Palmieri & Co. is completing a review of assets, management and operations. It is continuing a chopback of personnel begun in 1972 (overhead was 25% of sales in 1974). It is preparing to dispose of land. And it plans to begin as soon as possible the task of organizing a viable company. It hopes to use talent in and out of Levitt and Sons—and ITT's money. (For a new Levitt project, see p. 32.)

There are many ex-Levitt people and other observers who are rooting for the company's success, but some are so dismayed by the difficulties that they are skeptical. Such observers think it would take a Bill Levitt to put Levitt and Sons back together again.

And there are even some among them who think that it might yet happen that way.

—HAROLD SENEKER

#### New builder companies on both coasts

California's Orange County market gets a new single-family builder. He's **Warren Toman**, who leaves an executive vice presidency with the Grant Corp. to organize the Toman Co. in Irvine.

"Single-family houses have failed to keep up with demand here," he contends, promising to help remedy that situation.

And in Newport Beach, Donald G. Zellner, formerly president of U.S. Development Corp., sets up Zellner Communities as a residential developer. The new company is acquiring two projects in Tustin and Escondido from U.S. Development and is taking over management and development of another in San Juan Capistrano.

In Florida, meanwhile, Arthur Rutenberg and Dean Van Horn, both U.S. Home alumni, launch Rutenburg-Van Horn Corp. The company is based in Belleair Bluffs near Clearwater. It will build customized houses under the name Van Horn Homes in Pinellas (Clearwater) and Pasco (Dade City) Counties.

And from Florida's east coast comes this report of yet another

housing operation from Correspondent Fred Sherman.

"In the southern part of Dade County (Miami), close by the dusty tomato fields, is a building where a company called Allied General Inc. has completed its 'research-and-development' stage on a machine that will mold concrete houses.

"Eight of the half-boxes have already been molded.

"There is a completed model at the factory—a three-bedroom, two-bath home with kitchen cabinets installed. Allied says it has tentatively sold 100 to a builder who wants to put them on scattered sites in low-income areas. The FOB price is \$14,500, making possible a sale price below \$25,000.

"The machine forces concrete composite into a mold and around rebars, pipes and conduit to form a six-inch floor and fourinch walls and roof."

The president of Allied is Joseph L. Greenwell, former president of American Plastic Container; the company's technical consultant is Wen F. Chang, professor of engineering at the University of Miami.

<sup>\*</sup> First Report of Victor Palmieri and Co., Civil No. 13,320, U.S. Dist. Court, Hart-



# What the energy problem means to a builder and what he can do to survive it.

The energy problem, a matter of concern to everyone, is a matter of *vital* concern to the builder.

Already, in some areas around the country, there are prohibitions and restrictions on the use of gas and fuel oil for heating. And this situation is intensifying all the time.

What can the builder do to meet it?
One way is to install the Weathertron\*
heat pump. This all-electric refrigeration
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summer. It cools and heats by efficient
use of electricity without burning fuel

of any kind.

The Weathertron heat pump is easy to install and simple to maintain. It's quiet, dependable and efficient, delivering about two units of heat for every heat unit of electricity it uses. (It may be more or less in your area depending on your climate and other factors.)

Weathertron heat pumps by General Electric come in 18,000, 24,000, 30,000, 36,000, 42,000, 48,000 and 60,000 BTU/H sizes and can be used individually or in pairs to heat and cool houses of all sizes.

The heart of the unit, the Climatuff<sup>™</sup> compressor, is so reliable that more than 1 million have been installed with an excellent record of dependability. Another General Electric exclusive: Spine Fin<sup>™</sup> condenser coils that eliminate almost all brazed joints where leaks can occur.

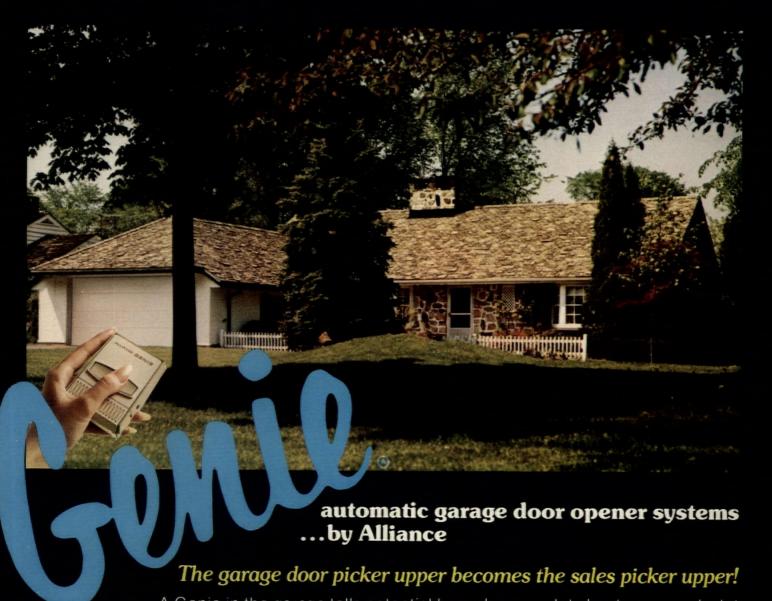
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## Builder offers bonus if buyers forego nit-pick warranty claims

With a bow to the consumer movement, Dallas homebuilder Ronald J. Monesson adopted a company policy of bending over backward during the first-year warranty period to resolve—always in favor of the homeowner—any questionable item, even minor repairs.

Unfortunately, says the developer, this is expensive, and when he is forced to say no, "it can have a very negative impact on the homeowner."

Monesson believes he has solved this problem with an innovative plan that offers something for everyone—builder, buyer and lender. For the builder it slashes overhead and improves customer relations. It is also expected to generate sales.

Joint savings fund. What Monesson and Co. has done is to set up a fund "that discourages call-backs for minor repairs on the part of our homeowners and effectively offers them a reward for not being a nit-picker."

At closing, the company de-

posits \$350 in a joint builderbuyer savings account with a savings and loan association. The builder retains the passbook for a year, during which time he alone can make withdrawals. At year's end the buyer gets the passbook with any remaining funds.

The new owner receives a schedule of fixed charges for certain types of service calls. He has the option of using Monesson's customer-service department—which has six full-time employees taking care of minor repairs and touch-ups—or of doing the job himself. If he uses the builder's forces, the account is charged for the work and the money is withdrawn.

Routine repairs. "During the one-year warranty our service department handles all routine items that our subs would normally be called to handle, says Monesson. "We don't take care of plumbing, heating, air conditioning or electrical problems but we do paint touch-ups and

carpentry. These are necessary but costly to us in manpower.

"In the past we have even had a lot of calls for things like unstopping a sink. We have no obligation to fix something like that, but to avoid hassles with the homeowner, we have taken care of many things of that nature. The new plan will discourage such nit-picking.

"The plan provides a positive incentive to get an additional \$350 for something like a vacation or new furniture. When the housewife sees that her husband can do a paint touch-up and make \$12.50, she is likely to suggest that he handle the job.

"The incentive is not to call us. It is a viable program for homeowners because they are picking up an easy \$350."

Saving for builder. "We think we are going to save money," Monesson goes on. "We should be able to reduce the overhead of our customer-service department. We expect to get by with a staff of three instead of six.

"Our lenders happen to be S&Ls, and they find the program attractive. It gets a new account started with them, and they feel that, at the end of the year, many of the homeowners will start putting their own money into the account instead of withdrawing funds."

Monesson went into the program only recently, "so we don't have any track record on it."

"But from a marketing standpoint it is a good tool," he says.

Monesson's largest project is ChimneyHill, which will ultimately have 420 townhouse units. About 300 have been completed and 240 sold and occupied. He has just started the first phase (88 units) of ChimneyHill Patio Homes, a project of 543 single-family, detached houses with side yards. The Highlands, an 83-unit condominium townhouse development, has 43 units sold and 40 virtually completed.

—LORRAINE SMITH McGraw-Hill News, Dallas

#### Top Florida condominium builder is indicted as a briber of planning officials

The developer of the largest condominium community in Florida has been indicted by a Dade County (Miami) grand jury investigating corruption of public officials.

H. Irwin Levy, president of Cenvill Communities Inc. in West Palm Beach, is accused of conspiring to bribe members of the South Florida Regional Planning Council to win approval for the project.

The case dates from December 1973, when Cenvill was seeking approval from the council for a retirement community west of the city of Hollywood in Broward County. Approval was voted in February 1974, and Levy insists he never authorized any payment of bribes.

Officials cited. Indicted along with Levy were Stanley Goldberg, a stockbroker and husband of Dade County Commissioner Joyce Goldberg; Harry Harris, chairman of the Monroe County Commission, and Edward Michael Gale, a stockbroker who managed the successful 1972 election campaign of County Commissioner Harvey Ruvin of Dade. Ruvin was chairman of the planning council in 1973.

The indictment charges the

four with conspiring to bribe Ruvin and two Monroe (Key West) commissioners who were members of the planning council. One of those commissioners is John Parker who denies that he either took money or felt pressure to vote for the project. He also denies that Harris tried to influence him, but he did vote for Cenvill's Century Village condominium project.

**Informer's role.** The key to the indictments was the arrest

last autumn of a Miami political figure named George MacLean. Caught in an exchange of money intended as a bribe for a building-occupancy permit, MacLean was granted immunity by the state attorney in Dade County. One of the stories he told involves Cenvill checks made out to MacLean's janitorial supply company. Of \$38,000 MacLean contends he got from Cenvill, he says he gave \$15,000 to Harris and \$3,000 as a contact fee to

Goldberg.

A MacLean confederate says he passed \$9,000 to Gale for Ruvin's vote.

Ruvin denies all charges. He voted for the Century Village project Feb. 4, 1974, but says that was conditioned on Cenvill's solving some development problems. Ruvin points out that he subsequently voted twice against the project when the conditions were not resolved.

Wider investigation. The Cenvill project is only one element in a far-reaching inquiry that resulted from the grant of immunity to MacLean and to Alan Rothstein, a former Miami city attorney who was involved in the occupancy-permit bribe. The payoff was filmed by police officers.

The Century Village project is the largest ever conceived in Florida. Levy projects 35,000 retirees living in what he bills as an energy-conscious condominium community.

Levy also has problems with the Florida attorney general, Robert Shevin, who contends Levy's lease agreements on recreation facilities are unfair and unreasonable.—FRED SHERMAN

McGraw-Hill News, Miami



Polish housing officials, here to study modern construction methods, are guests of Larson Mortgage Co. in Plainfield, N.J. President Bob Larson (right) greets Marian Tomaszewski (left), commercial attache from the Polish embassy, and Bohdan Saar, Poland's second-ranking construction official. The visitors seemed intrigued by American finishing techniques, but concentrated on ways to house Poland's population.

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CIRCLE 23 ON READER SERVICE CARD

NEWS/MANAGEMENT

### How a tough-minded cleric rallied tenants to save their project

The Reverend Wilbur N. Daniel, pastor of the Antioch Baptist Church on Chicago's south side, had a dream. He saw green landscape, attractive and clean low-income housing, and happy children.

Today Daniel has realized that dream in a 348-unit complex of two- and three-story walk-up apartments known as Eden Green North. Southsiders have come to regard Eden Green as one of the best 221D3 below-market-interest-rate projects in Chicago.

It wasn't always that way.

Only two years ago Eden Green North was typical of the majority of the 111 projects built under FHA's Section 221D3 mortgage-assistance program in Chicago. The roofs were leaking, weeds and uncollected garbage littered the grounds, the crime rate was atrocious and the project was in default. The FHA was foreclosing on the \$5.8million mortgage originally taken out by Daniel's Antioch Foundation, and a sheriff's sale that would have shattered the pastor's dream was just two days

Back to health. This July, however, Eden Green North will be back on current mortgage status, one of the few times—if not the only time—a financially stricken 221D3 project that has gone to the wall has not only survived but prospered.

Although the 56-year-old Daniel attributes much of that survival to "plugging into a higher power," he admits that saving a federal housing project takes more action than prayer.

"The government is the main problem," said Daniel. "Government creates the stumbling blocks. The owner just doesn't know what he's getting into."

What Daniel found, he says, were costs that rose by one-third four years after Eden Green opened in 1969—all this while rents remained level. Petitions to the government to raise rents were turned down.

Taxes and rents. Taxes doubled and the tax reserve turned negative by \$60,000 a year. At the time of the default the project was \$150,000 in the red.

Rent delinquencies were at 35% and management was operating without records of who was living where, what the pre-





Crusading cleric and section of the project he rescued in Chicago. The Rev. Wilbur Daniel ousted tenant vandals and improved management. Complex that was ready for sheriff's sale two years ago now prospers.

cise status of rent payments was, and when leases expired.

"At this point it was either give up or get busy," said Daniel.

Correctives. Daniel's first step was to visit the county assessor's office, where he won a 50% tax cut. His second was to call on Harvey Rawson, then chairman of the Realty Company of America. (Rawson was to die of a heart attack last March.) A limited partnership was set up between Daniel's non-profit Antioch Foundation and Realcoa to operate the project.

"Normally these 221D3 projects are run by non-profit organizations and ministers," Rawson explained. "To make a go of it the manager has to be a real hard-nose, and the clergy often find it difficult to baptize people one day and throw them out in the street the next."

Carrot and stick. Rawson and Daniel sought out a Chicago property-management firm, Curtis-Dodd, and together the group drew plans to save Eden Green.

A mortgage work-out program was devised, and the FHA agreed to an assignment of the mortgage to the Antioch-Real-coa limited partnership.

Just as significantly, it was decided to take a no-nonsense attitude with tenants. But Daniel was also ready to use a good bit of psychology in instilling in the tenants a desire to preserve and improve their homes.

While lawyers worked to ward off foreclosure and Rawson concentrated on winning permission for rent increases, Daniel returned to Eden Green with a new philosophy.

Using the project's meeting rooms, Daniel preached the sort of hellfire and damnation that let it be known that vandalism and rent delinquency were no longer appreciated. New rules called for payment of rent the first day of the month, a five-day court notice sent on the second day, and ultimately a money judgment from the courts that would shatter the credit ratings of any non-payers.

Evictions and education. To make his point, Daniel booted out several of the tenants responsible for vandalism and/or nonpayment of rent.

"But a hard line isn't enough," said Rawson. "Many tenants just can't comprehend the manager's costs and look at him as some kind of feudal land baron who's pocketing \$90 out of \$100. Somehow you have to win their cooperation."

To create an awareness of costs among tenants, Curtis-Dodd wrote letters providing full disclosure of Eden Green's expenses.

"Many low-income tenants had no idea that gas can cost \$18,000 or that the monthly mortgage payment can be \$50,000," explained Curtis-Dodd's President William Lynch.

"They thought you were stealing all their money unless you made them realize just what costs were."

Answer to vandalism. The letters were supplemented by a newsletter. Both it and the letters invoked social psychology to convey the idea that, when damage occurred, it would raise rents.

"What we were saying," said Rawson, "was that anyone damaging the complex was raising his and his neighbors' rent. When people began to think in these group terms, vandalism became very unpopular."

In fact, Eden Green's rents were upped \$15 or \$20 in August 1973 to cover operating costs.

Tenants responded, as have many other federal project tenants, by protesting to the regional HUD office.

"But at the time that they were protesting we implemented several improved operational programs and we did it in ways that the people couldn't help but see," said Rawson.

Improvements. First off, Realcoa put uniforms on all building engineers so they were easily identifiable—and so they could have a feeling of pride and identity.

A playground was set up and a day-care center was opened. The security force was increased with trained guards equipped with portable radios.

"The rent protests faded," said Rawson, "and another increase of \$12 to \$20 was decreed in July 1974 with little protest."

Better managing. Less obvious to the tenants, Eden Green updated all files, established accepted accounting practices and produced a demographic breakdown of residents. Credit and police reports were required on all new tenants.

By last March rent delinquency had dropped from 35% to 12%. And instead of vacancies, Eden Green has a waiting list

"This happened despite the fact that only two blocks away is the world's worst apartment complex, where conditions are so bad that even the city bus service through the area had to be discontinued," Rawson added.

HUD's view. "The government programs will work," said Director John Waner of HUD's regional office in Chicago, "but it's up to the manager to make them work. I wish I had the authority to ask for the keys from people who destroy property. But I don't have that authority.

"That means the landlord has to do the job—which is exactly what's not being done in most cases."

While there are those housing experts who think that the government is more at fault for the mushrooming number of federal housing defaults and foreclosures than Waner would like to admit, none deny that better management did make all the difference at Eden Green in Chicago. —MIKE KOLBENSCHLAG

McGraw-Hill News, Chicago



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## Executives: U.S. Home loses a president, Sea Pines gains one

Stuart S. Golding, president of U.S. Home since June 1973, steps down. Explains chairman Charley Rutenberg:

"Mr. Golding has decided to devote more time to his main interest, shopping-center development. His business acumen was in many ways responsible for our ability to weather the rather stormy times of the past two years. We will miss his leadership." No successor was named immediately.

Golding will be a consultant on development of a shopping mall that U.S. Home is building in Clearwater, Fla., where the company has its headquarters.

Meanwhile, the Sea Pines Co. (Hilton Head, S.C.) gains a president. James W. Light, 31, takes over as chief executive from founder Charles E. Fraser, 45, who was president for 18 years and who now becomes chairman.

Sea Pines also names another president—of its two major Hilton Head operating subsidiaries, Sea Pines Plantation Co. and Hilton Head Plantation Co. He is J. Ronald Terwilliger, 34, who replaces Fraser in those posts.

Prel Corp., builder-developer based in Saddle Brook, N.J., agrees in principle to acquire another company-and a new top management along with it. The company is DKB Enterprises, a New Jersey real estate services concern. The two men who head DKB, Leonard Kohl, 49, and Stanley Diamond, 45, would fill the empty posts of executive committee chairman and president, respectively, of Prel. William Landa would remain as chairman and chief executive officer.

The troubled L.B. Nelson Corp. of Menlo Park, Calif., a building and apartment management concern, brings in a new vice president and gives him several hats. He is Howard A. Brown, 44, and as executive vice president he takes charge of purchasing, developing new properties and overseeing the company's sales programs in four regional housing markets-San Francisco, Houston, Seattle and Portland, Ore. Brown was president of Mape Industries of Palo Alto, a developer of properties in California, Nevada and Washington.

Another California builder,



SEA PINES' LIGHT Hilton Head's top man



California's Glass Takes over on Coast



Nelson's Brown Wearing one of several hats



K&B's Berkowitz Covering a lot of ground

Robert H. Grant Corp., shifts responsibilities in-house. Gary Brooks, president of its northern California division, takes over as president of the southern California division as well. The company promotes Rick Hirsch to vice president of the northern division. He had been contracts manager and director of forward planning.

Kaiser-Aetna moves two company men into its new town project, Rancho California, in Newport Beach, Calif. They are **Doug Kulberg**, who replaces **Roger Hall** as vice president and general manager, and **Tom John**- ston, who succeeds Dennis Von Aldenbruck as director of residential marketing, the post Johnston had held in Kaiser-Aetna's building operation in Ventura, Calif.

Kaufman & Broad picks Louis Berkowitz as senior vice president; he had been a vice president. Berkowitz has operating responsibility for on-site housing divisions in Detroit, New York State and New Jersey.

In San Diego the American Housing Guild, which has been ranked as southern California's eighth largest homebuilder (1,-164 units in 1974), puts its

southern California division under control of the company's president, Herbert J. Solomon, and its chairman, Martin L. Gleich, after division president Gerald N. Degen departs.

Monumental Properties of Baltimore, Md., with rental and commercial properties in ten states, names **Charles R. Jones** as financial vice president. Jones had been vice president and chief accounting officer of General Development Corp. in Miami.

Techbuilt (Spring Valley, N.Y.) appoints **Richard Raymond** as national sales manager. He will shift the prefabber's sales strategy from a direct-to-consumer approach to an operation through builder-dealers.

## A little-noted federal program: getting indictments, convictions

Federal investigation of FHA and other HUD-related scandals around the country is proceeding apace. The inquiries are now several years old [News, Feb. '74], but they have not run out of material by any means.

The feds have just won six indictments from a grand jury in Los Angeles. As they announced these, they promised to seek more soon.

Heading the list of those accused is **Lee A. Merriwether**, an assistant to the HUD director in Los Angeles. Merriwether is charged with accepting bribes to influence his acts as an equalopportunities specialist.

The other five indicted were Richard K. Ehrlich, a Beverly Hills lawyer charged with defrauding the FHA as owner and builder of a multifamily project; Rodolfo A. Fushan, a Woodland Hills, Calif., real estate salesman, and William Joseph Kuhn, a Canoga Park, Calif., real estate broker, each charged with making false statements to FHA; George A. Thomas, a Los Angeles realty salesman, submit-

ting false statements to the VA; and Billy Lee Jenkins of Los Angeles, unlawful conversion of VA property and impersonating a VA employee.

In Brooklyn, meanwhile, U.S. attorneys added to a long list of successful prosecutions [News, Nov. '74 et seq.]. Bernard Roth, a Long Island mortgage banker, pleaded guilty in Brooklyn Federal Court to charges that he paid \$27,000 as bribes to six FHA employees. Roth then headed United Institutional Servicing Corp.

The federal government is following up on other violations. One is failure to deposit employees' withholding and Social Security taxes on a timely basis. A charge of such violations in June and July 1973 caught up with Harold Klein, president of the collapsed Urbanetics Communities homebuilding operation in California [News, March '74]. He had just pleaded guilty in Los Angeles to four counts of this charge and has received a oneyear suspended sentence and three years' probation.

ASSOCIATIONS: President William W. Weide of Fleetwood Enterprises of Riverside, Calif., mobile-home producer, becomes the first chairman of the new Manufactured Housing Institute. The MHI melds three regional groups, the western Trailer Coach Assn., the South Eastern Manufactured Housing Institute (Atlanta) and the Mobile Home Manufacturers Assn. The league will have its headquarters at MHMA's old base in Chantilly, Va.

The California Mortgage Bankers Assn. elects Clem C. Glass as president.

Glass is president of the W. Ross Campbell Co., a Los Angeles mortgage banking firm. He took over the association post from James A. Walker at the association's 20th annual convention in Palm Springs. Walker is executive vice president of E.S. Merriam & Sons, a San Francisco mortgage banker.

Mary Ann Whatley resigns after 13 years as executive vice president of the HBA of Metro Atlanta.



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Then we're convinced that whatever your specifications, you'll ask for Weldwood Paneling.

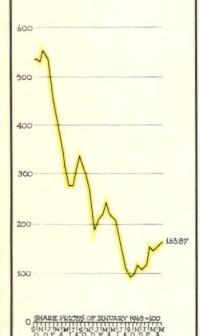


## Housing stocks mixed: Mobiles and lenders up, builders down

The HOUSE & HOME share-value index of 25 housing stocks managed an overall gain—to 163.87 from 154.08—in the month ended May 5.

Mobile-home and lender groups accounted for the advance. The stocks of building and land-development companies plunged.

Here's the graph of 25 issues.



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

	May'74	Apr.'75	May'75
Builders		157	145
Land developers	102	99	88
Mortgage cos.	497	205	222
Mobile homes	475	451	501
S&Ls	119	101	116

Company		May 5 Bid/ Close	Prev. Month
BUILDING			
Alodex—d		1/8	
AVCO Comm. Devel		15/32	031
American Cont. Homes		21/2	- 3/8
American Urban Corp.		5/8	
Bramalea Con. (Can.)		53/8	
Campanelli Ind.	01	11/4	
(New America Ind.)	ОТ	200	000
Capital Divers (Can.)—c		.382	036
Centex Corp. Cenvill Communities		8½ 3¾	- 1
Cheezem Dev. Corp.		7/8	+ 1/8
Christiana Cos.		11/2	- 1/4
Cons. Bldg. (Can.)		2.85	+.17
Dev. Corp. Amer.		41/8	- 7/8
Dev. Int. Corp.—d		.03	01
Edwards Indus.		31/4	
FPA Corp.		31/8	- 1/4
Carl Freeman Assoc.	OT	11/4	- 7/8
Frouge Corp.—d		4	- 1/2
General Builders		11/8	- 1/4
Hoffman Rosner Corp.		3	/4
Homewood Corp.		6	
Hunt Building Corp.		23/8	+ 3/8
• Kaufman & Broad		71/2	- 5/8
Key Co.		21/4	- 3/4
Leisure Technology—d	AM	17/8	- 5/8
Lennar Corp.	MIM	51/2	- 15/8

0		May 5 Bid/ Close	Prev Mont
Company	_	CIUSE	WIOTI
McCarthy Cod	PC	1	- 1
McKeon Const.—d	AM	23/8	- 7/
		6	+ 1/
Mitchell Energy & Dev Oriole Homes Corp. Presidential Realty—d	AM	103/4	- 7
Oriole Homes Corp	AM	6	- 17
Presidential Realty—d	AM	43/8	+ 5
Presley Development Pulte Home Corp	AM	33/8	- 3
Pulte Home Corp	AM	25/8	- 3
Robino-Ladd Co.—d	AM	1	44
Hossmoor Corp	AM	3%	- 11
Ryan Homes     Ryland Group     Shapell Industries     Shelter Cp. of Amer.—d     Standard Pacific	AM	19 81/8	- 1
Hyland Group	NIV	91/2	- 11
• Snapell industries	OT	1/8	- 19
Shelter Up. of Amer.—a	01	31/2	- 7
Universal House & Day	AIVI	1/4	- 1
		53/4	_ 5
• U.S. Home Corp	OT	1/8	- 5 - 1
Valley Forge Corp	OT	21/4	- 1
Washington Homes Del. E. Webb	NIV	35/8	- 1
Westchester Corp.	OT	1/2	- 1
westchester Gorp	01	72	- /
SAVINGS & LOAN AS			
American Fin. Corp		131/4	+ 2
Calif. Fin.	NY	3¾	+ 1
Empire Fin.	AM	141/2	- 1
• Far West Fin.	NY	5½ 11¾	+ 1
Fin. Corp. Santa Barb	AM	121/4	+ 17
Fin. Fed.     First Charter Fin.	NY	14	+ 23
First Lincoln Fin.	OT	21/2	+ 1
First S&L Shares	AMA	85/8	+ 1
First Surety		31/4	. ,
First West Fin	OT	17/8	+ 1
First West Fin	NY	107/8	+ 7
Golden West Fin	NY	13	+ 13
Great West Fin	NY	16%	+ 13 + 13
Great West Fin. Hawthorne Fin.	OT	73/4	+ 1
Imperial Corp.  Transohio Fin.	NY	97/8	+ 7
Transohio Fin	NY	61/2	- 3
(Union Fin.)			
Trans World Fin		113/8	+ 11
United Fin. Cal		73/4	+ 1
Wesco Fin		111/4	- 5
MORTGAGING			
Charter Co.	NY	331/4	+ 3
CMI Investment Corp	NY	9	- 1
Colwell	AM	31/2	- 1
Cont. Illinois Healty	NY	17/8	- 3
Fed. Nat. Mtg. Assn.	NY	165/8	+ 1
Fed. Nat. Mtg. Assn Fin. Resources Gp	OT	1	- 1
(Globe Mortgage)			
(Globe Mortgage)  Lomas & Net. Fin.  MGIC Inv. Corp.	NY	61/8	- 5
Polemer Fin	YVI	141/4	+ 13
raiomai rin.	MINI	15/8	+ 1
United Guaranty Corp (formerly FMIC Corp.)	UI	61/4	+ 1
Western Poor Fire Corp.)	OT	21/	
Western Pac. Fin. Corp (formerly So. Cal.	UI	31/8	+ 1
Mort & Loca Com			
Mort. & Loan Corp.)	AM	21/2	- 1
	MIVI	2/2	- 1
(United Imp. & Inv.)			
	RU	STS	
Alison Mtg.		31/8	- 1

REAL ESTATE INV.	TRU	STS	
Alison Mtg.	.NY	31/8	- 1
American Century	.AM	2	- 1/2
Arlen Property Invest	OT	5	- 1/4
Atico Mtg.	.NY	33/8	- 1/2
Baird & Warner	.OT	51/4	- 1/4
Bank America Rity.		63/4	_ 3/8
Barnes Mtg. Inv.		21/2	- 1/4
Barnett Mtg. Tr.		21/4	- 13/8
Beneficial Standard Mtg.		35/8	- 11/8
BT Mort. Investors		4	- 23/4
Cameron Brown		2	- 3/4
Capitol Mortgage SBI	NY	21/2	- 3/4
Chase Manhattan	NY	45/8	- 3/4
CI Mortgage Group		15/8	- 1/2
Citizens Mtg.		21/8	- 7/8
Citizens & So. Rity.	NIV	31/4	- 11/8
Cleve. Trust Rity. Inv	OT	27/8	- 3/8
Celvell Atta Taurt	.01	27/8 27/8	- 3/4
Colwell Mtg. Trust			
Conn. General		111/2	- 3
· Cont. Mtg. Investors—d		13/8	
Cousins Mtg. & Eq. Inv		21/4	- 5/8
Diversified Mtg. Inv		13/4	- 3/8
Equitable Life		135/8	- 35/8
Fidelco Growth Inv		93/4	- 3/8
First Memphis Realty	.OT	31/2	
First Mtg. Investors—d		13/8	- 1/4
First of Denver		25/8	- 5/8
First of Pennsylvania		33/4	- 5/8
Franklin Realty	.AM	23/4	- 5/8
Fraser Mtg.	OT	83/4	- 1/4
Gould Investors		45/8	- 1/8
Great Amer. Mtg. Invd		23/4	
Guardian Mtg	AM	21/2	- 7/8
Gulf Mtg. & Realty		21/2	_ 5/g
Hamilton Inv.	OT	23/4	+ 7/8
Heitman Mtg. Investors	AM	13/4	- 3/4
Hubbard R. E. Inv.	NV	131/4	+ 7/8
CM Realty		101/4	_ 5/8
arwin Mtg.		21/4	- ½
		11/8	/0
Lincoln Mtg.	NV.		7/-
Mass Mutual Mtg. & Rlt.		97/8	- 7/8
Mission Inv. Trust (formerly Palomar)	.AM	7/8	- 1/16
Mony Mtg. Inv.	.NY	65/8	- 3/8
Mortgage Trust of Amer.		33/4	+ 1/8

		May 5	Chng. Prev.
Company		Bid/ Close	Month
Company			
National Mortgage Fund	NY.	13/8	- 3/4
Nationwide R. E. Inv		31/2	- 7/8
(Galbreath Mtg. Inv.) North Amer. Mtg. Inv.	NY	57/8	- 31/2
Northwest Mut. Life		070	
Mtg. & Rity. PNB Mtg. Rity. Inv.	.NY	91/8	- ½ - ½
Penn. R. E. Inv. Tr.	AM.	43/8 87/8	- 1/2
Property Capital	.AM	7	- 2
Realty Income Tr	AM	53/4	- 3/8 - 1/2 - 1/2
Republic Mtg. Inv. B. F. Saul, R.E.I.T.	NY NY	2 31/4	- ½ - ½
Security Mtg. Inv.	AM	1	- 1/8
Stadium Realty Tr.	OT	3	+ 1/2
State Mutual SBI	NY	2¾ 45/8	- 1/4 + 1/4
Sutro Mtg. Unionamerica Mtg. &		470	-
Equity	AM	21/8	- 1/8
U.S. Realty Inv	NY	27/8 31/2	- 11/8 - 1/8
Wells Fargo Mortgage		43/4	- 7/8
LAND DEVELOPER		05	00
All-State Properties     AMREP Corp.		.05	02 - 3/8
Arvida Corp	OT	63/4	+ 3/8
Atlantic Imp.—d	OT	2	- 1/2
Canaveral Int. Cavanagh Communities-		9/16	- 3/ <sub>16</sub>
	NY	7/8	
Crawford Corp.		4	*********
Deltona Corp.  Dominion Holding	OT	61/4 3/8	- %
(Disc. Inc. of America)			
Fairfield Communities—c • Gen. Development	TO	1/2 43/4	- ½ - 1½
Getty Financial Corp	OT	1	1 78
(Don the Beachcombe	r)		
Horizon Corn	NY	21/4	- 1/2
Landmark Land Co (Gulf State Land)	AM	1-78	
Land Resources	OT	7/8	+ 1/8
Major Realty  • McCulloch Oil	OT	17/8	+.435
McCulloch Oil     Sea Pines Co.	MA	37/8 21/4	- 1/8 - 1/2
South Rity., Util.—d	AM	41/4	- 3/8
MOBILE HOMES &			1/
Champion Home Bldrs.     Commodore Corp.—d	AM	3¾ 1¼	- 1/8
Conchemco		7	- 1/2
De Rose Industries		13/4	- 3/8
• Fleetwood	NY	151/4	+ 33/8
Canidan Mact_d	ANA		
Golden West—d Moamco Corp.—d	AM	37/8	+ 1/2 + 1/4
(formerly Mobil Americ	ana)	1	1/2
(formerly Mobil Americ Mobile Home Ind.	ana)	1	+ 1/4
(formerly Mobil Americ Mobile Home Ind. Monarch Inc.	ana) NY OT	1	1/2
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc. • Redman Inc.  Rex Noreco	ana) NY OT NY	1 4 13/8 27/8 13/8	+ 1/4 + 1/8
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc. • Redman Inc.  Rex Noreco	ana) NY OT NY	1 4 13/8 27/8 13/8 201/2	+ ½ + ½ + ½ + ½ + ½ + ½ + ½ + ½ + ½
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc. • Redman Inc.  Rex Noreco	ana) NY OT NY	1 4 13/8 27/8 13/8	+ 1/4 + 1/8
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc. Redman Inc. Rex Noreco Skyline Town and Country—d Zimmer Homes—d	ana)NYNYNYNYNYNYNYNYNYNY	1 4 13/8 27/8 13/8 201/2 31/4 31/2	+ ½ + ½ + ½ - ½ - ½ - ½ - ½
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rex Noreco - Skyline - Town and Country—d Zimmer Homes—d - Brigadier Inc.	ana) . NY . OT . NY . NY . NY . AM . AM	1 4 13/8 27/8 13/8 201/2 31/4 31/2 17/8	+ 1/4 + 1/8 - 7/8 + 21/2 - 1/4 - 5/8 + 7/8
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc. Redeman Inc. Rex Noreco Skyline Town and Country—d Zimmer Homes—d Brigadier Inc. Hodgson Houses Liberty Homes	ana) . NY . OT . NY . NY . NY . AM . AM . OT . OT . OT	1 4 13/6 27/6 13/6 201/2 31/4 31/2 17/6 1/2 2	+ 1/8 - 7/8 - 1/4 - 5/8 - 1/4 - 1/4
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc. Rex Noreco - Skyline Town and Country—d Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberty Homes Lindal Cedar Homes	ana) NY OT NY NY AM AM OT OT OT	1 4 13/6 27/6 13/6 201/2 31/4 31/2 17/6 1/2 2 11/6	+ 1/8 - 7/8 - 1/4 - 5/8 - 1/4 - 1/4
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc. Redman Inc. Rex Noreco Skyline Town and Country—d Zimmer Homes—d Brigadier Inc. Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—	ana) NY OT NY NY AM AM OT OT OT OT AM	1 4 13/8 27/8 13/8 201/2 31/4 31/2 17/8 1/2 2 11/8 91/4	+ ½ + ½ - ½ - ½ - ½ - ½ - ½ - ½ + ½ - ¼ - ¼ - ¼ - ¼ - ¼
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc. Rex Noreco - Skyline Town and Country—d Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberty Homes Lindal Cedar Homes	ana) NY OT NY NY AM AM OT OT OT OT AM AM	1 4 13/6 27/6 13/6 201/2 31/4 31/2 17/6 1/2 2 11/6	+ 1/8 - 7/8 - 1/4 - 5/8 - 1/4 - 1/4
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rex Noreco - Skyline - Town and Country—d Zimmer Homes—d - Brigadier Inc Hodgson Houses - Liberty Homes - Lindal Cedar Homes - Nationwide Homes—d - Shelter Resources - Swift Industries	AM AM OT AM AM OT	1 4 13/6 27/6 13/6 201/2 31/4 31/2 11/6 91/4 35/6 1/4	+ ½ + ¼ + ½ - ½ + ½ - ¼ - ½ - ¼ - ¼ + ¼ -
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc. Redman Inc. Rex Noreco Skyline Town and Country—d Zimmer Homes—d Brigadier Inc. Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COME	AM ana) NY OT NY NY AM AM OT OT OT AM AM AM OT OT OT AM AM AM OT OT OT AM	1 4 13/6 27/6 13/6 201/2 31/4 31/2 11/6 11/6 91/4 35/6 1/4	+ ½ + ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ -
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid	AM ana) NY OT NY NY AM AM OT OT AM AM OT AM AM OT AM AM OT NY	1 4 13/6 27/6 13/6 201/2 31/4 31/2 17/6 17/6 11/6 91/4 35/6 1/4	+ ½ + ¼ + ½ - ½ + ½ - ¼ - ½ - ¼ - ¼ + ¼ -
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc. Redman Inc. Rex Noreco Skyline Town and Country—d Zimmer Homes—d Brigadier Inc. Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COM American Cyanamid Amer. Standard Amterre Development	AMM ana) NY NY AMM OT OT AMM NY NY NY NY NY AMM OT OT OT AMM OT OT OT OT OT AMM OT	1 4 13/6 27/6 13/6 201/2 31/4 31/2 11/6 91/4 35/6 1/4 11/4 11/4	+ ½4 + ¼6 - ½6 + ½1½ - ¼6 - ½6 - ¼6 - ¼6 - ¼6 - ¼6 - ¼6 - ¼6 - ¼6 - ¼
Moamco Corp.—d (formerly Mobil America Mobile Home Ind. Monarch Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—A Shelter Resources Swift Industries  DIVERSIFIED COM American Cyanamid Amer. Standard Amter Development Aflen Realty & Develop.	AMM ana) OT NY AMM AMM OT OT AMM AMM OT NY	1 4 13/8 27/6 13/8 201/2 31/4 33/2 17/6 1/2 2 11/6 91/4 35/6 1/4 11/4 23/4	+ ½ + ½ + ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ -
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rex Noreco - Skyline - Town and Country—d Zimmer Homes—d - Brigadier Inc Hodgson Houses - Liberty Homes - Lindal Cedar Homes - Nationwide Homes—d - Shelter Resources - Swift Industries  DIVERSIFIED COMI - American Cyanamid - Amer Standard - Amterre Development - Arlen Really & Develop - AVCO Corp.	AMM ana) NY OT NY AM AM OT OT AM OT OT AM OT OT AM NY	1 4 13/6 27/6 13/6 201/2 31/4 31/2 11/6 91/4 35/6 1/4 ES 283/4 131/4 11/4 23/6 5	+ 1/4 + 1/4 + 1/6 - 7/6 + 21/2 - 1/4 - 5/6 - 1/4 - 1/4 - 1/4 - 3/6 - 3/6
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—A Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amter Development Arlen Really & Develop. AVCO Corp. Bendix Corp. Bethliehem Steel	AMA AM	1 4 13/6 27/6 13/6 20/2 31/4 31/2 17/6 91/4 33/6 1/4 131/4 23/4 5 351/4 40	+ ½ + ½ + ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ -
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rex Noreco - Skylline - Town and Country—d Zimmer Homes—d - Brigadier Inc Hodgson Houses Liberly Homes - Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer Standard - Amterre Development - Arten Realty & Develop AVCO Corp Bendix Corp Bethliehem Steel - Boise Cascade	AMM OT OT AM AM OT NY	1 4 13% 27% 27% 31¼ 31½ 11% 91¼ 35% 41 11¼ 23% 35½ 200 20 20 20 20 20 20 20 20 20 20 20 20	+ ½ + ½ + ½ + ½ - ½ - ¼ - % - ¼ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼
Moamco Corp.—d (formerly Mobil America Mobile Home Ind. Monarch Inc Redman Inc Rew Noreco - Skyline Town and Country—d Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberty Homes Liberty Homes Lidal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer: Standard Amterre Development Arlen Realty & Develop. AVCO Corp. Berthichem Steel Boise Cascade Boise Cascade	AMM AMM OT OT OT NY	1 4 13% 20% 20% 31% 31% 2 1 1% 13% 13% 13% 13% 2 2 1 1% 2 2 1 1% 2 3 5 5 5 5 5 5 5 1 1 1 1 2 2 2 2 1 1 1 1 1	+ ½ + ½ + ½ + ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ -
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rex Noreco - Skyline - Town and Country—d Zimmer Homes—d - Brigadier Inc Hodgson Houses Liberly Homes - Lindal Cedar Homes Nationwide Homes—d Shelter Resources - Swith Industries  DIVERSIFIED COMI - American Cyanamid - Amer Standard - Amterre Development - Arfen Really & Develop - AVCO Corp Bethliehem Steel - Boise Cascade - Building & Land Tech - CNA Financial (Larwin) - Campeau Corp.	AMM	1 4 13% 20% 20% 20% 20% 21% 20% 21% 33% 34% 40 22% 35% 40 11% 43% 51% 40% 20% 11% 43% 51% 40% 20% 11% 43% 51% 51% 51% 51% 51% 51% 51% 51% 51% 51	+ ½ + ½ + ½ + ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ -
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amer. Standard Amterro Development Arlen Realty & Develop. AVCO Corp. Berdisc Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke	AMM	1 4 13% 27% 11% 20% 20% 20% 20% 20% 20% 20% 20% 20% 20	+ ½ + ½ + ½ + ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ -
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rex Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberly Homes - Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amterre Development Arlen Realty & Develop. AVCO Corp. Bendik Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.)	AMM	1 4 13% 27% 13% 20% 20% 20% 23% 15% 20% 23% 15% 25% 215% 25% 25% 25% 25% 25% 25% 25% 25% 25% 2	+ ½ + ½ + ½ + ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ - ½ -
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses - Liberty Homes - Liberty Homes - Liberty Homes - Lindar Cedar Homes - Nationwide Homes—d Shelter Resources - Swift Industries  DIVERSIFIED COMI - American Cyanamid - American Cy	AMM	1 4 13% 27% 13% 20% 20% 20% 23% 15% 20% 23% 15% 25% 215% 25% 25% 25% 25% 25% 25% 25% 25% 25% 2	+ 1/4  + 1/6  - 7/6  + 21/2  - 1/4  - 5/6  + 7/6  - 1/4  - 1/4  - 1/4  - 3/6  + 31/2  + 1  + 1/6  + 1/4  + 1/6  - 1/4  - 3/6  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4  - 1/4
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rex Noreco - Skylline - Town and Country—d Zimmer Homes—d - Brigadier Inc Hodgson Houses Liberty Homes - Liderty Homes - Liderty Homes - Liderty Homes - Nationwide Homes—d Shelter Resources - Switt Industries  DIVERSIFIED COMI - American Cyanamid - Amer Standard - Amterre Development - Arlen Realty & Develop - AVCO Corp Bendik Corp Bethlehem Steel - Boise Cascade - Building & Land Tech CNA Financial (Larwin) - Campeau Corp Castle & Cooke - (Oceanic Prop.) - CSS (Klingbell) - Champion Int. Corp (ILS P) (Ingwood-Champion) - (ILS P) (Ingwood-Champion)	AMM AMM OT OT OT NY	1 4 13% 27% 13% 20% 20% 20% 23% 15% 20% 23% 25% 21% 25% 25% 25% 25% 25% 25% 25% 25% 25% 25	+ 1/4 + 1/4 + 1/4 - 1/4
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—A Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amer Standard Amterre Development Arlen Realty & Develop. AVCO Corp. Bendix Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Kingbeil) Champion Int. Corp. (U.S. Plywood-Champi Critizens Financial—d	AMM AMM OT OT OT AMM AMM OT NY	1 4 13% 27% 13% 20% 20% 20% 23% 15% 20% 23% 15% 25% 215% 25% 25% 25% 25% 25% 25% 25% 25% 25% 2	+ 1/4 + 1/6 - 1/6 + 21/2 - 1/4 - 5/6 - 1/4 - 1/4 - 1/4 - 1/4 - 3/6 - 1/4
Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Rex Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberly Homes - Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer Standard Amter Development Arlen Realtly & Develop. AVCO Corp. Bendix Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Klingbeil) Champion Int. Corp. (U.S. Plywood-Champi Christiana Securities Citizens Financial—d City Investing	AMM AMM OT OT OT AMM AMM OT NY	1 4 13% 20% 20% 31% 31% 2 11% 31% 31% 40 11% 24 43% 17 125	+ 1/4 + 1/6 - 1/6 + 21/2 - 1/4 - 5/6 - 1/4
Moamco Corp.—  formerly Mobil Americ Mobile Home Ind. Monarch Inc.  - Redman Inc.  - Redman Inc.  - Rew Noreco  - Skyline  Town and Country—d  Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—d  Shelter Resources Swift Industries  DIVERSIFIED COMI  American Cyanamid  Amer: Standard  American Cyanamid  Ameri	ama) ana) ana) ana) ana) ana) ana) ana)	1 4 13% 20% 20% 20% 21% 20% 21% 33% 34% 24 40 21% 24 43% 17 125 1 63%	+ 1/4 + 1/4 + 1/4 + 1/4 - 1/4
Moamco Corp.—d (formerly Mobil America Mobile Home Ind. Monarch Inc Redman Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—A Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amer. Standard Amere Development Arlen Realty & Develop. AVCO Corp. Bendix Corp. Bethielhem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castie & Cooke (Oceanic Prop.) CBS (Klingbeil) Champion Int. Corp. Cliszens Financial—d City Investing (Sterling Forest) Corning Glass	ama) ana) ana) ny or ny or ny ny ny am	1 4 13% 27% 13% 201/2 2 11% 91% 33% 12 11% 5 12 13% 4 15% 15% 48% 17 125 1 63% 463%	+ 1/4 + 1/6 - 7/6 + 21/2 - 1/4 - 5/6 + 7/6 - 1/4 + 1/6 - 1/4
Moamco Corp.—  formerly Mobil Americ Mobile Home Ind. Monarch Inc.  - Redman Inc.  - Redman Inc.  - Rew Noreco  - Skyline  Town and Country—d  Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI  American Cyanamid Amer: Standard American Cyanamid Amer: Standard Amterre Development Arlen Realty & Develop. AVCO Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CGBS (Klingbeil) Champion Int. Corp. (U.S. Plywood-Champi Champion Securities Citizens Financial—d City Investing (Sterling Forest) Corning Glass Cousins Properties Dreyfus Corp.	ama) ana) ana) ny or ny or ny ny ny am	1 4 13% 20% 20% 20% 21% 20% 21% 33% 34% 24 40 21% 24 43% 17 125 1 63%	+ 1/4 + 1/4 + 1/4 + 1/4 - 1/4
Moamco Corp.—d (formerly Mobil America Mobile Home Ind. Monarch Inc Redman Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—a Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amer. Standard Amer Development Arlen Realty & Develop. AVCO Corp. Bendix Corp. Bethielhem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Klingbeil) Champion Int. Corp. Cliszens Financial—d City Investing (Sterling Forest) Corning Glass Cousins Properties Dreyfus Corp. (Bert Smokler)	AMM	1 4 13% 27% 13% 201/2 2 11% 31% 12% 21% 23% 13% 12% 25% 13% 45% 24% 25% 215% 48% 17 125 1 63% 46% 3 63% 25% 25% 25% 25% 25% 25% 25% 25% 25% 25	+ 1/4 + 1/6 - 7/6 + 21/2 - 1/4 - 5/6 - 1/4
Moamco Corp.—d (formerly Mobil America Mobile Home Ind. Monarch Inc Redman Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—a Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amer. Standard Amer Development Arlen Realty & Develop. AVCO Corp. Bendix Corp. Bethielhem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Klingbeil) Champion Int. Corp. Cliszens Financial—d City Investing (Sterling Forest) Corning Glass Cousins Properties Dreyfus Corp. (Bert Smokler)	AMM	1 4 13% 20% 20% 20% 21% 20% 21% 20% 21% 21% 21% 21% 21% 21% 21% 21% 21% 48% 17 125 1 63% 463% 25% 463% 25% 25% 25% 25% 25% 25% 25% 25% 25% 25	+ 1/4 + 1/6 - 7/6 + 21/2 - 1/4 - 5/6 - 1/4
Moamco Corp.—d Moamco Corp.—d (formerly Mobil America Mobile Home Ind. Monarch Inc Redman Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—a Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amer. Standard Amere Development Arlen Really & Develop. AVCO Corp. Bendix Corp. Bethielhem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Klingbeil) Champion Int. Corp. Cliszens Financial—d City Investing (Sterling Forest) Corning Glass Cousins Properties Dreyfus Corp. (Bert Smokler) Environmental Systems ERC Corp. (Midwestern Fin.)	ama) ana) NY OT NY	1 4 13% 27% 13% 201/2 2 11% 33% 31/2 2 11% 33% 11/4 23% 25 135 14 46 17 125 1 6 3/4 46 3/4 6 3/4 15 15 16 3/4 16 3/4 15 16 3/4 15 16 3/4 1	+ 1/4 + 1/4 + 1/4 - 1/4
Moamco Corp.—  (formerly Mobil Americ Mobile Home Ind. Monarch Inc.  - Redman Inc.  - Redman Inc.  - Rex Noreco  - Skyline  Town and Country—d  Zimmer Homes—d  Brigadier Inc.  Hodgson Houses  Liberly Homes  Lidal Cedar Homes  Nationwide Homes—d  Shelter Resources  Swit Indal Cedar Homes  Nationwide Homes—d  Shelter Resources  Swit Indal Cedar Homes  Authority Homes  DIVERSIFIED COMI  American Cyanamid  Amer. Standard  Amterre Development  Arlen Realty & Develop.  AVCO Corp.  Bendik Corp.  Bethlehem Steel  Boise Cascade  Building & Land Tech.  CNA Financial (Larwin)  Campeau Corp.  Castle & Cooke  (Oceanic Prop.)  CBS (Klingbeil)  Champion Int. Corp.  (U.S. Plywood-Champio  Chizens Financial—d  City Investing  (Sterling Forest)  Corning Glass  Cousins Properties  Dreyfus Corp.  (Bet Smokler)  Environmental Systems  ERC Corp.  (Midwestern Fin.)  Evans Products	AMA AM OT OT OT AM AM AM NY	1 4 13% 20% 20% 20% 21% 20% 21% 20% 21% 21% 21% 21% 21% 21% 40% 215% 40% 15% 48% 17 125 1 63% 46% 3 63% 15	+ 1/4 + 1/6 - 1/6 + 21/2 - 1/4 - 5/6 - 1/4
Moamco Corp.—  formerly Mobil Americ Mobile Home Ind. Monarch Inc.  - Redman Inc.  - Redman Inc.  - Rew Noreco  - Skyline  Town and Country—d  Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberty Homes Liberty Homes Liberty Homes Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI  American Cyanamid Amer: Standard Amterre Development Arfen Really & Develop. AVCO Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Kingbeil) Champion Int. Corp. (U.S. Plywood-Champic Chirstiana Securities Citizens Financial—d City Investing (Sterling Forest) Corning Glass Cousins Properties Dreyfus Corp. (Michwestern Fin.)  Evans Products Ferro Corp.  (Midwestern Fin.)  Evans Products Ferro Corp.	ama) ana) NY OT NY NY NY NY AM AM OT OT OT AM AM OT OT NY	1 4 13% 20% 20% 20% 21% 20% 21% 24% 20 11% 24 40 20 11% 24 48% 17 125 1 63% 463% 253% 463% 253% 463% 253% 253% 253% 253% 253% 253% 253% 25	+ 1/4 + 1/6 - 1/6 + 21/2 - 1/4 - 5/6 - 1/4
Moamco Corp.—  formerly Mobil Americ Mobile Home Ind. Monarch Inc.  Red Manarch Inc.  Rex Noreco  Skyline  Town and Country—d  Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberly Homes Lindal Cedar Homes Nationwide Homes—d  Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amterre Development Arlen Realty & Develop. AVCO Corp. Bendik Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Klingbeil) Champion Int. Corp. (U.S. Plywood-Champio Chizens Financial—d  City Investing (Sterling Forest) Corning Glass Cousins Properties Dreyfus Corp. (Bet Smokler) Environmental Systems ERC Corp. (Midwestern Fin.) Evans Products Ferro Corp. First Gen. Resources First Rifty. Inv. Corp.	AMA AM OT OT OT AM AM AM NY	1 4 13% 20% 20% 20% 21% 20% 21% 20% 21% 21% 21% 21% 21% 21% 40% 215% 40% 15% 48% 17 125 1 63% 46% 3 63% 15	+ 1/4 + 1/4 + 1/4 - 1/4
Moamco Corp.—  formerly Mobil Americ Mobile Home Ind. Monarch Inc.  - Redman Inc.  - Redman Inc.  - Rew Noreco  - Skyline  Town and Country—d  Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI  American Cyanamid Amer: Standard Amterre Development Arfen Really & Develop. AVCO Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Kingbeil) Champion Int. Corp. (U.S. Plywood-Champic Citizens Financial—d City Investing (Sterling Forest) Corning Glass Cousins Properties Dreyfus Corp. (Bert Smokler) Environmental Systems ERC Corp. (Midwestern Fin.) Evans Products Ferro Corp. Fist Gen. Resources First Gen. Re	ama) ana) NY OT NY	1 4 13% 20% 20% 33% 17% 12% 21% 33% 17% 12% 15% 48% 17 125 1 63% 46% 366% 46% 366% 366% 366% 366% 36	+ 1/4 + 1/6 - 7/6 + 21/2 - 1/4 - 5/6 - 1/4
Moamco Corp.—  formerly Mobil Americ Mobile Home Ind. Monarch Inc.  Red Manarch Inc.  Rex Noreco  Skyline  Town and Country—d  Zimmer Homes—d  Brigadier Inc. Hodgson Houses Liberly Homes  Linda Cedar Homes Nationwide Homes—d  Shelter Resources  Swift Industries  DIVERSIFIED COMI  American Cyanamid  Amer. Standard  Amer Standard  Amterre Development  Arlen Realtly & Develop.  AVCO Corp.  Bendik Corp.  Bethlehem Steel  Boise Cascade  Building & Land Tech.  CNA Financial (Larwin)  Campeau Corp.  Castle & Cooke  (Oceanic Prop.)  CBS (Klingbeil)  Champion Int. Corp.  (U.S. Plywood-Champi  Christiana Securities  Citizens Financial—d  City Investing  (Sterling Forest)  Corning Glass  Cousins Properties  Dreyfus Corp.  (Bert Smokler)  Environmental Systems  ERC Corp.  (Midwestern Fin.)  Evans Products  Ferro Corp.  First Gen. Resources  First Bilt, Inv. Corp.  First Gen. Resources  First Stilt, Inv. Corp.  First Sen. Resources  First Stilt, Inv. Corp.  First Sen. Resources  First Stilt, Inv. Corp.  First Gen. Resources	AMA AM OT OT OT AM AM OT NY	1 4 13% 27% 13% 20% 20% 20% 20% 20% 20% 20% 20% 20% 20	+ 1/4 + 1/6 - 7/6 + 21/2 - 1/4 - 5/6 - 1/4
Moamco Corp.—  formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Liberty Homes Liberty Homes Liberty Homes Stationwide Homes—d Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer: Standard Amterre Development Arlen Realty & Develop. AVCO Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Klingbeil) Champion Int. Corp. (U.S. Plywood-Champic Citizens Financial—d City Investing (Sterling Forest) Corning Glass Cousins Properties Dreyfus Corp. (Bert Smokler) Environmental Systems ERC Corp. (Midwestern Fin.) Evans Products Ferro Corp. First Gen. Resources First Rity. Inv. Corp. Fistsack & Moore Forest City Ent Flagg Industries—d Frank Paxton Corp.	ama) ana) NY OT NY	1 4 13% 20% 20% 33% 17% 12% 21% 33% 17% 12% 15% 48% 17 125 1 63% 46% 366% 46% 366% 366% 366% 366% 36	+ 1/4 + 1/4 - 1/4
Moamco Corp.—d Moamco Corp.—d (formerly Mobil Americ Mobile Home Ind. Monarch Inc Redman Inc Redman Inc Rew Noreco - Skyline - Town and Country—d Zimmer Homes—d  Brigadier Inc Hodgson Houses Liberty Homes Lindal Cedar Homes Nationwide Homes—a Shelter Resources Swift Industries  DIVERSIFIED COMI American Cyanamid Amer. Standard Amer. Standard Amer Development Arlen Realty & Develop. AVCO Corp. Bendix Corp. Bethlehem Steel Boise Cascade Building & Land Tech. CNA Financial (Larwin) Campeau Corp. Castle & Cooke (Oceanic Prop.) CBS (Klingbeil) Champion Int Corp. Chastiana Securities Citizens Financial—d City Investing (Stefling Forest) Corning (Bars Smokler) Environmental Systems ERC Corp. (Midwestern Fin.) Evans Products Ferro Corp. First Gen. Resources First Rity. Inv. Corp. First Gen. Resources First Rank Paxton Corp. (Builders Assistance Ci	ama) ana) NY OT NY	1 4 13% 20% 20% 20% 21% 20% 21% 20% 21% 21% 21% 21% 21% 21% 21% 21% 21% 40 21% 21% 40% 21% 40% 40% 40% 40% 40% 40% 40% 40% 40% 40	+ 1/4 + 1/6 - 7/6 + 21/2 - 1/4 - 5/6 - 1/4

Fruehauf Corp.

		Bid/ Close	Prev. Month
Coorgia Pacific	NV	441/4	+ 47/8
Georgia Pacific	AM.	31/4	478
Great Southwest		-	
Corp.—d	OT	1/8	- 1/4
Gulf Oil (Gulf Reston)	. NY	19 77/8	+ 11/8
Gulfstream Land & Dev. (Bel-Aire Homes)	. MIVI	178	178
INA Corp. (M. J. Brock) .		36	+ 41/4
Inland Steel (Scholz)	NY	44 13/8	+ 41/8
International Basic Econ International Paper		53	+113/8
Inter Tel & Tel	NY	217/8	+ 2
Investors Funding—d	AM	1	
Killearn Properties—d Leroy Corp.	OT.	13/4	- 1/4
Ludlow Corp	NY	93/8	- 3/8
Monogram Industries	NY	81/4	+ 1/2
Monumental Corp. (Jos. Meyerhoff Org.)	01	10	- 11/2
Mountain States Fin.			
Corp.	OT	4	- 1
National Homes National Kinney	NY	3½ 23/8	- 3/4 - 3/8
(Uris Bldg.)	AIVI	278	- 78
NEI Corp. Occidental Petroleum	OT	11/4	- 31/4
Occidental Petroleum	. NY	151/8	+ 11/8
(Occ. Pet. Land & Dev Pacific Coast Prop.—d	AM.	3/8	
Perini Corp.	.AM	51/2	- 1/4
Pacific Coast Prop.—d Perini Corp. Philip Morris	NY	551/4	+ 73/8
(Mission Viejo Co.) Pope & Talbot		15	+ 11/4
Republic Housing Corp.	.AM	2	
Republic Housing Corp. Rouse Co.	OT	31/4	- 5/8
Santa Anita Consol	OT	57/8	- 1/8
Tenneco Inc.	NY	211/4	- 13/8
(Tenneco Healty)			
	NY	493/4	+15
(Temple Industries) Tishman Realty	OT	115/8	- 3/4
Titan Group Inc	OT	13/8	+ 3/8
UGI Corp.	NY	123/4	+ 1/4
Weil-Mcl ain	NY	7¾ 15%	- ½ + 1½
Westinghouse (Coral Ridge Prop.)		1378	1 1/4
Weverhaeuser	NY	401/8	+ 65/8
(Wever, Real Est. Co.)		2	. 14
Whittaker (Vector Corp. Wickes Corp.	. NY	3 111/8	+ 1/8 - 7/8
Armstrong Cork	NY	25¼ 3¼	+ 1/2 - 3/8
Automated Bldg. Comp. Bird & Son	OT	36	+ 1/2 + 51/2
Black & Decker Carrier Corp.	. NY	36 35¾ 12⅓	+ 51/2 + 1/8
Black & Decker Carrier Corp.	. NY	35¾ 12⅓ 11⅓	+ 5½ + 1/8 + 11/4
Black & Decker Carrier Corp. Certain-teed Crane	NY NY NY	35¾ 12⅓ 11⅓ 50	+ 5½ + 1½ + 1¼ + 10¼
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp.	NY NY NY NY NY	35¾ 12⅓ 11⅓	+ 5½ + 1/8 + 11/4
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp.	NY NY NY NY NY	35¾ 12½ 11½ 50 14¾ 44½ 34½	+ 5½ + ½ + ½ + 1¼ + 10¼ + 3¼ + 5% + 4½
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp. Emerson Electric Emhart Corp.	NY NY NY NY NY NY	35¾ 12½ 11½ 50 14¾ 44½ 34½ 19½	+ 5½ + ½ + 1¼ + 10¼ + 3¼ + 5%
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp. Emerson Electric Emhart Corp. Fedders	NY NY NY NY NY NY NY	35¾ 12½ 11½ 50 14¾ 44½ 34½ 19½ 5½	+ 5½ + ½ + 1¼ + 10¼ + 3¼ + 5% + 4⅓ + 5%
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dever Dover Corp. Emerson Electric Emhart Corp. Fedders Flintkote	NY NY NY NY NY NY NY NY	35¾ 12½ 11½ 50 14¾ 44½ 34½ 19½ 5½ 15½ 10½	+ 5½ + ½ + ½ + 1½ + 1½ + 10¼ + 3¼ + 5½ + ¼ + 5½ + ¼ + ½ + ½
Black & Decker Carrier Corp. Certain-leed Crane Dexter Dover Corp. Emerson Electric Emhart Corp. Fedders Fiintkote GAF Corp. General Electric	NY NY NY NY NY NY NY NY NY	3534 121/8 111/8 50 143/4 441/2 347/8 191/2 51/2 151/2 101/2 477/8	+ 5½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dever Corp. Emerson Electric Emhart Corp. Fedders Flintkote GAF Corp. General Electric Goodrich	NY NY NY NY NY NY NY NY NY NY NY	3534 121/8 111/8 50 143/4 441/2 347/8 191/2 51/2 101/2 477/8 20	+ 5½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dever Corp. Emerson Electric Emhart Corp. Fedders Flintkote GAF Corp. General Electric Goodrich	NY NY NY NY NY NY NY NY NY NY NY	3534 121/8 111/8 50 143/4 441/2 347/8 191/2 51/2 101/2 477/8 20 341/4	+ 5½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp. Emerson Electric Emhart Corp. Feedders Flintkote GAF Corp. General Electric Goodrich Hercules Hobart Manufacturing Int. Harvester	NY NY NY NY NY NY NY NY NY NY NY NY NY N	3534 121/8 111/8 50 143/4 441/2 347/8 191/2 51/2 101/2 477/8 20	+ 5½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp. Emerson Electric Emhart Corp. Feedders Flintkote GAF Corp. General Electric Goodrich Hercules Hobart Manufacturing Int. Harvester	NY NY NY NY NY NY NY NY NY NY NY NY NY N	3534 12½ 11½ 50 1434 44½ 34½ 5½ 15½ 15½ 20½ 47% 20 34¼ 20¼ 28½ 23¼	+ 5½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp. Emerson Electric Emhart Corp. Fedders Flintkote GAF Corp. General Electric Goodrich Hercules Hobart Manufacturing Int. Harvester Johns-Manville Kaiser Aluminum	NY NY NY NY NY NY NY NY NY NY NY NY NY N	35¾ 12½ 11½ 50 14¾ 44½ 34½ 19½ 5½ 15½ 10½ 47% 20 34¼ 20¼ 28½ 23¼ 32¾ 32¾ 32¾	+ 5½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½+ ½
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Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp. Emerson Electric Emhart Corp. Fedders Flintkote GAF Corp. General Electric Goodnich Hercules Hobart Manufacturing Int. Harvester Johns-Manville Kaiser Aluminum Keene Corp. Leigh Products Masco Corp. Masonite Corp. Masonite Corp. Maytag National Gypsum	NY N	3534 121/6 111/6 50 143/4 441/2 347/6 191/2 151/2 101/2 477/6 20 341/4 201/4 281/2 231/4 323/6 53/4 73/4 471/4 361/4	+ 5½+ 1/6+ 11/4+ 101/4+ 31/4+ 101/4+ 55%+ 41/8+ 5%+ 1/4+ 11+ 227/8+ 3+ 111+ 27/8+ 1/6+ 1/6+ 55%+ 1/6+ 55%+ 1/6+ 55%+ 55%+ 55%+ 1/6+ 1/6+ 1/6+ 1/6+ 1/6+ 1/6+ 1/6+ 1/6
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp. Emerson Electric Emhart Corp. Fedders Flintkote GAF Corp. General Electric Goodnich Hercules Hobart Manufacturing Int. Harvester Johns-Manwille Kaiser Aluminum Keene Corp. Leigh Products Masco Corp. Masonite Corp. Masonite Corp. Maytag National Gypsum Norris Industries Overhead Door	NY NY NY NY NY NY NY NY NY NY NY NY NY N	3534 121/8 50 143/8 441/2 347/8 191/2 151/2 101/2 477/8 20 341/4 201/4 281/2 231/4 323/8 53/4 471/4 361/4 121/4 171/2 69/8	+ 51/2 + 1/4 + 10/4 + 31/4 + 55/6 + 41/6 + 5/6 + 1/4 + 1 + 2 + 3 + 11 + 27/6 + 3 + 23/4 + 97/6 + 51/2 + 55/2 + 55/
Black & Decker Carrier Corp. Certain-teed Crane Dexter Dover Corp. Emerson Electric Emhart Corp. Fedders Flintkote GAF Corp. General Electric Goodnich Hercules Hobart Manufacturing Int. Harvester Johns-Manwille Kaiser Aluminum Keene Corp. Leigh Products Masco Corp. Masonite Corp. Masonite Corp. Maytag National Gypsum Norris Industries Overhead Door	NY NY NY NY NY NY NY NY NY NY NY NY NY N	3544 12% 50 14% 44½ 34% 19½ 15½ 10½ 47% 20 34¼ 47½ 32% 47¼ 47¼ 32% 47¼ 12% 47¼ 47¼ 47¼ 47¼ 47¼ 47¼ 46% 46% 47¼ 46% 47¼ 47¼ 47¼ 47¼ 47¼ 47¼ 47¼ 47¼ 47¼ 47¼	+ 5½ + 1% + 10¼ + 10¼ + 10¼ + 3¼ + 5% + 5½ + 1 + 1 + 2 + 3 + 11 + 27% + 5½ + 5½ + 5½ + 5½ + 5½ + 5½ + 5½ + 5½
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AM—closing price American Stock Exchange. NY— New York Stock Exchange. OT—over-the-counter bid price. PC—Pacific Exchange. TR— Toronto Stock Exchange. a—stock newly added to table. d—not traded on date quoted. ▶—Computed in HOUSE & HOME's 25-stock value index. Source: Standard & Poor's, New York City.



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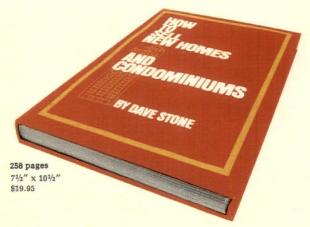
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#### PROFILE OF TODAY'S HOMEBUYER

How decisions are made: the balancing act Obstacles to decision-making 6 things that worry homebuyers 25 common objections and what they mean 19 buying signals and how to read them Buyer options as competitive factors Buyer Profile Guide to closing action Buyer's Household Inventory List Checklist for the buyer's big move

#### PROFILE OF THE SUCCESSFUL SALESMAN

The art of quick qualifying
How to control your effect on others
How to feature the buyer's perceived values
9 elements of siting you should know
14 types of construction knowledge you need
How to schedule the 600-minute salesday
Daily Work Plan for effective selling
Sales Procedure Checklist
Flowline of selling points for presentations
13 ways to enrich your prospect list
15 good thank-you gifts for buyers



## Now, more than ever, you need a good cabinet at a really good price.

### Scheirich has three of them.

Gardencourt Accent, Parkview and Westmont. Each one gives you the Scheirich craftsmanship and reputation at an easy-to-handle price.

And they let you offer a handsome choice. Accent, the pecan-look, vinyl-clad cabinet with coordinating color trim. Or Parkview with seven color selections in backplates that bring out the rich pewter-type hardware. Or Westmont, made of Environ, a revolutionary material that has the texture and beauty of wood, yet is not affected by moisture.

All are easy to clean with just the wipe of a damp cloth, inside and out. So these cabinets are hardy enough for the busy-family kitchen. And priced reasonably enough, too.

It figures: competitive Gardencourt is ideal for the remodeler with a modest budget. Contact Joe Scheirich, H. J. Scheirich Co., Box 21037, Louisville, Kentucky 40221. Phone 502/363-3583.

SCHERRICHEN AND RATH

## The gas range that washes dishes by Modern Maid.

THE MODERN REPLACEMENT FOR YOUR OLD GAS RANGE.

Big 21" Perma Clean\* Continuous Cleaning\* gas oven. Attractive dark glass door.

Random loading dishwasher with two rollout baskets. Soft-food disposer eliminates pre-rinsing.

Door panel comes in six colors.

Compact 30" width.

Available as a built-in unit or slide-in as shown.



It's the Cook'N-Clean Center®
-a full size gas
oven, cooktop,
vent hood and
dishwasher.

Oven and cooktop controls at safe eye-level.

Built-in Vent-Pak exhaust system for all cooking areas.

Lift-up top, concealed tubing, removable burners make cleaning easy.

Six push buttons featuring Hygienic cycles and Rinse-n-Hold for later washing.



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Townhouse condominiums in Levitt's 78-unit project in Hanover, N.H. One- to three-bedroom units are now selling from \$32,990 to \$50,990.

#### Big builder thinks small-and it works

Amid its woes (see p. 16), Levitt and Sons is trying something new—a little (78-unit) project in a little town (Hanover, N.H., pop. 6,147) far away from all the suburbs of Metropolis where the giant homebuilder is accustomed to operating.

The change seems to be working, making due allowance for the depressed housing market. Levitt reports it has closed 42 sales in the condominium project since opening it last July. It says seven more are on firm hinders.

Tract country. Other developers are busy in the area, but they are building on large tracts outside the towns. Why not Levitt?

The answer is a native New England builder, Howard Watts. He proposed the Hanover project to Levitt and then joined the company to construct and manage the units.

"Population grew rapidly in New England over the past decade," he observes. "And the indicators show even stronger growth in the future."

Levitt says the population of the four-county region around Hanover grew 9% in the 1960s,



Well-wooded site adds appeal for country-seeking city people; so do plenty of appliances and amenities.

and projections indicate a 38% gain on top of that by 1980.

Buyer prospects. Watts sees two trends behind the growth:

- More frequently than ever before, professional people and retirees are abandoning cities and suburbs.
- And more service businesses are following the migration into the countryside to provide amenities the former city folk don't want to give up.

Watts believes many newcomers will settle in established towns rather than in new communities or on farms.

Hence the Hanover project.

A country place. Hanover is well out of commuter range from any large city—more than half the distance from New York City to Canada, for instance. But Routes 89 and 91 render it accessible from Boston, Montreal, Hartford and New York.

The town also has atmosphere. It was founded in 1761 and still boasts colonial frame homes. It surrounds venerable Dartmouth College, whose campus is down the street from the Levitt project.

"The question is," says Watts, "can we accommodate the needs of the new immigrants without disturbing the balance and tranquility that made the area so attractive? I think we can, with intelligent planning."

**Design.** Brook Hollow, as the project is called, is a cluster of contemporary saltbox townhouses with rough-sawn exteriors. Zoning permits 106 units on the 5.08-acre site, but the company stopped at 78.

The limited size of the project also permits one other important benefit: low overhead. The staff consists entirely of Watts, a salesman and a part-time secretary.





## Apartment vacancy rates: Unhappy days are here again

Apartment owners apparently can't win. Just when they were beginning to enjoy the effects of the building slump, the effects of the recession caught up with them.

NEWS/APARTIMET

It was just a year ago that tenant groups were trying to convince lawmakers that a national apartment shortage was on the way, and only national rent controls could save them from the rent gouging that was sure to come.

The indications were obvious. Apartment builders had stopped building, condo converters were whittling down the existing apartment supply, and by mid-1974, with few exceptions, vacancies were on the decline in even the most overbuilt markets.

But for many of those markets, the happy days didn't last long. By fall of '74 the effects of unemployment and general belt-tightening had vacancies on the rise again.

Why are vacancies increasing even though the supply of available apartments isn't? Because tenants are doubling up, going back home to live with the folks or leaving town in search of jobs.

The buddy system. A Dallas apartment owner watched 19 apartments go vacant in one of his buildings two months ago, then discovered that 12 of the vacating tenants were still living in the same building but in other tenants' apartments.

In Denver, Phoenix and similar growth towns, the same construction slump that seemed to portend an apartment shortage is actually contributing to a tenant shortage. The reason: unemployment among construction workers, a big portion of whom are apartment renters, has soared to 50%.

One-bedroom and efficiency apartments generally are full, while two- and three-bedroom units go begging because tenants are trading down to save money. But in some cities the three-bedroom units are full and two-bedroom vacancies are shrinking because people who would usually buy houses or apartments are camping out in the larger apartments waiting for better times.

All kinds of concessions are being offered, ranging from more than a month's free rent in Orlando to a free dining-room set, given in stages, in Wichita—one chair to those who merely tour the models, the remaining three chairs and table to those who actually rent. Wichita, home of once-thriving apartment giant Jack DeBoer, was one of the few cities where new apartment building continued in strength throughout 1974 and where serious vacancy problems are just beginning to develop.

More typically, apartment owners in other cities entered 1974 with already high vacancies and watched them first get better and then grow worse as the year progressed. Examples:

Bombing in the boondocks. Chicago vacancies had fallen to 4% last October, but rose again in the next six months to 9%.

"Our in-city apartments haven't softened," says Chicago-based apartment consultant Ed Kelley, "but the outering complexes, especially the ones out in the cornfields, are in trouble. That's where the bluecollar worker tends to live, and he's the one most affected by the economy."

San Francisco Bay area vacancies had dropped to 3% by October '74, but are back up to 6% now.

"Price is becoming more critical," says Chris Christenson, executive vice-president for the San Jose-based Tri-County Apartment Assn. "Units below the \$175 rent level are filled, units above the \$250 level are having problems."

Seasonal slide. Phoenix vacancies improved toward the end of 1974, then leveled off as unemployment, led by Motorola layoffs of 11,000 workers, climbed to over 10%.

"Our annual influx of winter residents helped lower vacancies temporarily," says Bob Demson, president of Demson & Associates property management, "but after Easter, vacancies jumped up to 13%."

Minneapolis/St. Paul vacancies declined until last November, then started rising again as layoffs increased. Overall, vacancies in the Twin Cities still average less than 10%. But in neighborhoods where major industries are based, e.g., East St. Paul, home of the 3-M Company, vacancy rates are well above 10%.

Tourists but not residents. Some apartment markets never did enjoy any substantial improvement in vacancy levels in 1974, despite the halt of new construction.

Orlando apartments were and are 25% vacant, the result of heavy overbuilding, a slowdown in population growth, and the current conversion of scores of unsold condominiums to rental apartments. Traffic to Disney World, almost back to normal after the gasoline-shortage panic of a year ago, has improved Orlando's tourist trade, but incoming permanent residents are still scarce.

San Antonio, a chronically soft apartment market with a

military-based economy, grew gradually worse last year as vacancies rose from 10% to 15%. Says one local property manager, "More people are moving out of town than are moving in."

Atlanta apartments continue to suffer, but at least the suffering is now concentrated in the south section of town, where a glut of badly-designed, swingertype buildings still averages 20% in vacancies. Apartments in the more prestigious northeast and northwest quadrants have improved to below-10% levels.

Even in strong apartment markets, where vacancies have remained low, the effects of the recession show up in rising delinquent-rent losses and increased turnover. Says Los Angeles syndicator/manager Norman Jacobson: "We have a phenomenal 2% vacancy rate in Los Angeles and Orange counties. But in the blue-collar neighborhoods, because of the rent we're losing from increasing delinquencies, our effective vacancy factor runs as high as 6%." What's more, turnover expenses are increasing as tenants move out and double up with friends and parents.

Market softening hasn't deterred some apartment owners from putting through much-needed rent increases. In Minneapolis, for example, owners have raised rents from \$5 to \$15 in the past several months.

"The raises did cause some moveouts, but were made out of economic necessity," says Myrna Luse, sales manager for Apartment Services Inc.

Still buying. And, with the possible exception of Detroit, where vacancies rocketed to 25% as almost 500,000 workers were laid off last year, market softening hasn't deterred apartment investors looking for projects to buy. Their reasoning: As soon as the economy picks up, buildings in all but the worst markets should fill up fast because, in the last 18 months, inventory has increased hardly at all.

"In fact," says Norm Jacobson, "in my market people are willing to buy buildings with less than normal returns. They feel they can make it up within six months with rent increases." —H. CLARKE WELLS

#### Renters sue for an even tax break

A group of Minneapolis renters is suing to upset Minnesota laws that give home owners substantial property tax breaks over renters.

Attorney Richard T. Curtin, who filed suit on behalf of the Minneapolis Home Renters Assn. and others, said these two provisions of the property law unduly favor owners:

- A 40-year old homestead tax exemption that applies lower tax rates to owner-occupied homes than to rental units.
- A property-tax-relief formula, enacted in 1967 and broadened in recent years. The formula provides state subsidies of up to \$325 a year for most Minnesota home owners.

Landlords' ploy. The suit is being financed by 30 members of the Minnesota Apartment Assn., an organization of 550 landlords owning 75% of the rental units in the state. Curtin said that if the rental property taxes were halved to match those paid by homeowners, rents could be lowered 14%.

Lower rents? The suit does not seek to force the landlords to lower the rents, but Curtin feels they would do so if the suit were won—for two reasons:

- A vacancy rate in Minneapolis estimated at 6% to 10%.
- A movement afoot in the city council and state legislature to implement rent control unless something is done.

## WE PROVED TO THE WORLD THAT NO NYLON HIDES SOIL BETTER THAN ENKALURE II.

### Now Rhodes Dept. Store is proving it every day.

They say everything is big in Texas. That goes for crowds in department stores, too. So Rhodes in El Paso selected "Chardonay," from Walter Carpets by Ludlow. They chose five clear shades to carpet almost every department in their Cielo Vista store. Chardonay's made with Enkalure® II, the soil-hiding nylon, so traffic can be heavy, upkeep light, and still the carpet stays clear and clean looking.

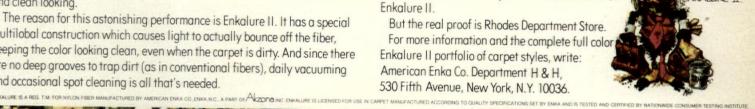
multilobal construction which causes light to actually bounce off the fiber, keeping the color looking clean, even when the carpet is dirty. And since there are no deep grooves to trap dirt (as in conventional fibers), daily vacuuming and occasional spot cleaning is all that's needed.

American Enka guarantees durability: Enkalure II nylon carpet will wear no more than an average of 10% for 5 years when certified and properly installed and maintained, or we'll replace it.

NO NYLON HIDES ME BETTER THAN

ENKALURE IT

A grueling test by Nationwide Consumer Testing Institute proves that no nylon hides soil better than





### Creating "The Ultimate Threshold" For the Peachtree Door Entry System Was Not A Simple Task

Adjusting It Is.

### The Ultimate Threshold is now adjustable.

It can be raised or lowered—slanted end to end—or made to bow up or down in the center. Adjustments are made with a standard screwdriver on easily accessible screws positioned in the oak threshold... a vast improvement over the trial-and-error methods of other systems.

When delivered the threshold is adjusted to its lowest point allowing a "planned" clearance between it and the bottom sweep... when your inside work is completed simply adjust the oak component to mate with the bottom sweep panel for a perfect fit.

### We made a sweeping change in our panel sweep.

We re-designed the bottom panel seal and added a rigid PVC core within the foam itself. And the seal now extends completely **over** the threshold sealing it inside and out.

The total assembly is attached in such a way that it simply cannot pull away or delaminate...we feel it's the ultimate sealing system.

#### Our exclusive weatherstrip was near perfect. We improved it.

Our **Endurseal** weatherstrip, consisting of a soft foam inner core enveloped in a tough wrap, proved itself in over 100,000 door slammings without wear or fatigue—its qualities were totally maintained in temperatures of 160°F to 40° below zero. And it permits less air seepage than any system on the market.

Now, we've improved the profile of our stripping and added color to the foam.

The result: a perfectly snug-fitting weatherstrip that's totally opaque. It took a few changes. But with the changes, we actually improved the ultimate door.

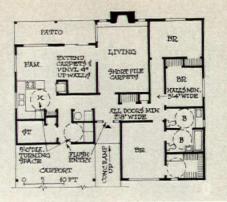


BOX 700 NORCROSS GEORGIA 30071



NEWS/DESIGN





### This is a home for the handicapped. Can you spot the differences?

Don't be surprised if you can't. The differences are minor. And, as a matter of fact, many of them make sense for the non-handicapped as well.

Which is what Walter Schmid set out to prove when he challenged Canada's Housing & Urban Development Assn. (HUDAC) to design a home for the handicapped.

Schmid, a partner in Schmid Brothers Construction, Vancouver, B.C., was also chairman of the British Columbia Division of the Canadian Paraplegic Assn. at the time he issued his challenge. From experience he knew it was possible for housing to be convenient for a person in a wheelchair without being costly or institutional-looking.

HUDAC accepted Schmid's challenge and formed a committee to work with the Canadian Paraplegic Assn. to set up design criteria. The result is the 1,500-sq.-ft., threebedroom, two-bath home shown above. Costs came to about \$23 a sq. ft.—little more than the \$21 a sq. ft. typical for similar homes in the area. Much of the added expense is attributable to such desirable features as the larger bathrooms, hallways and closets, and custom-manufactured kitchen cabinets with a special finish that resists chipping and scratching—important for wheelchair users.



(1) Windows were lowered to be easily reachable from a wheelchair. (2) A gas-fired log lighter was installed for ease in starting fires. The 16" hearth height allows good access to the fire. (3) The oven door is 31" from the floor when opened to allow a wheelchair to maneuver underneath. A standard, 36" dishwasher with a heat-resistant top does double duty as a place to put items removed from oven. (4) Remaining countertop was lowered to 34" with a 4" lip to be used as a handgrip to push or pull wheelchair. Lip also contains light switches and wall plugs. (5) Plexiglas shelves make it easy to see items stored in cabinets. (6) Light switches were lowered 6", wall plugs raised 5". Note how carpeted area runs up wall to protect against wheelchair. (7) All interior doors are sliding and have 32" openings. (8) Wheelchair lavatory with solenoidoperated lever faucets offers six different preset water Bathrooms temperatures. permit 5' turning radius and were built with enough backing so grab bars and lifting aids can be installed. (9) Closet dressing room has rods at two heights. Vanity is set high enough so wheelchair can fit underneath.

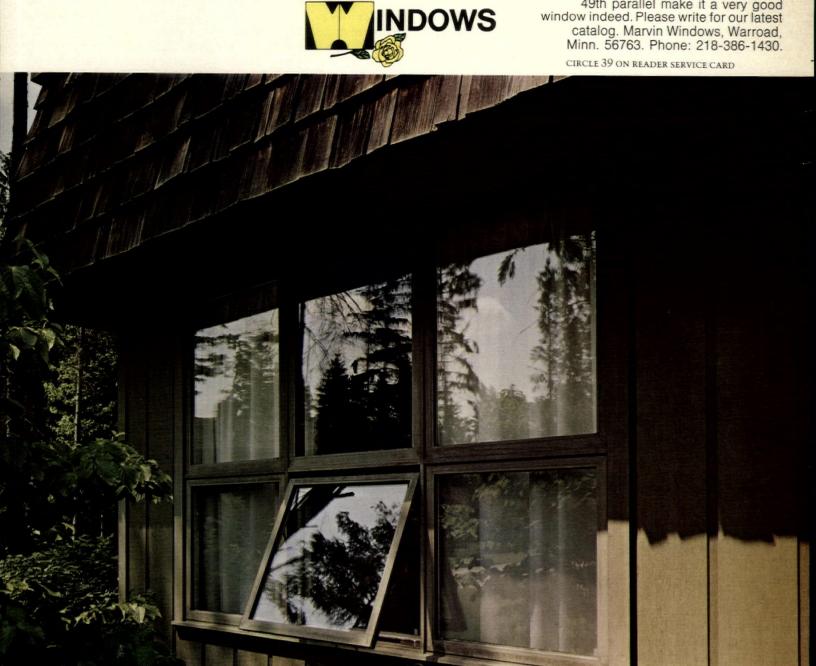
Other features: low-maintenance exterior of vinyl siding, aluminum soffits and stone facing. A wide carport and covered entries provide sheltered access.

Except for hockey nights, Warroad, Minnesota, is a quiet town of 1036 people, 32 miles from the tip of the Northwest Angle. When Marvin started making fine wood windows here 30 years ago, we made them

# Find Warroad on the map and see why beautiful windows that keep out the 40-below cold even better. For 30 winters we've been finding out how to weather-strip; how to double and triple glaze;

to combat 40-below temperatures and complement the natural beauty of the

strip; how to double and triple glaze; and how to design windows that stay strong, straight, and tight. The things we do to make a good window for the 49th parallel make it a very good window indeed. Please write for our latest catalog. Marvin Windows, Warroad,



ARVIN



#### "If a rent increase is what you need (and it probably is) don't delay, don't compromise and don't back down"

Which of the following do you think is most responsible for the low return on multifamily rental housing?

- Cost of money
- Cost of construction
- Operating expenses
- Taxes
- Rent levels

If you checked "rent levels" go to the head of the class.

Other industries live with the first four problems. But they maintain their profit levels by raising their prices. Real estate lags behind because owners and managers are afraid to raise rents.

Don't take my word for it. The Bureau of Labor Statistics has proof. From the start of 1967 to the end of 1974 average hourly earnings rose 63.3%, consumer prices went up 55.5%, taxes increased 51.2%, but rents went up only 30%. That means that if you rented a \$180 apartment in 1967, it increased to only \$234 in 1974. But if that rent had kept pace with prices, it should have risen to \$280.

So if your return is only 2% to 3% of total rent dollars (or if it's a negative return) instead of the 9% to 12% you expected, now you know the reason.

You also know the answer, unless you happen to be in a rent-controlled area or a soft rental market (see p. 34):

Raise rents and do it now.

More than likely, this will upset your resident manager. He doesn't like to raise rents because he's afraid of tenant moveouts. He thinks you judge his performance according to occupancy rates. He doesn't know, and maybe you don't either, that he should be judged according to bank deposits.

Okay, so you raise rents. Occupancy does fall somewhat, but only temporarily. Even with the lower occupancy your monthly collection probably increases.

Experience shows that an 8% rent increase generally produces move-out notices from 20% of the tenants. But many of those notices are withdrawn and a number of apartments are re-leased prior to the move-out date. The net result is an increase in your vacancy rate of only 6%, an immediate rise in your monthly collections, and the potential of further increases as you rent the newly vacated units. Here's an example:

We recently advised an owner to give the tenants in his 490-unit garden apartment complex a 7% rent increase, from an average rent of \$250 per month to \$267. The place

was 100% occupied. When tenants got the news, 20% said they'd move. But many later changed their minds and on the day the increase went into effect, 30 units were vacant.

Look what happened. Before rents were increased, 490 units averaging \$250 per month produced a rent roll of \$122,500. After the increase, 460 units at an average rent of \$267 were yielding \$122,820. And within a few months the 30 vacant units were rented, occupancy was back to 100%, and monthly collections were almost \$131,000—an increase of some \$9,000 a month.

But if your resident manager doesn't understand these economics, he's going to resist a rent increase and he'll do it by suggesting a number of compromises:

Compromise No. 1. Raise rents only on units that become vacant. At 40% turnover a year, the rent increase will be accomplished in 2½ years.

Don't fall for that. If you raise rents on the vacant units and those units are quickly rented, that shows your rents are a good value. So why shouldn't the existing tenants pay those rents? Even if they move out, experience has shown you that their empty apartments would be rented in short order.

Furthermore, the idea that turnover is a painless way to effect a rent increase is wrong. Instead of the whole building turning over in 2½ years, it's more likely that 60% to 70% of the turnover will occur in only 30% to 40% of the units. So 60% to 70% of the tenants will stick around at the old bargain rates. You'll never completely raise all the rents this way, and you'll be giving cut-rate apartments to existing tenants for no reason.

Besides, if it takes 2½ years for tenant turnover to bring your rents in line, at the end of that time you'll still be 2½ years behind.

Compromise No. 2. Raise rents just a little, not enough to scare the tenants, and not enough to put the building in the black, but just enough to cut losses.

Don't kid yourself. The problem of raising rents 2% or 3% is just as great as raising them 7% or 8%. The paperwork and the tenant resistance are still there. But with the smaller increase, you'll have less to show for it when it's all over.

Compromise No. 3. Divide the rent increase in half: part now, and part six months later.

This is a poor tactic. One big raise is easier

to get across than two smaller raises. The nuisance of two raises in one year will irritate tenants and cause even greater turnover. Besides, delaying half of a raise doesn't give you what you need most, and that's adequate relief now.

Once you've decided to raise rents, the next two questions are "How much?" and "When?"

How much depends on 1) what you need to earn the return you want, 2) anticipated increases in costs and 3) the desirability of your apartments.

Don't think that every apartment has to be raised the same amount in dollars or percentages. If your one-bedroom units are 100% occupied while your two-bedroom units are slow movers, raise the one-bedroom units more than the two-bedrooms.

Walk your building and personally evaluate each apartment, disregarding what the tenant has done to make it attractive.

Set your highest rent for the best apartment of each plan type. Then price other units of the same type on a descending scale as their desirability diminishes.

Make allowances for view, exposure and proximity of undesirable features like boiler rooms and delivery yards.

Don't use the floor level as a major criterion. If you do, you'll quickly rent out the lower and top floors and make it almost impossible to rent the floors between midpoint and top.

What's the best time to raise rents? Early spring is probably best. January 1 is also good because the press is usually full of news about spiraling costs and that helps support the demand for more rent. January 1 is also good because the holidays and bad weather dissuade many tenants from moving.

There are two things you should do when you raise rents:

First, explain to your tenants why a rent increase is necessary. They won't welcome the increase, but they'll be more understanding if you show them in percentage terms how your costs are going up. Point out that every apartment complex has the same problems; that will help make your tenants less likely to shop around.

And second, let your competitors know you're raising rents. They probably want to raise rents, too, but none of them wants to be first. If they see you taking the first step, that'll give them the courage to do likewise. And when everyone raises rents at the same time, chances for move-outs are reduced.



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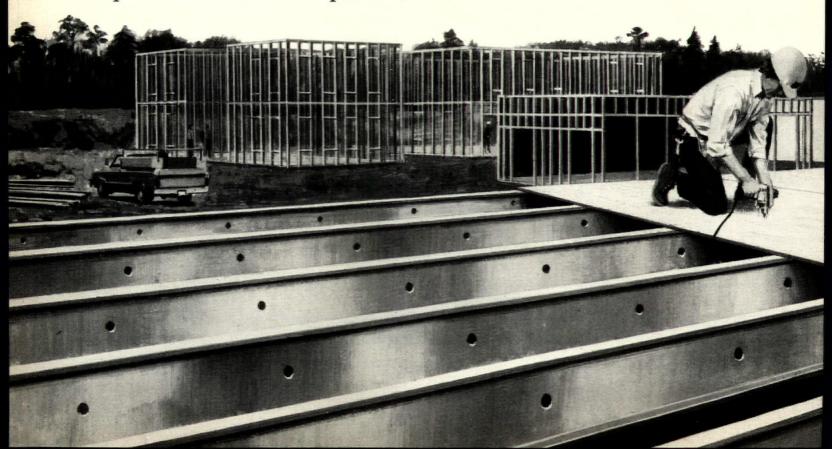
# Super-C Steel You better Why a secause they're stronger and lighter than wood joists—and they're dimensionally stable. Super-C Steel Joists, developed by U.S. Steel.

Super-C Steel Joists, developed by U.S. Steel,

are a pre-engineered product, roll formed from hot dipped galvanized steel (40,000 psi minimum yield point). They don't shrink. Can't warp, swell, or split. They're termite and rot-proof. They don't cause floors to squeak. You should expect no callbacks from a floor system using Super-C Steel Joists.

And because they weigh up to 33% less per linear foot than comparable wood members, they install quickly and easily. And Super-C's greater strength permits wider spacing, reducing the number of members to be handled as much as 60%. Here's how Super-C Steel Joists stack up against wood in some other areas:

How do costs compare? Wood costs less per member today. But Super-C Steel Joists are pre-cut, so there's no waste in the field.



# Joists give floors faster.

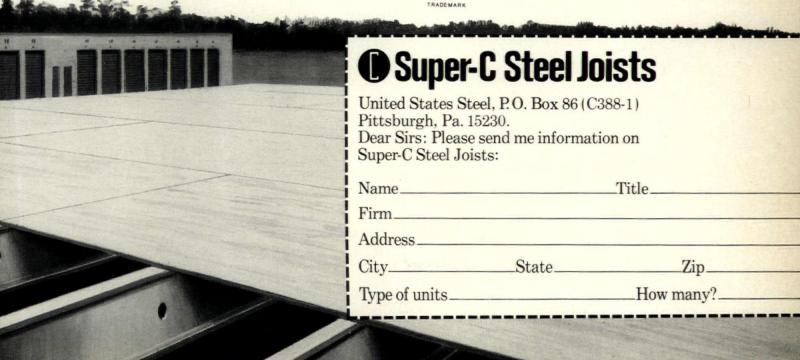
They come pre-punched for wiring and plumbing. Add in the fast installation we talked about, and final installed costs can well be lower with Super-C Steel Joists.

Which is more compatible with conventional building materials? It's about a stand-off. Plywood decking attaches easily to Super-C Steel Joists with self-drilling screws or screw shank power nails and adhesives. For concrete floors, attach steel decking with self-drilling screws.

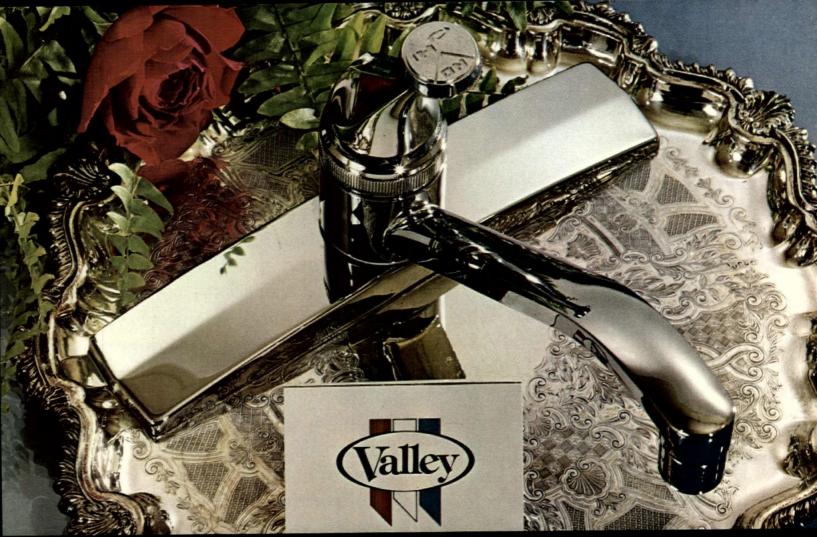
How about cantilevers? Super-C Steel Joists can be cantilevered as easily as wood. You can build second-floor overhangs and balconies up to 7' in depth.

How do I get more information? Details and specifications for Super-C Steel Joists can be found in the 1975 Sweet's Architectural File (5.3/Uni). Or mail this coupon. We'll send you a booklet on Super-C Steel Joists—with typical load tables, sample framing plans and structural design information. Plus, the name of an independent steel fabricator serving your area. He's ready to work with you *now*.





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Valley's deck model and Starburst series available in 32 models.

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Features like these make Valley the fastest-growing, single control faucet in America. A recent survey by a leading industry publication confirms: Valley is one of the top three brands!

Next job, specify Valley. You will have a beautiful faucet, plus a beautiful guarantee.

#### **VALLEY FAUCET**

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A House&Home Seminar

# MANGING APARTMENTS FOR PROFIT

ATLANTA, JULY 14-15
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### A House&Home Seminar: Two days of advanced study

# MANAGING APART

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.



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#### An omission

H&H: In the Thermovision article [April, p. 42] you did not list Asplundh Aviation, Inc. as one of the companies offering thermographic inspection. Asplundh originated mobile thermal inspection for utilities in the U.S. in 1967. Today, Asplundh infrared inspection provides building owners and operators with a low-cost method for detecting thermal loss and indicating areas that require insulation. For more data, please write: Nick Hersch, Asplundh Aviation Inc., Blair Mill Rd., Willow Grove, Pa. 19090.

WILLIAM E. FRAZIER Schaiffer Scudder & Smith Philadelphia, Pa.

#### **Eve-witness comment**

H&H: Let me congratulate you on a very fine job of work in "The Decline of Levitt and Sons" [April, p. 64].

If the opportunity should arise, please note to any questioners that I had nothing to do with the "decline and fall." I had been designated president by Bill, but to paraphrase Adlai Stevenson, a funny thing happened on the way to the installation. I, thank the lord, had absolutely nothing to do with establishing or implementing policy or any other actions. I merely sat in frustration during that summer of '74 and watched the slide...

IOHN W. GUINEE IR. Reston International Center Reston, Va.

H&H: As a former Levitt senior vice president, living through much of the period described in your article [April], let me congratulate you on an extremely accurate picture. Hopefully other companies, similarly structured and heading down the same road, will heed.

IRWIN M. ADLER Executive Vice President Carol Housing Corp. Miami, Fla.

#### Evesore or prizewinner?

H&H: Although I am not a resident of Newport Beach. I live in the area and drive by Promontory Point [Feb., p. 54] about once a week.

From a developer/architect standpoint this project may be a fantastic achievement, but I do not know of any area resident who considers it anything but an evesore.

I think you would better serve the building industry by realistic reporting rather than by praising a project that has not gotten local support.

DANIEL A. NABOR Santa Ana, Calif.

To each his own opinion. We considered Promontory Point an excellent project as did the judges who gave it a First Honor Award in the 1975 Homes for Better Living Program [see p. 77]-ED.

#### NAHB vs HUD revisited

H&H: Your NAHB convention article [NEWS, March] refers to a resolution from the mortgage committee asking for the resignation of James Lynn as Secretary of HUD. As committee chairman, I make the point that the real thrust of the resolution was that NAHB should vigorously oppose Mr. Lynn's nomination as director of the Office of Management and Budget.

The failure of NAHB to oppose Mr. Lynn, whose policies have greatly harmed the housing industry, foreclosed the possibility of credibly opposing the nomination of Carla Hills as Secretary of HUD.

> ROBERT B. HOFF Florence, Ky.

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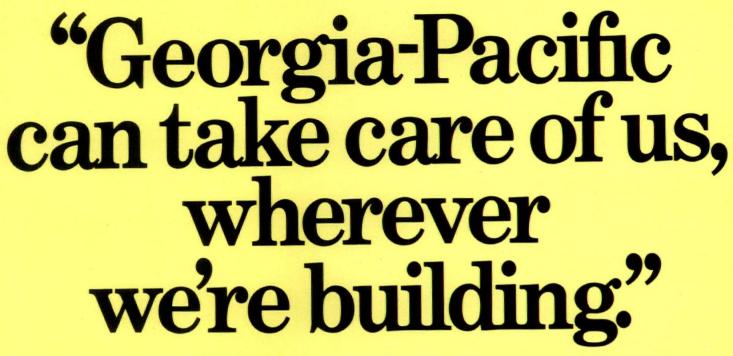
Come on. Have a vanity fair with the fairest of vanities. Look in the Yellow Pages for your nearest distributor, or write Kitchen Kompact, Inc., KK Plaza, Jeffersonville, Indiana 47130.



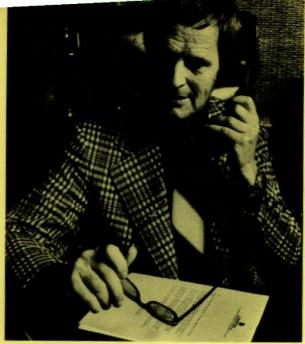












Wally Borger, Manager, Plants and Purchasing. The Ryland Group, Inc.

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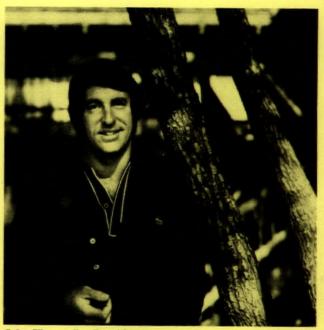
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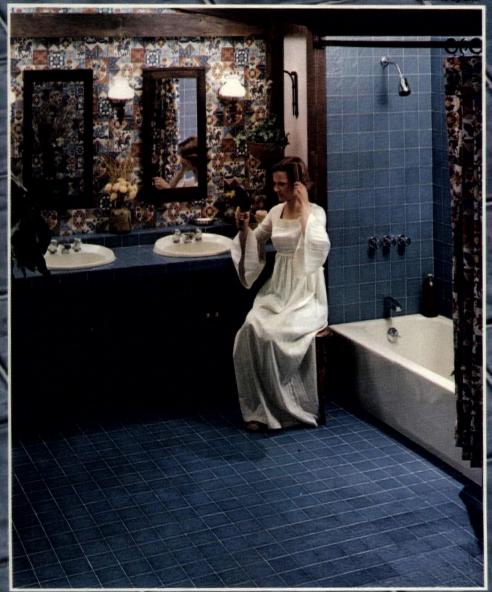
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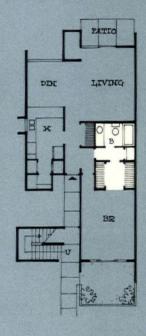


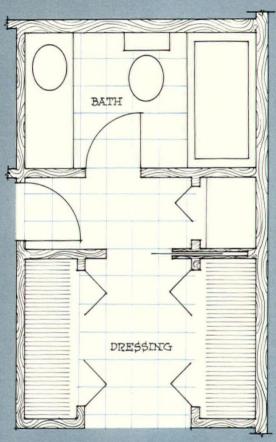
# How to get the most bath from the least space

#### Let's start with the one-bath plan; it needn't feel cramped or uninteresting

The key here is substituting a walk-through closet for the usual walk-in. This scheme ties the bath to the bedroom and in so doing creates a spacious master-bath layout. When the sliding door between the dressing area and the foyer is closed, the bedroom-bath area is completely private. When it is open, and the sliding door to the closet is closed, the bath can be used by guests without breaking into the privacy of the bedroom.

This plan is of a one-bedroom condo apartment at Cypress Woods in Orlando, Fla. It was developed by Cypress Woods Development Co. Prices for flats and townhouses range from \$31,500 to \$49,599. The architect is Lewis Associates Inc.

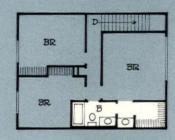


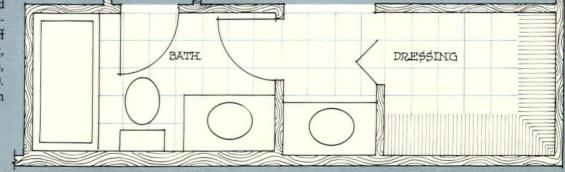


#### Here, one bath serves three bedrooms—but there's almost a master bath

An extra vanity is the spacestretching element. Used as a connecting link between the master-bedroom closet and the single full bath, the vanity area alters a barely livable bath situation into a marketing asset that provides some of the luxury of a master bath.

The plan shows the second floor of a two-story-and-basement townhouse at Tyler Bluff in Elgin, Ill. Prices at the project, developed by L & G Associates, range from \$43,500 to \$48,200. The architect is The Interplan Practice Ltd.





It's not just a question of making minimumsized baths and using one to a house. The cost squeeze may make that necessary for low-end housing. But it won't do for the discretionary buyer. Cost squeeze or not, he wants more than the bare minimum in terms of comfort, convenience and glamor.

But he's going to be very choosy about where he spends his inflation-riddled housing dollar. He wants value, which means that those huge, sexy baths of the past few years are going to be pretty well out for all but the most expensive housing.

The answer to this lies in planning.

First of all, baths can be laid out with fewer fixtures and less space so that, for example, one-and-a-half baths can serve almost as efficiently as two baths. It's called compartmentalization, and it has been around for years; but there are new and better ways to do it.

Second, baths can be laid out so that the

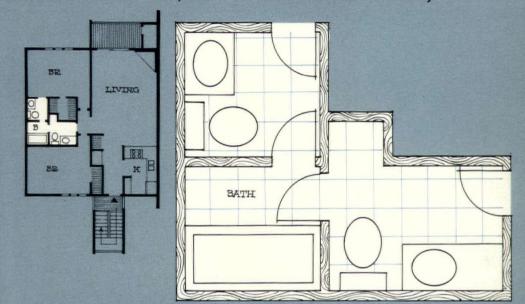
most expensive part—the walls and floors in the tub, shower and water-closet area—is kept to a minimum, and less-expensive ancillary space is used to provide the glamor.

Just how this kind of efficient planning can be applied to the most common housing situations is the subject of this and the following four pages. And if there's any idea that the smaller, more efficient bath can't be attractive, the last two pages of this article should dispel it.

#### With good compartmentalization like this, one-and-a-half baths is really two

The pivotal element is the bathtub compartment, which is in between what are for all practical purposes two small powder rooms. The effective result is both a master bath and a second bath, with the latter also usable as a guest powder room that doesn't impinge on master-bedroom privacy.

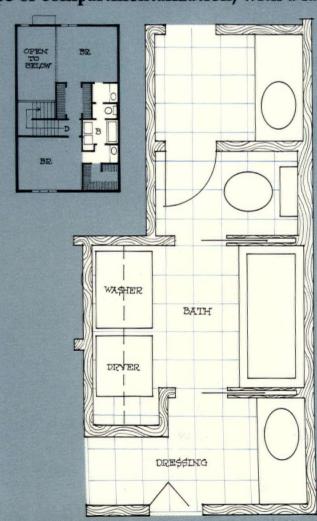
This plan is in a two-bedroom unit at Raintree Apartments in Columbia, S.C., where rents for flats and townhouses range from \$175 to \$235. The developer is Raintree Investments; the architect is Columbia Architectural Group.



#### And here's a different type of compartmentalization, with a laundry thrown in

This plan is less costly than the preceding one—there is only one toilet—but all four bath areas can be closed off from each other, so there is more privacy than, for example, in the plan at the bottom of the facing page. And the laundry is so located that it can share much of the plumbing of the bath area.

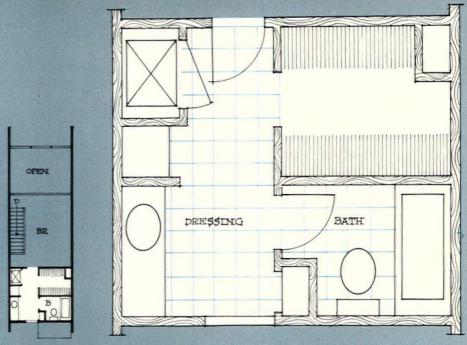
This plan is in a three-story townhouse at Covington Creek in Fort Wayne, Ind., where prices range from \$42,700 to \$72,395. Realamerica Homes Inc. is the developer and Ralph Kelman & Associates the architect.



#### A small master bath doesn't mean you can't offer a spacious complex like this ...

The most expensive portion—the bathtub/water-closet compartment—takes up very little square footage. It's the adjacent area—a dressing room with lavatory and a big walk-in closet—that creates a master-bath suite with excellent privacy for two people. Two good added touches: a linen closet next to the bath; the built-in dresser.

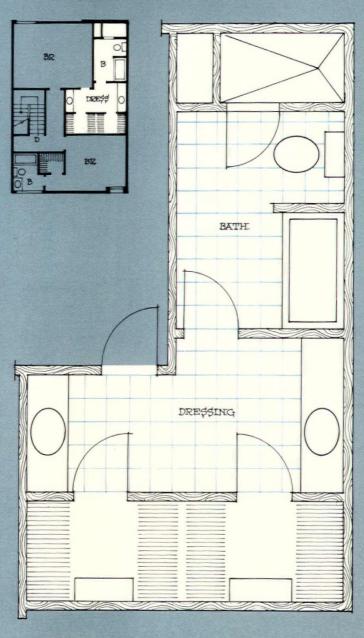
This plan is from a two-story, one-bedroom townhouse at Cypress Woods in Orlando, Fla., where condo flats and townhouses sell for \$31,500 to \$49,500. The developer is Cypress Woods Development Co.; the architect is Lewis Associates Inc.



#### ... and an even more luxurious layout like this

Here again the surrounding space—not the bath itself—is the vital factor. The closet and dressing areas are divided into his and hers areas, each with its own vanity. And although the shower/steambath compartment adds square footage to the basic bath area, the total bath space is still quite tight.

This plan is in a three-story, \$115,000 unit at Burtonhill Townhouses in Beverly Hills, Calif. The developer is Hersch & Company; the architect is Widon/Wein & Associates.



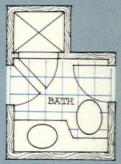
#### A powder room like this can double as a bath for a part-time bedroom . . .

It's really only a tiny guest lavatory. But two-way access plus a closet-size shower lets it work also as a full-fledged bath for what is basically a den that converts to a guest bedroom, but could also be used as a full-time bedroom separate from the rest of the family—perhaps by an el-

derly person or an invalid.

This plan is from a two-story, semi-detached townhouse at St. Francis Court, near San Diego, Calif., where prices range from \$58,990 to \$77,990. The developer is Ponderosa Homes; the architect is B.A. Berkus & Associates.

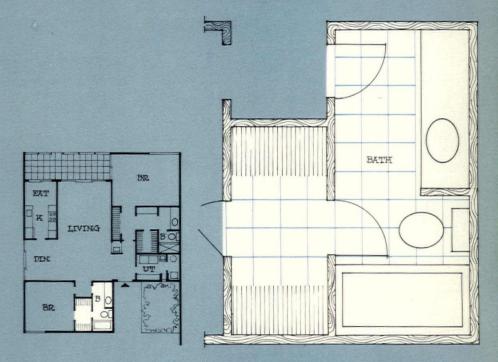




#### ... conversely, a private second bath can double as a powder room ...

Unlike the previous plan, this full but minimum-size bath is intended primarily to convey a touch of master-suite luxury to a secondary bedroom; hence the direct access through the large closet/dressing area. But as in the previous plan, the bath can double as a powder room for visitors. A second door—neatly recessed out of the living area—permits guest use.

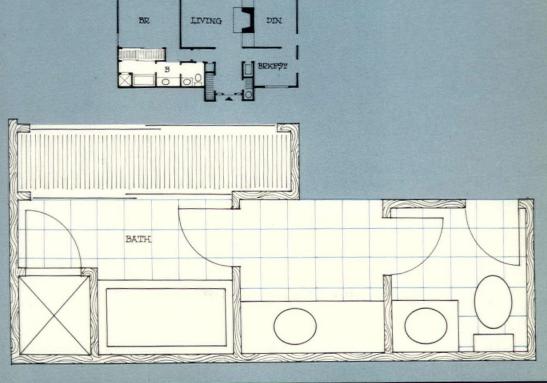
This plan is in a villa at Boca West, a PUD in Boca Raton, Fla. being developed by Arvida Corp. Villa prices are \$74,900 to \$78,900. Schwab & Twitty is the architect.



#### ... or you can use part of a compartmented master bath as a powder room

In this plan—a variation of the two above—one compartment of the master bath replaces the usual guest powder room. Thanks to full compartmentalization, the master-bath complex provides maximum privacy within itself, and actually could be used by three persons at a time.

This plan is in a one-story, single-family home at Sunridge Ranchos in East Las Vegas, Nev., where prices range from \$80,000 to \$135,000. The developer is the Howard T. Lane Co. The architect is Robert Theron Peters AIA.

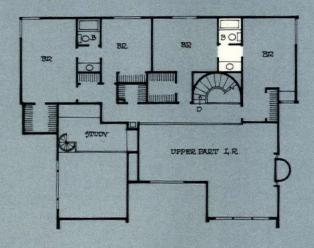


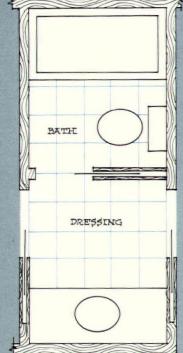
#### Here, one bath gives the feeling of private baths for each of two bedrooms . . .

It takes little more space than would a pair of big closets. And because it is compartmentalized into separate dressing-bath areas, it offers the possibility of

two-person use.

This plan is in a \$125,000 custom house in Atlanta, Ga. It was designed by architect Milton E. Pate AIA.



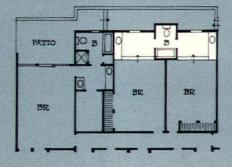


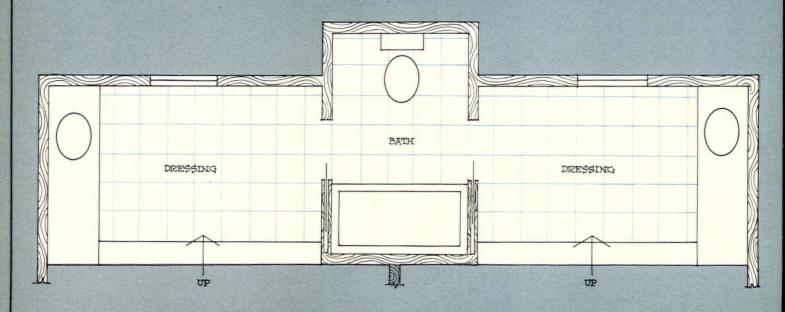
#### ... and here, one bath-plus-gives the feeling of two master suites

The plus is one extra vanitory and two spacious dressing rooms flanking the small bath-tub/water-closet compartment. The result is, in effect, two private baths for relatively low cost. Although this particular plan is used for a bath shared by two secondary bedrooms, the

idea is perfectly adaptable for a shared bath arrangement between a master and a secondary bedroom.

This plan is in an \$89,000 custom home in Blacksburg, Va. It was designed by the architectural firm of Mills, Obenchain & Oliver Inc.





#### Finally, here's a plan that squeezes maximum efficiency from all its bath areas

Each bath is small, but the overall effect is both spacious and luxurious.

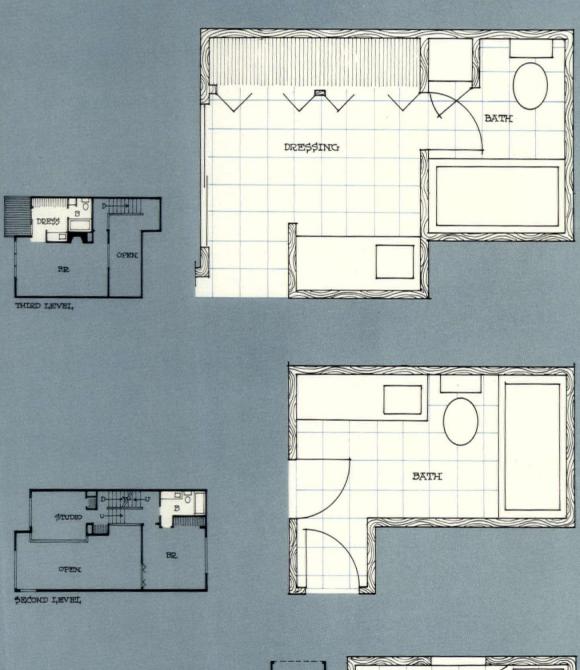
The third-level master bath is compartmentalized, has its lavatory in the less-expensive dressing area, and has the added appeal of sliding glass doors opening to a deck.

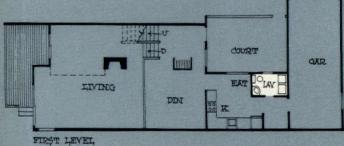
The middle-level secondary bath has dual access, so it's both

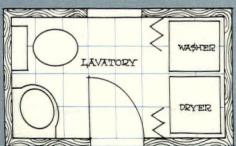
a private bath for the second bedroom and a guest bath either for the studio when it serves as a part-time bedroom or for visitors in the living area downstairs.

The first-level half-bath can also be used by guests, and its location near the rear entrance and garage make it a mud room as well. And finally, it is also the laundry.

This townhouse plan is one of several layouts offered at North Farm On The Bay in Bristol, R.I., where the condo townhouses sell for \$45,000 to \$89,000. The project was developed by Rhode Island Land Co. and designed by architects Robinson, Green and Beretta and Hart, Krivatsy and Stubee.







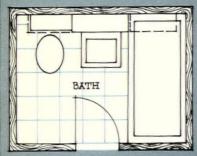
#### If you think the small bath can't have glamor, take a look at these four examples

in size or close to it. All are absolutely basic in design. Yet all of them have been treated with built-ins, color, texture and light in a way that gives them real sales appeal.

The four rooms were designed as idea baths for manufacturers of bathroom products; three of them are mock-ups, which accounts for the missing walls.

#### Decorative cabinetry is the glamor touch here

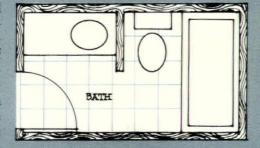
The wall-mounted louver cabinets dress up functional storage space. And, of course, there's no need for a separate linen closet. Installed above the fixtures, cabinets don't waste valuable floor space. Their built-in look adds a touch of luxury to the economysize bath. The customized feeling is carried through with matching louver ceiling lights. A center mirror and dropped ceiling light over it help visually expand the space. The set was planned for Eljer Plumbingware, Pittsburgh, Pa.





#### Color and light supply the impact for this plan

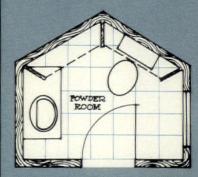
There's a compartmentalized look that comes from the halfwidth room divider. The partition, with an upper section of translucent green glass, separates the vanity from the personal area without giving a closed-in feeling. Walls in the tub area are a matching green tile that makes the separation more apparent. In the vanity section, white walls, a luminous ceiling and expansive, mirrored cabinets help to widen the space. The room was designed for Nutone, Cincinnati, Ohio.

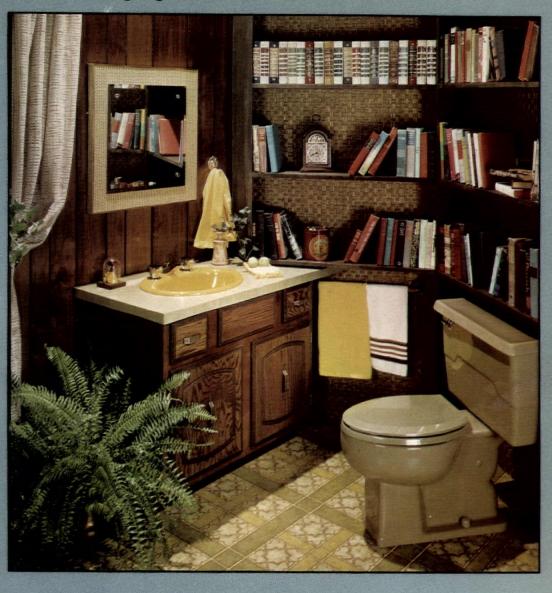




#### Here built-ins add dimension to a tight powder room

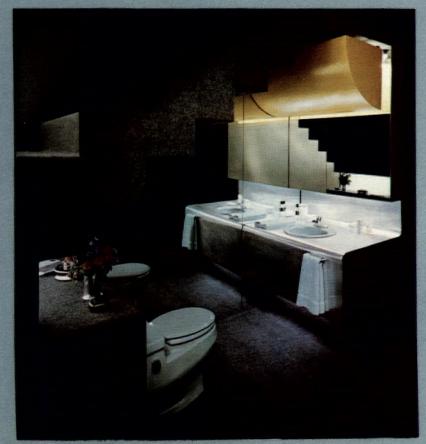
Tiers of bookshelves climb the walls emphasizing height, concealing unusual wall angles and providing extra storage spacealways a marketing plus. The wood-grained paneling, straw wallcovering and wood vanity work with the natural color scheme to give the odd-shaped room a warm, down-to-earth feeling. The set was created for Kohler of Kohler, Wis.

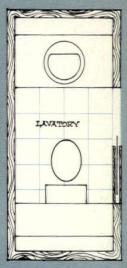


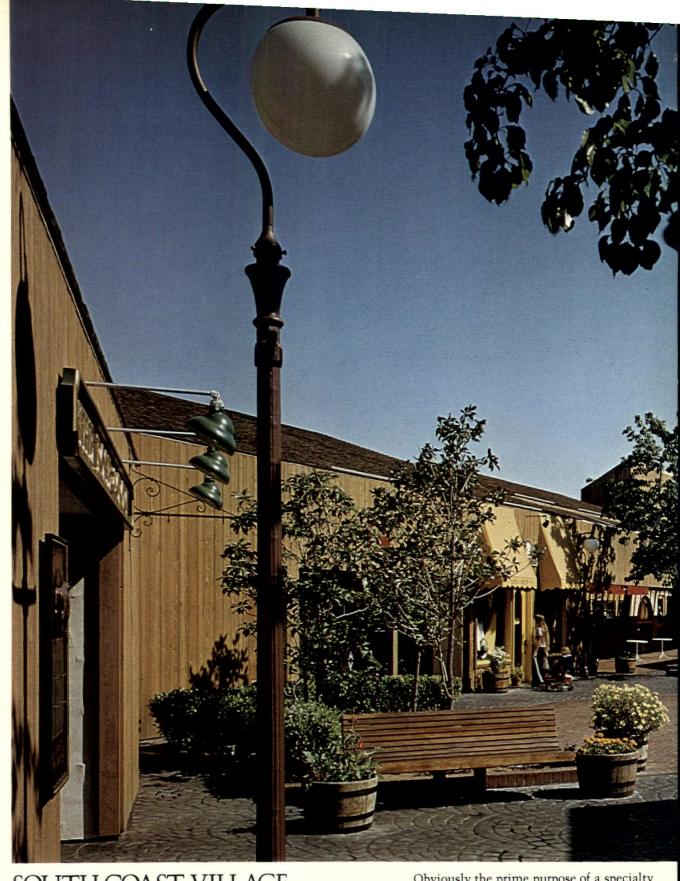


#### And mirrors help expand this compact lavatory

By reflecting light, color and the sleek, contemporary fixtures, wide expanses of mirrors open up this under-the-stairs space. Carpet on the floor, walls and ceiling muffles sounds from inside the room and noises from the stairs above. The dark, bluegrey color eliminates distracting step-shadows on the ceilings. The set was designed for American Standard, New Brunswick, N.J.







SOUTH COAST VILLAGE

# A study in successful shopping-center synergy

Obviously the prime purpose of a specialty shopping center is to be a money maker in and of itself.

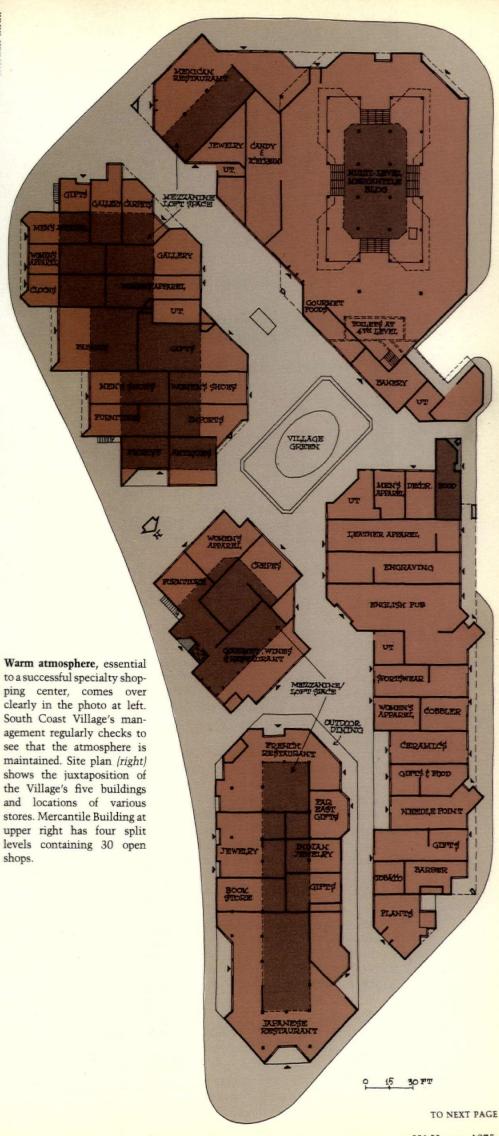
But the specialty center can serve another purpose—to act as a magnet drawing people to other commercial facilities, and in the process, draw from those other facilities and become even more of a money maker itself.

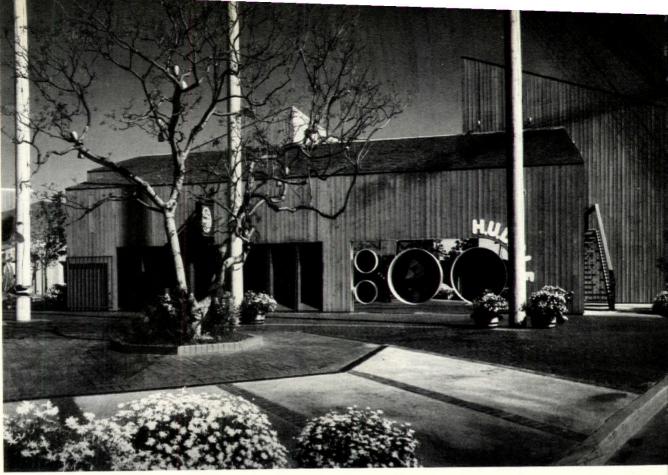
This synergistic process is the intention behind South Coast Village, a 14-acre appendage to South Coast Plaza, a huge (202-acre) super regional center on the San Diego Freeway in Costa Mesa, Calif. The Plaza, while innovative in many ways (for example, it has 1,600,000 sq. ft. of shopping



area under one roof), is fundamentally a conventional regional center; the Village offers a counterpoint to this conventionality—artisan shops, specialty boutiques, half a dozen excellent and unusual restaurants—set into a warm, relaxed and handsomely landscaped environment.

"The idea of the Village," says Gene Robens, general manager of the South Coast Plaza complex, "is not to compete with the Plaza but to complement it. Because the Village offers unique shopping, it pulls in people who might otherwise not come to the Plaza. And of course the Village itself benefits from traffic the Plaza generates."





Nor is this the end of the process. On September first, a 400-room Western International Hotel will open as part of the Plaza complex; the tourist and convention traffic it generates will create more trade for the Village, and, Robens thinks, the reputation of the Village will help draw people to the hotel.

Considering the tricky nature of the specialty center's market—it depends chiefly on the small, discretionary-purchase store rather than the big, basic vendors that anchor the conventional center—South Coast Village is doing very nicely. It opened about one and a half years ago, and required about six months to reach its present 85% occupancy.

Rents are high, as they are in all specialty centers; depending on their location in the center, they range from \$8 to \$15 per square foot, and overages average 6% or a little more. This is producing a gross of roughly \$90 per sq. ft., says Robens. While this is below the gross of the Plaza (over \$100 per square foot), it is nevertheless enough to put the Village comfortably into the black. And most important, the gross is rising.

Turnover is always a problem with a specialty center's small shops and their necessarily empirical testing of the public taste. In this regard, South Coast Village has been reasonably fortunate; among the 70 shops rented the turnover rate has been 8%.

"We cull the shops in the Village," says Robens. "If one isn't producing the volume we think it should, the first thing we do is try to help. Usually we'll bring in an outside consultant—at our expense—to help the owner improve his merchandising. But if he still isn't cutting it, we'll offer to pick up his lease. We owe it to the other stores to be sure

we have only winners in here."

Robens also keeps a critical eye on all factors that affect the Village's prime asset—its atmosphere. He has final approval on all design, construction and merchandising done by tenants.

"We've established very high standards," he says, "and we hold our tenants to it. We police them constantly, and if something isn't right, they know it very quickly."

Atmosphere was on Robens' mind from the beginning. Before South Coast Village went onto the drawing board he visited places like Trolley Square in Salt Lake City and the Village Green at Connecticut's Heritage Village (H&H, Aug., '74). So when he turned the job over to the architect, Bodrell Smith of Los Angeles, he had a good idea of what he wanted. "But the final concept," says Robens, "was Smith's, not ours."

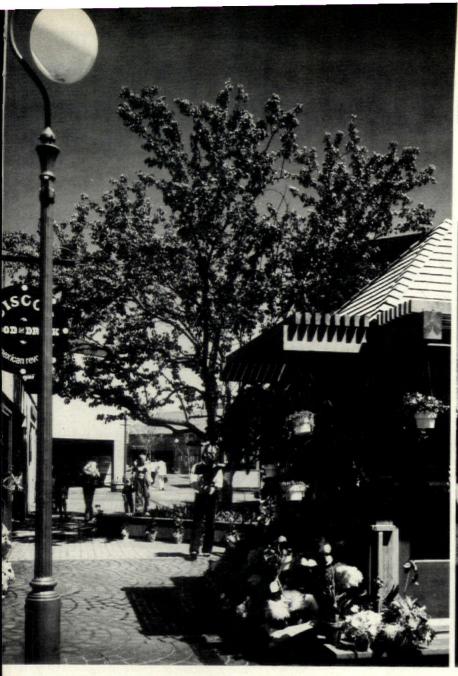
The construction cost of the Village was \$44.25 a square foot for the 147,000 sq. ft. of gross leasable area. Considering the high quality of both the construction and the finishing, Robens considers this reasonable.

While South Coast Village is obviously making it, Robens feels that anyone contemplating a specialty center should walk very carefully indeed.

"You must have the right kind of population base," he says. "Numbers are important—we're drawing off of Orange County, which has more than 1,700,000 people, and Idon't think I'd try it with less than 200,000 people. The kind of people is an equally important factor. If you don't have a regional center like ours to draw from you'll need the kind of discretionary spenders that you find either in a major, affluent-tourist area—Carmel is a good example—or a big, in-city convention complex."

Street scenes in South Coast Village show (above) the Mercantile Building, viewed from across the village green, and, on the facing page, a florist shop and two of The Village's half-dozen or so fine restaurants. "Good restaurants," says Robens, "are the cornerstone of any successful specialty shopping center."









Aerial view (left) shows the entire spread of South Coast Plaza (unshaded area), with South Coast Village at the lower right-hand corner and the 17-story Western International Hotel, currently under construction, in the upper left-hand corner. The Plaza opened in 1967. It now has 8,-300 parking spaces, and this number will eventually expand to 11,100 spaces. The Plaza's 172 stores include four majors and five theatres, and there is a total of 1,600,-000 sq. ft. of space, all of it under one roof. Planning was by Gruen Associates.

# Second chance for a failing second-home community

What do you do when you're sitting with 353 acres, an 18-hole golf course and clubhouse, 140 completed units and not a customer in sight?

A year ago, M. V. Kelly (better known as "Pete"), developer of The Hamlet, a second-home and pre-retirement community in Delray Beach, Fla., found himself in that grim predicament. Gasoline lines and the uncertain economy had frightened off the out-of-staters who comprise 75% of his market; a delay in completing Interstate-95 had kept his project off limits to the Ft. Lauder-dale commuters who comprise the other 25%.

Kelly considered selling The Hamlet, but the timing couldn't have been worse. He considered drastic price-cutting, but decided it was the wrong approach. He considered offering blocks of units to corporations, but the timing wasn't good for that either. So he concentrated on looking for some kind of golfing program that would attract people from all over the country.

And there he struck gold.

The search for a golfing activity led to Golf Digest magazine, which runs a series of one-week golf schools each year. Golf Digest chose The Hamlet as the site for its four winter 1974-75 schools. And The Hamlet suddenly found itself having to provide hotel accommodations and services for the 70 instructors and participants who came to each school.

The program was so successful that Kelly decided to continue the resort operation. He began a campaign to rent the unsold units on a hotel basis to generate both revenue and prospects.

And the fallout in terms of housing sales has been impressive. From the time the project opened in late 1973 until the end of 1974, only 30 units, worth \$1.5 million, had been sold. Between January 1 and April of this year, 48 units, worth \$2.3 million, were sold—over \$1 million worth to guests from the rental program.

Converting to a resort isn't the right solution for every troubled recreational project. Here's what it takes to make it work....

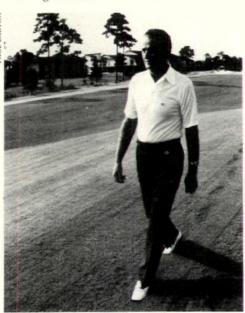
#### It takes first-rate amenities to attract vacationers

First you must determine what clientele you are aiming for, and then you must be prepared to spend whatever is necessary to provide what that market likes.

"Your guests should leave completely sold that this is the best place they have ever been," says Kelly. "In a second-rate development, a program like ours wouldn't make any money and it wouldn't sell any homes."

Among The Hamlet's assets when it went into the resort business were:

- A par 72, 18-hole golf course designed by Joe Lee, who has also designed such wellknown courses as the two at Walt Disney World and the PGA course at Palm Beach.
- An outstanding practice facility, with videotape equipment and 500-yard driving range that can be used from either end to compensate for wind conditions or from both ends at the same time to double its capacity.
- A highly sought-after golf teacher, Jim Flick, as director of golf.
- A luxurious clubhouse with facilities for feeding 200 people.
  - A good chef.



**Developer Kelly** strolls along fairway at The Hamlet. In the background are golf villas (*left*) and apartments (*center*).

 A location just three miles from ocean swimming.

To provide another activity for nongolfers, Kelly built two all-weather tennis courts near the clubhouse even though he plans to build an elaborate tennis village in another part of the project in a few years.

The Hamlet's development plan, which entailed heavy front-end costs, turned out to be an advantage when the project became a resort. The golf course had been laid out to cut the 353-acre site into ten parcels, each of which would be a separate village. Kelly's idea was to build out one village and then move on to the next so that residents would

not be inconvenienced by construction noise and dirt.

Thus, over a hundred units had been completed and needed only to be furnished to make them ready for guests.

But this was also a potential pitfall in the resort program, for furnishing the units represented the greatest expense The Hamlet would incur.

#### It takes tight control to keep costs from swallowing profits

Kelly foresaw the dangers of high front-end costs. Thus he followed a firm rule of buying only what was absolutely necessary and finding other ways to acquire things that would not be productive year-round.

For example, he leased the furniture for 50 units on a four-month renewable schedule. There was no way to avoid buying carpeting, draperies, light fixtures, linens, dishes and kitchen utensils, however, so furnishing and equipping each unit came to \$3,400.

Much of this is recoverable when the home is sold. Buyers can even purchase the leased furniture at a special discount—and for many this is a plus as they can move in and start enjoying their homes right away.

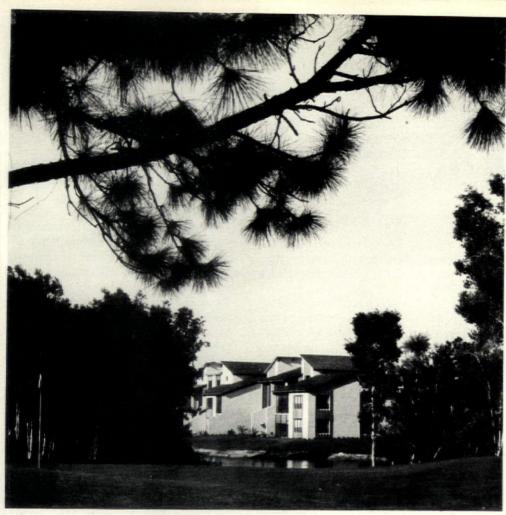
Similarly, Kelly avoided making expensive, long-term commitments to provide transportation for resort guests, most of whom arrived without cars:

- To get people to and from the airport, he made special arrangements with a limousine service that was already operating in the area.
- To get people around the complex, he leased a fleet of golf carts that could be returned to the distributor at any time and then rented them to guests.
- To take people to the beach and the town, he leased rather than bought two station wagons and returned them when the winter season was over.

He did, however, invest in a van, which he fitted out with shelves for linens and compartments for brooms, mops, vacuum cleaners and cleaning supplies. Thus the maids have everything they need at their fingertips when they make up the scattered rental units each day.

Staffing was another potential problem in converting to a resort.

"We keep it real tight," says Kelly. "When we analyzed what every employee would have to do to carry out the program, we

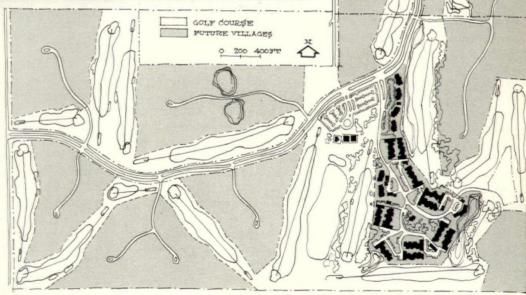


#### Elements that make The Hamlet a good resort buy

First, of course, there is the par 72, 18-hole golf course that winds through the 353-acre site to provide maximum golf-course frontage (see site plan, right). Then there are the units themselves. They have been sited to preserve as many of the fine old pine trees as possible, and built with an eye for luxury. For example, covered walkways (below) link the apartments with the parking areas at either end of the building to protect residents from rain.

Prices range from \$40,000 for a one-bedroom to \$63,000 for a threebedroom unit. Also available are fully furnished efficiencies, called golf villas, for \$41,500.

Two of the three condominiums that make up Greensward Village (far right on site plan) are finished, and work is beginning on the third this month. Site work is also beginning on Bougainvillea Village (center on site plan), which will consist of fee-simple, single-family homes in the \$100,000 price range with a homeowners' association.







found we could get by without any additional management personnel."

The whole program was run by a manager, his secretary and an accountant, who also handled the club, food and beverage and pro shop operations.

Other than that, a few maids and waitresses, some kitchen help and two bag boys who doubled as bellhops were hired as they were needed.

The choice of a manager was crucial: "I wanted a working manager—not a gladhanding, heavy-drinking type—who had a strong background in the actual handling of food and beverage costs and resort operation," says Kelly.

He found the right combination of talents in David Howard, who had worked for him in the Bahamas. With Howard's cost-conscious guidance, the clubhouse is doing better than projected, but Kelly does not expect it to return a profit until one more village is built.

The golf course, however, is already running at a modest profit, although it was not expected to make any money until after the third year. And mainly because Howard and his staff worked what Kelly describes as "unbelievable hours" to keep it running smoothly, the rental program returned a profit the first year.

"If times had been good, we would have had bellmen and extra staff and would have done things differently," says Kelly. "I doubt, though, that this would have accomplished anything other than cost money. It's been a lesson to all of us that if you really put your mind to it, you can do an awful lot with what you've got."

A third area of difference between a development and a resort operation—advertising and promotion—did not involve any appreciable difference in cost. The bulk of The Hamlet's advertising had run in golfing magazines, and the copy was merely rewritten to emphasize the resort operation. Publicity, in fact, was somewhat easier to obtain because newspapers and magazines are much more interested in places where anybody can go than in private recreational communities that cater only to people who buy units.

But The Hamlet still had a major hurdle to overcome: how to deal with the people who had already bought units believing that they were buying into a private, membership-only community.

#### It takes special care to keep your property owners happy

This is one of the most sensitive areas in turning a second-home community into a resort, says consultant David Pearson, who works with Florida resort developers.

"Property owners are the best salesmen you can have," says Pearson. "You can fire every salesman except one to take the orders, and sell your units to your property owners' friends. But a whole platoon of salesmen won't help you if you alienate your owners."

In the case of The Hamlet, the condominium documents permitted the developer to rent units, and so Kelly proceeded without consulting the existing owners. There was an immediate flurry of objections.

Kelly responded by talking to each owner and laying his problem on the line: If The Hamlet was to survive in the current economic climate, someone would have to pay the interest on all those unsold units. The rental program was the only way to make sure the project could continue as originally envisioned.

"Our homeowners were unbelievably cooperative," says Kelly. "Most of them have been in business of some kind. We presented our problem to them in a businesslike way, and they understood what we were talking about."

Not only did the objections stop, but after a couple of weeks, when the buyers saw the kind of people the renters were, they admitted that in some ways the program had improved The Hamlet. They enjoyed watching the golf schools, and they liked mixing with the new people and having the club more active.

The two groups got along so well because the guests were very much the same kind of people as the unit owners: prosperous retirees and older families with an interest in golf.

That was no accident; the rentals were high. On-season, European-plan rates were \$60 a day per couple for a small golf villa; \$75 for a townhouse suitable for two or three; \$120 for a two-bedroom, two-bath apartment suitable for four.

"I don't believe in cutting the rate," says Kelly. "This lowers the quality of your project in the eyes of the customer. If you have a product that's worth a high price, charge it and live with it. I think you gain in the end."

The Hamlet gained in three ways: it made money on its rental program, it kept the previous buyers happy and—most important of all—it attracted a large number of prospects who were obviously well-qualified to buy.

The next problem was how to turn them into buyers.

#### It takes a special atmosphere to start guests thinking like buyers

The Hamlet has this special atmosphere. Ironically enough, much of it stems from the need to hold down costs.

The clubhouse, for example, does not have a front desk where guests can register, receive messages, pay their bills, etc. Instead, a table was placed in the lobby just outside the manager's office.

"As I look back, this was almost an advantage," says Kelly. "It helped put a lot of people at ease and prepared them for being in a residence rather than in a hotel."

One big question came up when The Hamlet was preparing for its first guests: What to do about telephone service? A central switchboard would have been costly to

operate; besides, it could not have been delivered in time for the *Golf Digest* schools. So Kelly took a calculated risk and had regular telephones installed in all the rental units. A guest merely has to dial "1" to call anywhere in the world—and the bill may not come in until his vacation is over and he is back home.

"My experience with the kind of people who have come to my developments in the past has been that there's practically no loss in billing," says Kelly. "And our experience with the telephones has been fantastic. We haven't had any losses at all."

Kelly used a subtle bit of salesmanship in assigning units to guests. Although he could have housed most of them in efficiency units, he took care to scatter them around the complex. Often, for example, a couple enjoyed the use of a two-bedroom town-house or a two-bedroom apartment.

"We knew that guests from the golf school would be having cocktail parties for each other," Kelly explains. "So we wanted to make sure that they would see as many different apartments and as many different views as possible."

Kelly never lost sight of the fact that renters—like unit owners—can be good salesmen for The Hamlet, and he made sure that his staff—from bag boy to manager—did what it could to send people away happy. He knows of at least five buyers—and suspects there may be more—who learned about the project from people who went to the Golf Digest schools.

"I think public relations alone would have been well worth the effort even if we had run the rental program without making a penny," he says.

#### Above all, it takes an eye for detail to keep resort guests coming back

Kelly has already zeroed in on four areas that he wants to improve next year: activities for non-golfers, check-in, airport transfer and billing.

This year, the non-golfing wives were taken on beach and shopping trips if they asked, but many did not. Kelly will have a more formalized program for them next year.

The check-in system was sometimes a bit slow, so that it took a while for guests to reach their units. Kelly feels that one more part-time employee will speed things up.

And although the limousine service was adequate, guests often forgot who was supposed to meet them, and this created confusion. Kelly plans to send his own employees to the airport next year.

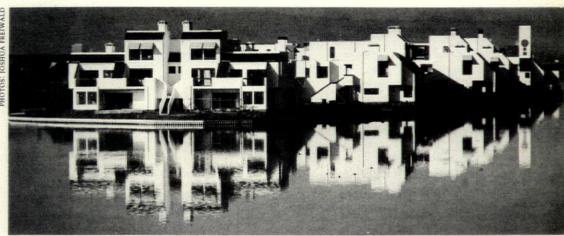
Finally, the hastily improvised billing system was slow, and although that didn't matter to the guests, it did affect cash flow. A new system will be used next year.

-NATALIE GERARDI

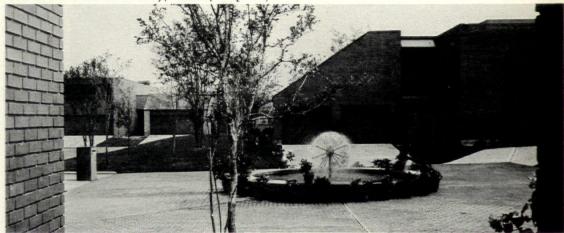
# For the same basic market: Three totally different projects

THE MARKET: Mostly affluent empty nesters but also younger couples with high income and generally no children. These are buyers who can pay anywhere from \$45,000 to \$100,000 for attached housing, who normally want two to three bedrooms, who are looking for distinctive design, who put a strong premium on privacy and who don't want to be saddled with the maintenance chores required by detached housing.

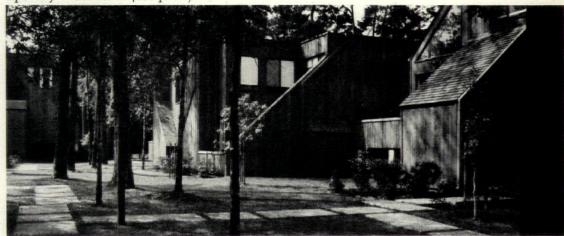
### THE PROJECTS:



The Islands at Foster City, Calif. (see p. 72)



Epernay in Houston (see p. 74)



Ethan's Glen in Houston (see p. 76)

All three were designed by the same architectural firm—Fisher-Friedman of San Francisco. All three, plus a fourth, also by Fisher-Friedman (see p. 77), won awards in the 1975 Homes for Better Living program.\* And two are being built by the same developer, GreenMark Incorporated of Houston.

<sup>\*</sup>Twentieth annual housing design competition sponsored by the American Institute of Architects and House & Home.

### On two tight islands: two villages of sixplex buildings

How do you pack in 15 units per acre and still attract well-to-do former owners of single-family houses?

That was Vintage Properties' problem at The Islands, a 16-acre project in sprawling Foster City, Calif. Architects A. Robert Fisher and Rodney F. Friedman solved the problem in three ways:

1. With two basic sixplex buildings identical in type but slightly different in size, each with four large flats, two townhouses and eight garages.

2. With eye-catching exteriors—geometric shapes, white walls and blue tile roofs that stand out from Foster City's generally ho-hum housing.

3. With site plans that mingle cars and pedestrians in the manner of a European village. On the smaller island, for example, the spine street is a visual asset, with its planting pockets, textured paving, turnaround (photo below) and frequent jogs and turns.

Models opened in February although sales started from a trailer last summer. Project Manager John Irving says more than 50 of the first 72 units have been sold-90% to empty nesters, and 90% to buyers who had lived within ten miles of the project.

### AWARD OF MERIT

ARCHITECT: Fisher-Friedman Associates

DEVELOPER: Vintage Properties

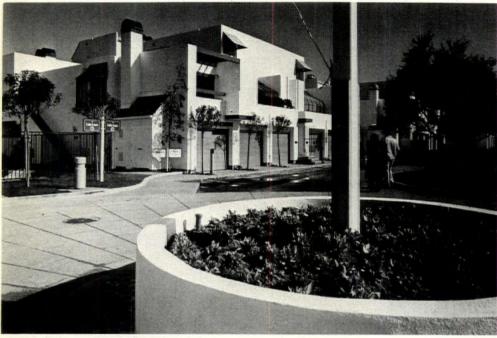
LANDSCAPE

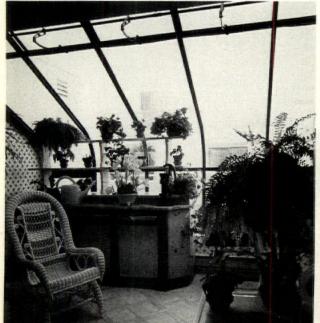
ARCHITECT: Anthony M. Guzzardo

& Associates

STRUCTURAL

ENGINEER: Len F. Robinson & Associates

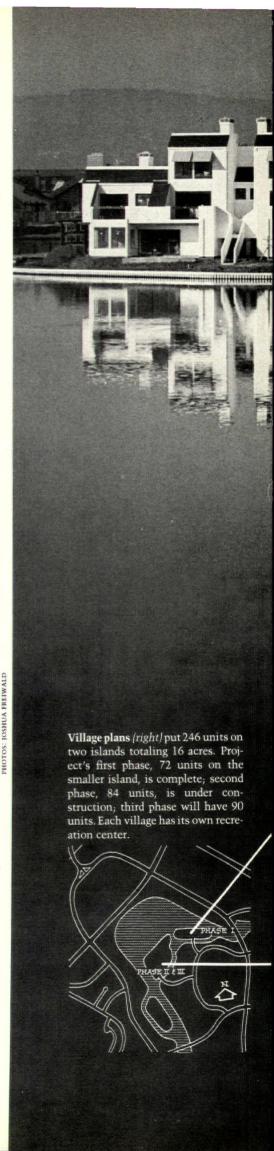


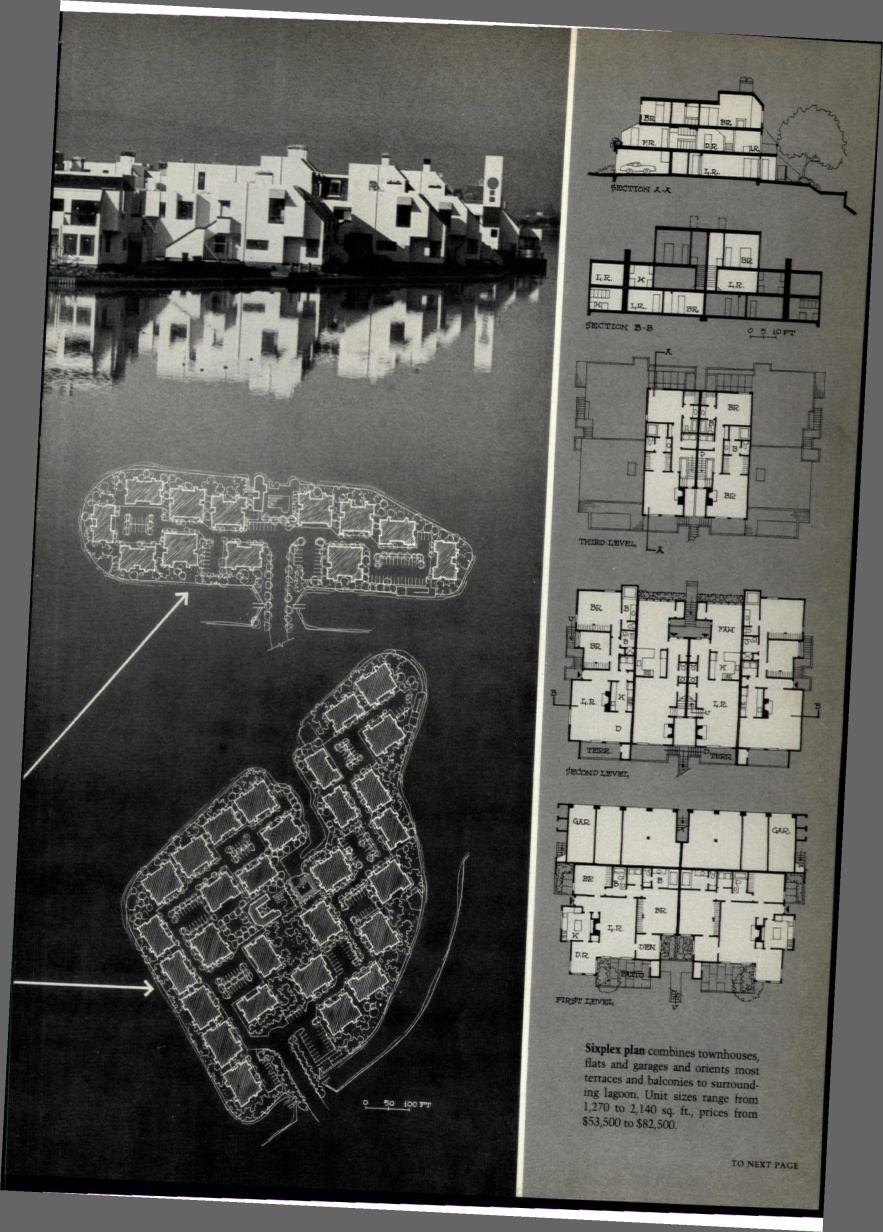


Traffic turnaround is focal point of smaller island. Recreation center is behind fence at left.

Greenhouse, overlooking street, is at end of townhouse family room. Stairs from street (below, right) lead to two townhouse entries.







### On a bald site: almost-detached townhouses in mini-neighborhoods

How do you turn 26 acres of flat, treeless land into an inviting environment? Scale the site down into small neighborhoods.

That was Fisher-Friedman's answer at Epernay, a Houston project being developed by GreenMark Incorporated.

Most of the neighborhoods are clusters of large townhouses arranged around motor courts and so loosely connected that they are akin to patio homes. Few neighborhoods will be identical because the project was planned for flexibility: Six basic models can be shuffled into a wide variety of combinations to meet market demand.

House sizes range from 2,000 to 2,900 sq. ft., prices from \$84,000 to \$103,000. Ownership is fee simple, with common areasmotor courts, green space and recreational facilities—owned by a community trust.

Why not condominiums?

"Strictly a marketing decision." says GreenMark Vice President Don Mackie. "Texans like to own their own dirt, and condominium has a bad name here.'

Sales have been slow. Mackie's main reasons: "We opened in the teeth of the slump [last September] and face a lot of competition from single-family detached homes in the same price range."

# AWARD OF MERIT

ARCHITECT: Fisher-Friedman Associates DEVELOPER: GreenMark Incorporated

LANDSCAPE

ARCHITECT: Sasaki-Walker Associates

STRUCTURAL

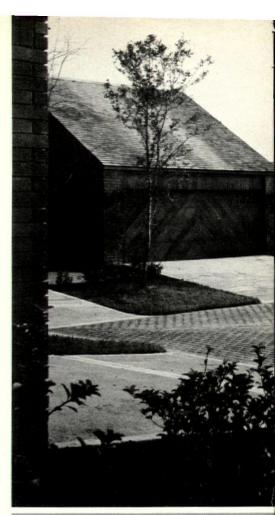
ENGINEER: Len F. Robinson & Associates

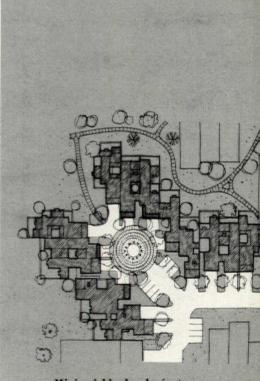


Family room of three-bedroom, twostory (top plan, facing page) is 19'6"x12'9", opens into private rear patio, has fireplace and rough cedar

Clubhouse was built on berm, has upper-level deck overlooking swimming pool, picnic areas and partly sunken tennis courts.

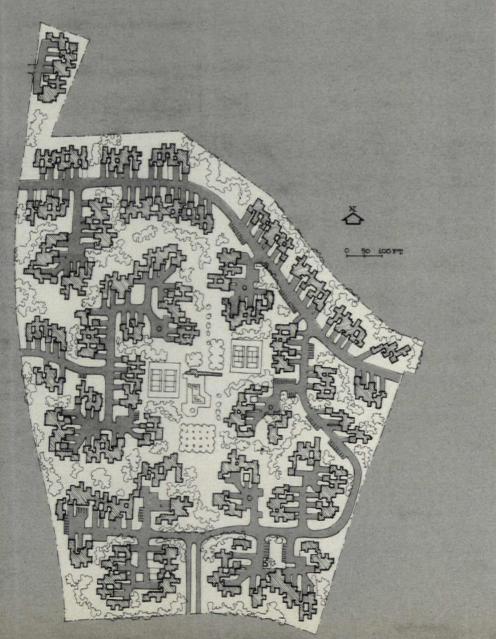


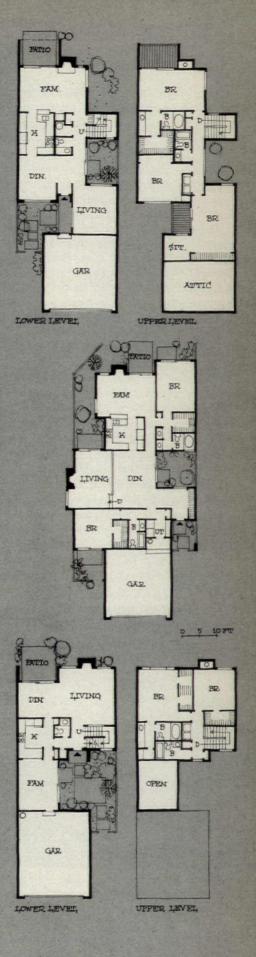




Mini-neighborhood of nine townhouses is clustered around landscaped motor court (top photo). Staggered siting of houses makes for privacy. All units have two-car garages. Over-all plan (right) separates clusters with green space, has central clubhouse and sports facilities. Gross density is 9.4 units per acre.







Outdoor privacy and separation of formal and informal areas are stressed in all plans. Every house opens to both a rear patio and a side courtyard. Best seller is the only available one-story model; it's also smallest and least expensive.

### On a wooded site: compact buildings, below-grade parking

Unlike GreenMark's other Houston project (previous pages), Ethan's Glen has a site with natural assets: plenty of trees, a bayou at one end and a swale that made it easy to create a spring-fed lake.

Planning problem: How to save those assets and still provide almost ten town-houses per acre, 2.25 parking spaces per unit, a clubhouse and a pool?

Fisher-Friedman's solution: a basic eightunit building made up of two tightly planned sections. Each section contains four 2-level townhouses, with patios and decks screened from each other by fin walls and fences. Beneath one section, and partly below grade, is a 12-car garage; other parking is scattered around the site.

Fifty-seven units have been sold in 15 months.

"We were too conservative at the start," says GreenMark's Don Mackie. "Our first 24 spec units sold out in six weeks, and we had nothing coming behind. By the time we were ready with more units, the market had bottomed. So we piddled along with only ten sales from October through February. Then came a turnaround, and since March we've been averaging a sale every two days."

Buyers are 60% empty nesters and 40% young working couples (ages 24 to 34), the vast majority of whom have no children. Units are now priced from \$51,800 to \$71,800—up from \$49,000-\$68,000 when sales started



**Two-story space** helps create open feeling in living room of C model *(see plans at right).* 

### FIRST HONOR AWARD

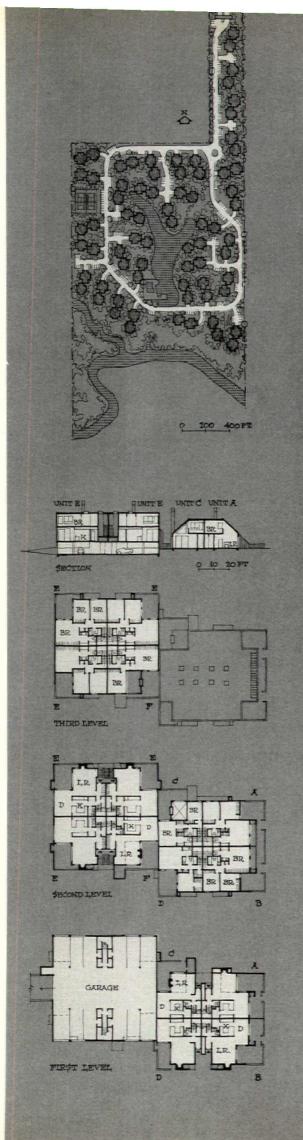
Architect: Fisher-Friedman Associates
Developer: GreenMark Incorporated

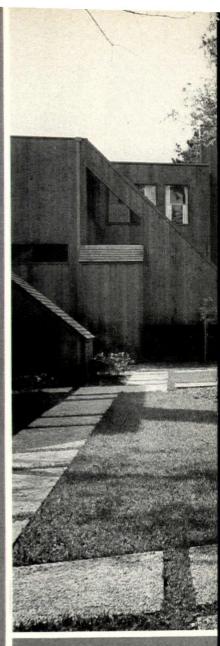
LANDSCAPE

ARCHITECT: Sasaki-Walker Associates

STRUCTURAL

ENGINEER: Len F. Robinson & Associates

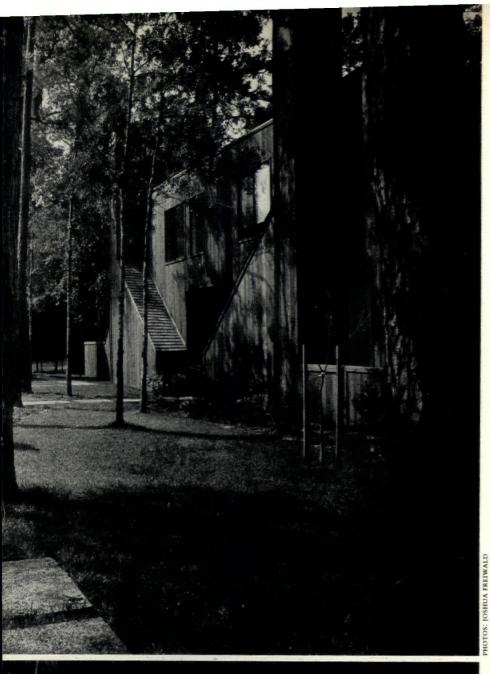




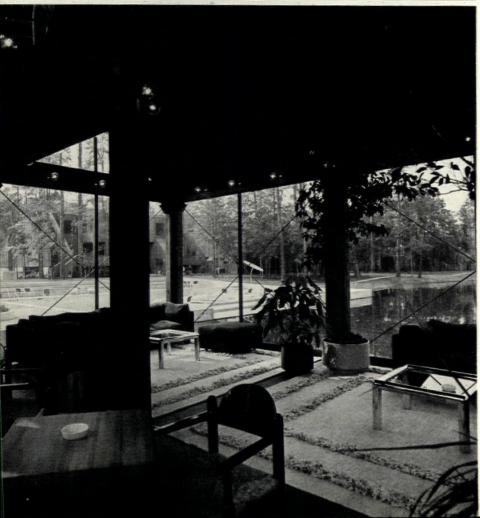
Green areas like the one above are partly the result of tucking two-thirds of parking under buildings. Parking-to-unit ratio is 2.25-1. Site plan (above left) calls for 288 units on 30 acres.

Building plan (left) offers buyers a choice of six different units ranging from 1,490 to 1,890 sq. ft. Largest model—the E—is the only one repeated and the best seller.

Glass-walled clubhouse (right) was built out over lake on piers, has observation deck and tower above social area shown here



Architect Bob Fisher on working with developers: "The worst client is the amateur the first-time-around guy who wants to build a monument. The best is the guy who has been through the mill but is still small. Big-corporation people generally make the right decisions but take too long to do so because of all the corporate approvals required."





## FIRST HONOR AWARD

This is the fourth 1975 Homes for Better Living winner designed by Fisher-Friedman Associates. It is Promontory Point, Newport Beach, Calif.—a highly original rental complex featured in an eight-page report in House & Home's February 1975 issue. Developer: The Irvine Co. Landscape architect: Sasaki-Walker Associates. Structural engineer: Len F. Robinson & Associates.

# Go or no-go on condo conversion?

# Only the numbers can tell you

Sure, successful conversions have been few and far between in the last couple of years. But, says consultant Bob Lyons, there are still plenty of opportunities. Here he tells you—step by step—how to find out whether the numbers make it feasible to convert a rental project

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Robert S. Lyons is president of Robert S. Lyons & Assoc. Inc., a New York City firm specializing in condominium conversions and marketing. In the past few years, the company has converted over 2,500 rental units to condos throughout the country.

This article is based on "Protective Financial Planning for Condominium Conversion" by Robert S. Lyons and William W. Hunnewell, Condominium World, Volume I, Number 1, © Warren, Gorham & Lamont, Inc., Boston, Mass. 02111.

An analysis is only as good as the data fed into it. So the very first step in looking over a possible conversion is to throw away your rose-colored glasses. Forget about it as "your project." Go out and get competent, professional consultants to help you with your project evaluation, market analysis and appraisals

If you decide to go ahead with the conversion, it might also pay you to hire an independent agent to handle the entire job, keeping yourself in a passive investor role. Why? Because there's a potential tax trap in doing the converting yourself: your profits might be declared ordinary income instead of capital gains if you are declared to be a dealer rather than an investor.

But regardless of your role, you're the one with ultimate responsibility for developing the numbers and then deciding what they mean

Here are the basic factors involved in working up the numbers:

1. Project Evaluation. You'll face competition from new for-sale housing and used homes, as well as from rentals. So you have to decide what improvements are needed to make your project competitive and then price them out. Do the grounds need work? What about the common elements like lobbies, hallways and recreational amenities? Can the units themselves be offered pretty much as is, or should they get new appliances, new carpeting and the like?

**2. Unit pricing.** This should be done by a qualified appraiser for two reasons:

• The total price of all units will determine the size of your bridge loan. So the lender will take a hard look at your price structure. The best approach: You and your lender should agree on an appraiser; then you'll both be working off the same data base.

 Pricing a conversion is more complex than pricing new construction because as used housing built for rental its value vis-àvis competition has to be judged by tougher standards.

A word about renovations: Obviously unit prices will depend on how much modernization you do to the units and how much you will leave to the buyers. (It's good to have a program that lets buyers customize their own renovations at their own expense, financible through the end loans.)

3. Market feasibility. Next question: Will the units sell at the prices you've set and how fast? This is a job for a qualified market analyst. The absorption rate—how fast you'll sell—is just as important as the gross income in determining net income.

**4. Rental Income.** This is often the most overlooked item in the conversion process.

Tenants who decide to buy will be paying rent right up to closing—which is great for cash flow. But don't overlook your non-buying tenants. Instead of presenting them with a "buy-or-get-out" ultimatum, why not induce them to stay on until their units are

sold? By projecting sales and keeping just enough vacant inventory to meet the sales pace, you can actually offer leases to nonbuying tenants that will run almost up to the sales or renovation date.

Of course, you can't keep all your unsold units rented this way. So you should consider two other ways to generate rental income: by renting a unit to an outside buyer until he takes title to it and by renting to the outsider who needs an apartment on a short-term basis.

To get short-term renters, you'll need to set aside money for an advertising program and to pay a rental agent. The agent should start one month prior to the opening of the conversion. The rental ad program would run simultaneously with the sales program. But the ads themselves should be separate and distinct.

Results of a strong rental program may surprise you. On a 500-unit conversion, our rental program was so effective that the number of available-but-unrented units was never more than 20, and usually only from one to five. There was also a fringe benefit: many non-buying tenants who took out new short-term leases changed their minds and became buyers when the leases expired.

Keep in mind, however, that selling and renting simultaneously presents a public relations problem because you are commingling a condominium and a rental complex. The answer: Show your buyers that you must keep the unsold units generating income in order to pay the common charges and real estate taxes on them.

With these basics in mind, let's take a look at a project to see if conversion is feasible.

# Case study: How to analyze the numbers on a potential conversion

The project—unidentified for obvious reasons—has 200 units. Its history and financial data, renovation budget and commoncharge budget are shown in the three tables below. Its estimated monthly income from sales and rentals as conversion takes place is shown in Table 4 on the next two pages, and its total monthly cash flow during conversion is shown in Table 5 on pages 82-83.

Before studying Table 4, however, let's see how results of our market analysis are used to set up the monthly income projection.

Our market analysis indicates the following:

Of the 200 tenants (assuming no vacancies on opening day), 40 will buy and 50 others will stay on under new leases until their units are sold. We will need three models and 13 units in inventory. So there will be 106 units either sold, rented or in

inventory and 94 units to be rented or put into inventory as needed.

We project sales of 16 units per month. We also estimate half of the non-buying tenants will move out in the first 60 days, giving us 47 units that will have to be re-rented immediately. We hope the remaining tenants will move out at a rate of 16 per month after the mass exodus following the conversion announcement. Therefore, all non-buying original tenants who want out will be out within five months, and their units will be used to replenish our inventory. A sales pace of 16 units per month to the public will leave few unrented-but-rentable units and therefore a minimum of rent loss.

Now let's examine the possible status of each unit after the conversion is announced. Units can be classified as:

Unrented sales inventory and models-

units held vacant and thus producing no rent.

Unrented but sold—units whose buyers cannot move in immediately as tenants or units needing so much fix-up they cannot be occupied until the work is finished.

Rented but unsold—units occupied by original tenants who don't want to buy or by new short-term tenants.

Rented and sold to tenants—units bought by tenants who will pay rent until closing.

Rented and sold to outside buyers—units bought by outsiders who move in right after credit approval and pay rent until closing.

Unsold, unrented and not planned for inventory. This is the category that must be eliminated or at least reduced.

Now we're ready to study the first important set of numbers.

TO NEXT PAGE

### Table 1 History and Financial Data

50	1-Bedroom	Apartments
100	2-Bedroom	Apartments
50	3-Bedroom	Apartments

200 Apartments Total

Age of Buildings-Seven Years

Cost of Land	\$ 600,000
Original Cost of Buildings	
Total Cost of Project	\$3,750,000

Seven Years of Depreciation of the Buildings

Adjusted Depreciated Worth of	
Buildings	. 2,199,765
Land Cost	. 600,000
Adjusted Cost Basis	\$2 700 765

Average Rent is \$250 Per Apartment.

Operating Expenses and Taxes Before
Debt Service & Depreciation ...... \$ 211,000

Net Cash Before Debt Service ... \$ 359,000

Prevailing Overall Capitalization Rate for Similar Projects ... 9.5%

Gross Profit Before Legal Fees, Closing Costs, and

Broker's Commission ...... \$ 979,182

Less: Legal Fees, Closing Costs & Broker's Commission @ 3% Total

Net Pretax Profit—Straight Sale ...... \$ 879,182

100 000

### Table 2 Renovation Budget

Renair and Replace Balconies as

Repair Patios	\$07 E00
Exterior Painting—Buildings	\$27,500
and Carports	24,000
Landscaping	7,000
Paving and Parking	3,000
Pool House Repairs	1,200
Swimming Pool Repair and Paint	3,000
Concrete Repair—Sidewalks, Steps,	
and Trash Slabs	9,500
Bathroom Tile Repair	6,000
Garbage Disposal Replacement	1,750
Hot Water Tank Replacements	5,000
Trash Removal	2,500
Subtotal	90,450
Contingency 10%	9,050
TOTAL	\$99,500

### Table 3 Estimated Common Charge Budget

Repairs and Maintenance	\$ 13,000
Painting	12,000
Cleaning Supplies	1,000
Swimming Pool Supplies	1,000
Snow Removal	2,500
Grounds Upkeep Supplies	2,000
Truck Lease, Fuel, Repairs,	
and Insurance	4,500
Payroll and Payroll Burden	21,300
Superintendent's Unit	3,500
Trash Removal Contract	7,200
Common Area Electricity	5,800
Water	7,000
Gas	20,000
Insurance	10,000
Legal and Audit	2,000
Management Fee @ \$4.00	
Per Month Per Unit	9,600
Reserve for Replacements	4,900
Reserve for Contingencies	3,000
Miscellaneous Expenses	1,000
Social Programs	750
SUBTOTAL	\$131,050
Less: Carport Rental	6,000
Net Estimated Annual Common	
Charge Budget	125,050
Per Month	\$ 10,421
Average Common Charge Per Unit	
Per Month \$	52

### Here's a month-by-month projection of sales and rental income

It follows the project's fiscal route during conversion, and shows why planning is needed to protect rental income. Numbered items below are keyed to numbered categories in the table.

1. For-sale inventory and models—unrented. From our market analysis, we know we need some vacant inventory to offer immediately. Let's assume we will sell 16 units per month to the general public, as projected. So we need a maximum of 16 vacant units, including models, for inventory. The inventory units should be spic and span and prepared for the installation of extras or optional items buyers might want.

It's a good idea to have two fully furnished, fully upgraded models—one to represent the most typical unit (in this case a two-bedroom apartment) and one for the unit which is likely to be the hardest to sell (for our purposes, probably the one-bedroom unit). All the options we're offering should be installed in both models to give buyers ideas on how they can upgrade their units. Obviously, these options have to be clearly marked as extras. A third model, without any optional items, should show what an as-is unit can look like when a modicum of furniture and tasteful decorations are added.

How many months will we need for sellout? Since we assumed 40 sales to tenants and 16 per month to outsiders, it will take ten months to sell the 200. We'll also allow one month prior to the opening of the sales program and two months after the last sale for the final closings.

So we project the rental loss from this category from the end of the first month until we are completely closed out. Thus we show 16 units from the end of the first month through the end of the seventh month, and eight each in the eighth and ninth months.

- 2. Unrented—sold. Since rental income is critical for a successful conversion, we have to "guesstimate" the percentage of each month's buyers who will move in and pay rent until closing and how many won't move in until closing. Let's assume we persuade half the buyers to move in and pay rent until closing. Each month until the start of closing this category will increase by eight units; and as we start closings, this category will be reduced each month.
- 3. Total—unrented. This category gives us our rent loss each month in terms of numbers of unrented units and dollars lost. We need these calculations to arrive at a rental-income figure which will be used in our cash-flow projection.
- 4. Rented—unsold. At this point, a brief

recap is useful. We are able to arrive at what should be our rented-unsold figure by subtracting those categories that have been accounted for from the total number of units. Here's how it works out. We are holding 16 units as inventory and models most of the way through the conversion; we assume 20 tenants will buy during each of the first two months; we also assume 16 outsiders will buy in the first month (eight moving right in and paying rent).

If we subtract these from our original 200 units, a the end of the first month we would have 148 units in the rented-unsold category. By the end of the second month, 20 more tenants will buy, and 16 more units will be needed for inventory. These 36 units can only come out of the Rented-unsold category. Since all tenant-buyers are now signed up, Rented-unsold will be reduced each month by inventory needed for sale—hopefully coinciding with the move-out of non-buying tenants.

- **5.** Rented—sold to tenants. The 20 tenants who sign up in the first month will, of course, still be generating rental income—as will the second-month tenant buyers.
- **6.** Rented—sold to public. Using our marketing data, we assume eight of these buyers will move right in and pay rent. As with

Table 4: Projected Income From Rentals and Closings During Sell-Out Per	od

		ceding S	tart Sales lent/(Loss)		of 1st Month Rent/(Loss)			2nd Month ent/(Loss)			3rd Month ent/(Loss)			4th Month ent/(Loss)			5th Month ent/(Loss)
1.	RENTAL LOSS For Sale Inventory and Models— Unrented	-0-	\$ -0-	16	\$ (4.000)	.16	\$	(4,000)	16	\$	(4,000)	16	\$	(4.000)	16	\$	(4,000)
	Unrented—Sold	_0_	_0_	8	(2,000)	16		(4,000)	24		(6,000)	32	utus	(8,000)	30		(7,500)
3.	Total Unrented	-0-	\$ -0-	24	\$ (6,000)	32	\$	(8,000)	40	\$	(10,000)	48	\$	(12,000)	46	\$	(11,500)
	RENTAL INCOME								00			00				¢	10,000
		200	\$50,000	148	\$ 37,000	112	\$	28,000	96 40	\$	24,000	80 40	\$	20,000	64	\$	16,000 5,000
-	Rented—Sold to Tenants Rented—Sold to Public	_0_ _0_	-0- -0-	8	5,000 2,000	16		4,000	24		6,000	32		8,000	30		7,500
7.	Total Rented Total Closed	200 —0—	\$50,000	176 —0—	\$ 44,000	168 —0—	\$	42,000	160 —0—	\$	40,000	152 —0—	\$	38,000	114 40	\$	28,500
9.	Total All Units	200	Harry Au	200		200			200			200	955	Asim State of State	200	E PARTI	65 SALVINE
	SALES ON "AS IS" BASIS																
	Tenant—Sales @ 90% of \$25,000 Public—Sales	_0_ _0_	\$_0_ _0_	20 16	\$450,000 400,000	40 32	\$	900,000	40 48		900,000	40 64		900,000	40 80		900,000
12.	Total Sales	_0_	\$ -0-	36	\$850,000	72	\$1	,700,000	88	\$2	2,100,000	104	\$2	2,500,000	120	\$2	2,900,000
	CUMULATIVE TITLE CLOSINGS																
	Unrented—Sold	-0-	\$-0-	-0-	\$ -0-	-0-	\$	-0-	_0_	\$	-0-	-0-	\$	_0_	10	\$	NO. TO SELECT ON LABOUR.
	Rented—Sold to Tenants	-0-	-0-	_0_ _0_	-0-	-0-		_0_	_0_ _0_		_0_ _0_	-0-		_0_ _0_	20		450,000 250,000
15.	Rented—Sold to General Public	_0_	_0_	_0_	-0-	_0_				DAG.	-0-		SA CE	-0			230,000
16.	Total Closed	-0-	\$ -0-	-0-	\$ -0-	_0_	\$	-0-	-0-		-0-	-0-	\$	-0-	40	\$	950,000

item 2, this category will increase by eight units each month until the start of closing; from then on it will be reduced.

- 7. Total rented. The sum of all rented categories yields the net rental income in terms of number of units and dollars month by month. This sum will be transferred to Table 5 (page 82), the Monthly cash flow and source and application of funds projection, as our first source of income.
- 8. Total closed. Most lending institutions require a certain percentage of sales before making end loans because they want to be sure of a program's success. Some lenders require 35% and some as high as 50%. Let's assume our lender won't issue end loans until 50% of all units are under contract with buyer-credit approvals. Given the above sales rate we can assume that it will take four months to sell 100 units (40 tenant sales plus 16 public sales per month add up to 104 sales for four months).

Until this figure is reached, there really is no point in declaring the condominium effective. We begin closing at the start of the fifth month and assume that we can close 40 units by the end of that month, another 40 by the end of the sixth month, then 20 more in each following month.

Since we project 40 closings in month

five, we have to make some assumptions as to where these closings come from. We'll assume that this month there will be ten closings apiece from items 2 and 6 plus 20 closings from item 5. The same assumptions apply for month six.

Beginning with month seven, we are down to 20 closings per month—ten each from items 2 and 6. By the end of the eleventh month, we only have ten left in items 2 and 6, and they are closed by month 12.

Let's examine the figures at the end of month five to see what happens to rental income (item 7) as we start to close. It takes a precipitous drop. At this point we're really more interested in closings than in rental income; so this shouldn't make us too unhappy.

- 9. Total all units. This category is set up simply for proof purposes. We add up the units in Total unrented (item 3), Total rented (item 7) and Total closed (item 8). The grand total must equal the 200 units in the project.
- 10-12. Tenant and public sales. Our market appraisal indicated that units should sell for 8.33 times annual rent to give us gross sales of \$5 million. This averages out at \$25,000 per unit. But what about an inducement to tenants? Obviously tenant sales are the least

costly. They don't require advertising dollars and since most tenant-buyers will purchase their own units, very little makeready cost is involved.

If we offer tenants a 10% discount off the appraised price and explain that this appraised price has been reviewed and approved by a lending institution, our offer will seem quite credible. And if the conversion is halfway successful, we can recapture the lost 10% by adding it to the price of the final 20% of the units. Thus, our average price to tenants will be \$22,500, and our average on the last 40 outsider sales will be \$27,500.

**13-16.** Unrented and rented title closings. These categories give us the number and dollar volume of all closings on a cumulative basis and also prove our sales volume.

Item 16 is also the source of month-bymonth closing figures needed for our Cash flow and source of application of funds projection (Table 5, next overleaf). We can translate the cumulative figures in item 16 into the month-by-month figures by subtracting cumulative closing dollars from all prior months from the cumulative total of each successive month.

Now let's look at the next important set of numbers (Table 5, overleaf), which gets us nearer to the bottom line.

End Units	of 6th Month Rent/(Loss)		7th Month Rent/(Loss)	End of Units	of 8th Month Rent/(Loss)	End o Units	of 9th Month Rent/(Loss)		of 10th Month Rent/(Loss)		of 11th Month Rent/(Loss)		f 12th Month Rent/(Loss)
16 28	\$ (4,000) (7,000)	16 26	\$ (4,000) (6,500)	8 24	\$ (2,000) (6,000)	8 22	\$ (2,000) (5,500)	_0_ 20	\$ <u>_0</u>	-0 <u>-</u>	\$ <u>-0</u>	-0- -0-	\$ -0-
44	\$ (11,000)	42	\$ (10,500)	32	\$ (8,000)	30	\$ (7,500)	20	\$ (5,000)	10	\$ (2,500)	_0_	\$ -0-
48 -0- 28	\$ 12,000 -0- 7,000	32 -0- 26	\$ 8,000 -0- 6,500	24 —0— 24	\$ 6,000 -0- 6,000	8 -0- 22	\$ 2,000 -0- 5,500	-0- -0- 20	\$ —0— —0— 5,000	-0- -0- 10	\$ —0— —0— 2,500	-0- -0- -0-	\$ -0- -0- -0-
76 80 — 200	\$ 19,000	58 100 — 200	\$ 14,500	48 120 — 200	\$ 12,000	30 140 — 200	\$ 7,500	20 160 — 200	\$ 5,000	10 180 — 200	\$ 2,500	_0_ 200  200	\$ -0-
40 96 — 136	\$ 900,000 2,400,000 \$3,300,000	112	\$ 900,000 2,800,000 	40 128 — 168	\$ 900,000 3,220,000 \$4,120,000	40 144 — 184	\$ 900,000 3,660,000 \$4,560,000	40 160 —— 200	\$ 900,000 4.100,000 \$5,000,000	<del>-</del>	<u>-</u>		-
20 40 20 —	\$ 500,000 900,000 500,000 \$1,900,000	30 40 30 —	\$ 750,000 900,000 750,000 \$2,400,000	40 40 40 120	\$1,000,000 900,000 1,000,000 \$2,900,000	50 40 50 —	\$1,250,000 900,000 1,250,000 \$3,400,000	60 40 60 —	\$1,500,000 900,000 1,500,000 \$3,900,000	70 40 70 —	\$1,775,000 900,000 1,775,000 \$4,450,000	80 40 80 200	\$2,050,000 900,000 2,050,000 \$5,000,000

### Here's a month-by-month projection of total cash flow

These numbers are really what it's all about-the realities of a conversion. A glance down the headings and across the sell-out period shows at what points profitability veers toward loss, or vice versa, and where the cash is or isn't. Once the basic thinking is done and the categories established, all numbers can be computerized so that by varying any number, a new bottom line can be reached. Thus we can even project a break-even sales pace or a minimum acceptable sales pace.

1. Net rental income. This figure, net after rent loss, is picked up from item 7 in Table 4 (previous overleaf).

- 2. Carport rental. This income belongs to us until we declare the condominium effective in the fifth month. Then it goes to the condo association.
- 3. Closed sales. These are a month-bymonth interpretation of the figures from item 16 in Table 4 (previous overleaf). Note that we start in the fifth month. (Any debits against sales that are paid at the closings are shown as cash out.)
- 4. Sale optional items. We can only guess at the average dollar value on the options buyers will purchase through us. Let's assume the average will be \$700 per unit; so

in the fifth month, 40 closings will bring in \$28,000. Each month we multiply the number of closings by \$700 to arrive at this cash-in item. And, if we can make appropriate arrangements with the lending institution and suppliers, we should be able to pay our costs for options out of closing proceeds.

5. Real estate adjustments at closings. Tax adjustments would follow standard closing adjustment calculations. One complication: there are many closings rather than one: so the tax adjustments will have to be calculated separately on each unit as it closes.

19 Sales Office Set Up, Furniture & Equip. ————————————————————————————————————		Table 5: Projected Cash Flow During Sell-Out Period									
Net Pental Income—Apris   50,000   44,000   42,000   40,000   36,000   28,500   28,500   30,000   28,500   30,000   28,500   30,000   30,000   28,500   30,000   30			Mo. Preceding	1st	2nd	3rd	4th	5th	6th		
Net reprint income—Carports	(	CASH IN			12,000	10,000	22,000	29 500	19,000		
2 Property in Control Information (1997)  2 Property in Control Information (1997)  3 Real Estate Tax Agi, at Closings  3	1. N	Net Rental Income—Apts.									
3. Closed Sales  -00-0-0-0-0-0-0-0-9500000 \$9000000  5. Real Estate Tax Adj at Cosings -00-0-0-0-0-3,440 3,345  7. Total Income  50,500  44,500  42,500  40,500  85,000  10,14,610  10,000,775  CASH OUT  8 Project Operating 11,060  11,0											
4 Sale Optional Items	3. C	Closed Sales									
1. Repayment Disherts Ak August 200											
Total Income    50,500   44,500   42,500   40,500   38,500   1,014,610   1,003,775	5. P	Real Estate Tax Adj. at Closings	THE RESIDENCE THE PARTY OF THE			The state of the s					
CASH DUT  8 Project Operating  9 Project Operating  11 060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  11 1060  10 Real Estate Taxes—Paid 6 mos in arrears  -0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0			-0-	-0-	_0_	_0_	_0_	3,440	3,440		
Project Operating	7.	Total Income	50,500	44,500	42,500	40,500	38,500	1,014,610	1,003,775		
8 Project Operating 9 Maint Unclosed Units 6 nos. in arrears 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	(	CASH OUT	Director Avenue de la constante de la constant	Activities and section of the sectio	11.000	11,000	11.060	0	0		
9. Wahl Unitoded Processing a Constitution of Real Estate Taxes—Paid 6 mos. in arrears 0. 0. 0. 0. 0. 0. 0. 0. 0. 0. 0. 0. 0.	8. P	Project Operating			11,060						
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11. Renovations & "Cosmelics" — — — 20,000 35,000 25,000 19,000 — — — — — — — — — — — — — — — — — —	10. F	Real Estate Taxes—Paid 6 mos. in arrears	THE RESIDENCE OF THE PROPERTY					Commission of the Commission o	the state of the s		
12 Survey Engineering & Cortol Diswings	11. F	Renovations & "Cosmetics"									
13. Appraisal & Marketing Research	12. 5	Survey, Engineering & Condo Drawings						Charles and the control of the contr	Sept. 10 Sept. 11 Sept. 11 Sept. 1 Sep		
14. Broker's Advance 1.720 1.720 1.720 1.720 1.720 1.720 1.00 1.000 8.000 18.000 17.000 10.000 10.000 8.000 16. Rental Advertising 435 435 435 435 435 435 435 435 435 435											
15. Advertising & Collateral Materials   2,000   18,000   17,000   10,000   10,000   8,000   17,000   10,000								THE RESIDENCE AND ADDRESS OF THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER.			
16. Rental Adventising											
17. Broker's Commission											
18. Model Apt. Cost											
19 Sales Office Set Up, Furniture & Equip. — — — — — — — — — — — — — — — — — — —			5,000		The second secon			AND ASSESSED BY THE POST OF THE PROPERTY OF			
20. Model Apt. & Sales Office Cleaning & Maint.   -0-   175   17			-0-	5,000							
21. Sales Office Supplies ————————————————————————————————————	20. N	Model Apt. & Sales Office Cleaning & Maint.	-0-	175							
22. Cost of Optional Items			-0-	400							
23. Sale Unit Make Ready			-0-	_0_	-0-	-0-					
24. Rental Make Ready			-0-	-0-				5,000			
25. Rental Agent Salary & Payroll Costs 650 650 650 650 650 650 650 650 650 650					_0_	1,500	1,500	1,500	1,500		
26. Legal & Recording Costs			650		650						
27. Closing Costs					_0_	2,500	2,500	1,500			
28. Common Charges Unclosed Units									4,000		
29 Insurance							_0_	9,380	6,775		
30 Bridge Loan Fees @ 11/2% 56,250 — — — — — — — — — — — — — — — — — — —				4.800					-0-		
31. Bridge Loan Closing Costs @ 44 of 1%									-0-		
32. Bridge Loan Interest 19,530 39,060 39,000 32,0065 30,000 30,0					AND THE RESERVE AND ADDRESS OF THE PARTY OF						
33 Bridge Loan Repayment									34,390		
34. Accounting Fees ——————————————————————————————————						COUNTY OF THE PERSON AND ADDRESS OF THE PERSON ADDRESS OF THE PERSON AND ADDRESS OF THE PERSON					
35. Total Cash Out 124,770 113,300 150,700 102,200 94,700 1,048,100 1,035,840 36. Cash Bal./(Deficit) This Mos. Operations (74,270) (68,800) (108,200) (61,700) (56,200) (33,490) (32,065)  SOURCE OF FUNDS  37. From Bridge Loan 3,750,000											
SOURCE OF FUNDS           37. From Bridge Loan         3,750,000         —	35.	Total Cash Out	124,770	113,300	150,700	102,200	94,700	1,048,100	1,035,840		
37. From Bridge Loan         3,750,000           38. From Previous Months Cash Balance         —0         1,175,730         1,106,930         998,730         937,030         880,830         874,340           39. Cash Balance From Above #36         —0	36. 0	Cash Bal./(Deficit) This Mos. Operations	(74,270)	(68,800)	(108,200)	(61,700)	(56,200)	(33,490)	(32,065)		
37. From Bridge Loan 38. From Previous Months Cash Balance 37.50,000 38. From Previous Months Cash Balance 37.50,000 39. Cash Balance From Above #36 37.50,000 39. Cash Balance From Above #36 37.50,000 39. Total Source of Funds 37.50,000	9	COURCE OF FUNDS									
38. From Previous Months Cash Balance       —0       1,175,730       1,106,930       998,730       937,030       880,830       874,340         39. Cash Balance From Above #36       —0			3 750 000	AND WASHINGTON TO THE PARTY OF	CONSESS OF THE OWNER OWNER OF THE OWNER	_	-	Career Country of the	THE REAL PROPERTY OF THE PARTY		
39 Cash Balance From Above #36				1 175 730	1 106.930	998.730	937.030	880.830	874,340		
40. Total Source of Funds 3,750,000 1,175,730 1,106,930 998,730 937,030 880,830 847,340  APPLICATION OF FUNDS  41. Repay Existing Mortgage 2,500,000 — — — — — — — — — — — — — — — — —	The Part of the Lot	<ul><li>(日本のは、1947年) 1947年 (日本の本) 日本の本) 1947年 (日本の本) 1947年 (日本のは、1947年 (日本の本) 1947年 (日本の本) 194</li></ul>	THE TOTAL CONTRACTOR SERVICES AND ADDRESS OF THE PARTY OF								
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41. Repay Existing Mortgage       2,500,000       —	No.		3,750,000	1,175,730	1,100,930	330,730	937,000	000,000	047,040		
42. Cash Deficit From Above #36 74,270 68,800 108,200 61,700 56,200 33,490 32,065 43. Total Application of Funds 2,574,270 68,800 108,200 61,700 56,200 33,490 32,065			0.500.000								
43. Total Application of Funds 2,574,270 68,800 108,200 61,700 56,200 33,490 32,065				-	+00,000	C4 700	50,000	20,400	20.005		
40. Total Application of Fords	42. C	Cash Deficit From Above #36	74,270	68,800	108,200	61,700	56,200	33,490	32,065		
44 Cumulative Total Cash Bal ((Deficit) 1175 730 1 106 930 998 730 937 030 880 830 847 340 815.275	43.	Total Application of Funds	2,574,270	68,800	108,200	61,700	56,200	33,490	32,065		
	14 (	Cumulative Total Cash Bal./(Deficit)	1,175,730	1,106,930	998,730	937,030	880,830	847,340	815,275		

- 6. Repayment of broker's advance. Since we decided to have an outside agent (in this case a broker) supervise our conversion, we probably have to advance him a draw, which he in turn will advance to his salespeople. (The salespeople do not see their commissions until closings.) We'll get the advance back from closings, let's say at the rate of 1% of the total advance from each closing. Assuming that each of two salespeople receive a \$200 weekly draw starting one month before sales begin, we must advance \$1,720 monthly for five months—a total of \$8,600. So, we will be fully repaid after the 100th closing.
- 7. Total income. This is the sum of all cash in, except for the proceeds of the bridge loan (item 37 below).
- 8. Project operating. This cost, which comes from current operating statements (but excludes taxes and interest) will continue until we declare the condominium effective the fifth month. Upon declaration this cost ends, but we would then have to pay our pro rata common charges on the unclosed units (item 28 below).
- 9. Maintenance—unclosed units. At the end of the fifth month, 160 units will still be unclosed. Let's assume it costs us \$11.25 per

- month to provide maintenance for each unclosed unit. Therefore, we budget \$1,800 in the fifth month; in following months, we reduce this figure by the number of closings per month.
- 10. Real estate taxes. Assume \$40,000 of the \$80,000 tax bill is due at the end of the second month, and, since we are not yet a condominium, we have to pay it in full. However, as pointed out in item 5 above, there are tax adjustments at closings, so we'll recapture some of this cost.
- 11. Renovations. These figures come from Table 2 (page 79). Since renovations take some time to complete, let's assume that payments would be required in the first, second, third and fourth months. These costs should never be switched to the commoncharge budget because once buyers take control of the association they will surely audit common-charge expenses. Proposed renovations are part and parcel of the sale and should be completed and paid for by the owner.
- 12. Survey, engineering and condominium drawings. This is the cost of preparing the required drawings for condominium filing and recording. These drawings must satisfy the recorder of deeds, the title-insurance company, the lender and the casualty-insurance company.
- 13. Appraisal and market research. These costs will be payable in the early months of the conversion.
- 14. Broker's advance. See item 6 above.
- 15. Advertising and collateral materials. Let's assume that we budget 2% of gross retail sales for advertising. A large part of this budget is spent in the beginning for collateral materials such as brochures, signs, printing of the condominium documents, sales agreements, bylaws, etc. (Announcement letters to the tenants and our advertising campaign to the general public should be done simultaneously. When our tenants see the ads and prospects begin inspecting units, tenants will know we're serious and they'll be serious about making quick decisions.)
- 16. Rental advertising budget. Note that this expenditure ceases at the end of the fifth month because, hopefully, we have rented every available unit by then. Through tight control, we've scheduled our leases so that we get 16 units back into inventory each month as needed. The last leases should ex-

End	End	End	End	End	End	
7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	TOTAL
14,500	12,000	7.500	5,000	2,500	_0_	\$ 303,000
-0-	-0-	-0-	-0-	_0_	-0-	2,500
500,000	500,000	500,000	500,000	550,000	550,000	5,000,000
14,000	14,000	14,000	14,000	14,000	14,000	140,000
1,000	335	_0	-0-	-0-	_0_	9,340
1,720	_0_	_0_	-0-	-0-	-0-	8,600
531,220	526,335	521,500	519,000	566,500	564,000	5,463,440
			NEED TO BE THE MENT OF THE PARTY OF THE PART			
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1,050	850	650	450	250	50	6,500
-0-	40,000	-0-	-0-	-0-	_0_	80,000
-0-	-0-	-0-	-0-	-0-	-0-	99,500
-0-	-0-	-0-	-0-	-0-	_0_	5,000
0_ 0_	-0-	-0-	-0-	-0-	-0-	6,000
8,000	-0- 8,000	_0_	-0-	-0-	-0-	8,600
-0-	-0-	1,000	0_ 0_	-0-	-0-	100,000
30,000	30.000	30,000	30,000	33.000	33,000	2,610
-0-	-0-	_0_	-0-	-0-	-0-	15,000
-0-	-0-	-0-	-0-	-0-	_0_	5,000
175	175	175	175	-0-	_0_	1,750
400	400	400	400	400	-0-	4,400
10,000	10,000	10,000	10,000	10,000	10,000	100,000
5,000	5,000	5,000	5,000	5,000	-0-	40,000
1,500	-0-	-0-	-0-	-0-	-0-	7,500
-0-	-0-	-0-	-0-	-0-	-0-	3,900
-0-	_0_	-0-	-0-	-0-	-0-	6,500
2,000	2,000	2,000	2,000	2,000	2,000	20,000
5,730	4,690	3,650	2,605	1,565	520	34,915
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25.045	17,915	13,000	8,085	0_ 3,165	-0-	28,125
472,000	472,000	472,000	472,000	68,000	355	316,785
200	200	200	200	200	-0-	2,000
561,100	591,230	538,075	530,915	123,580	45,925	\$5,060,435
(29,880)	(64,895)	(16,575)	(11,915)	442,920	518,075	403,005
(20,000)	(04,030)	(10,575)	(11,913)	442,920	510,075	403,005
						1,250,000*
815,275	785.395	720,500	703,925	692.010	1,134,930	THE PERSON NAMED IN
-0-	-0-	-0-	-0-	442,920	518,075	
815,275	785,395	720,500	703,925	1,134,930	1,653,005	S REMEDITATION OF
29,880	64,895	16,575	11,915	-0-	-0-	-0-
29,880	64,895	16,575	11,915	_0_	-0-	_0_
785,395	720,500	703,925	692,010	1,134,930	1,653,005	\$1,653,005

pire by the end of the eleventh month, because we don't want to be tied to leases and have no inventory. Tight control is not easy; it requires an almost day-to-day review of the status of each rental unit.

- 17. Broker's commission. Since our broker is going to supervise and run the entire conversion, we figure at least a 6% brokerage commission (payable out of closings) less the return of any advance as set out in item 6 above. Besides paying for the broker's marketing service, the broker's commission represents the fee for keeping us out of the dealer status.
- 18. Model apartment cost. We planned on two fully furnished and decorated models and a third as-is model. Much of the model cost might be recaptured when we sell them, but for our purposes, we will not show this possible recapture. Note however that we always include models in item 1 of Table 4 (previous overleaf). Models can be readily sold for delayed delivery, or if we decide to change our model location to help sales in slow-moving areas of the project, they can be sold quickly and are therefore part of our 16-unit inventory for the public.
- 19-21. Sales office set-up and equipment and maintenance of office and model units. Obviously, funds must be budgeted for these items. (As with any sales program, it's vital to keep the office and models in top notch condition, particularly on weekends.)
- 22. Cost of optional items. Since we are offering seven-year-old apartments, we must allow buyers to upgrade their units—as much or as little as they want—with the opportunity to finance the modernization by adding it to the mortgage or by paying cash.

From experience, we know at this price range the average buyer will spend about \$700 for options. We have to make a profit to cover our time and administration, so let's assume a 40% markup on our cost of \$500 to reach the selling price of \$700 as set out in item 4 above. If we plan to install these items one month before closings, we will not have the cash outgo until closings start in the fifth month; and let's see if we can arrange for the lender to pay suppliers out of closing proceeds. This would assure the lender that there won't be any mechanics' liens by suppliers.

23, 24. Make-ready costs. There are two kinds: outlays for units sold to the public—which we will budget at \$250 per unit; and outlays for short-term rentals—which we

will budget at \$150 per unit.

Because 40 tenants will be buying (thus requiring little if any make-ready costs), we'll figure on a total of \$40,000 to get 160 units ready for sale. And since closings start in the fifth month, we begin paying the make-ready cost in the fourth month—at the rate of \$5,000 (for 20 units) each month until all are completed.

To figure a make-ready budget for temporary rentals, we use figures from our market analysis:

- We need 16 units for inventory and 90 of our present tenants will be buying or staying on until their units are sold. These units will *not* have to be made ready for renting. This leaves 94 units.
- About 50%, or 47, of our non-buying, non-staying tenants will move out within 60 days, giving us 47 apartments that have to be sold or rented as soon as possible. This leaves us with 47 units whose tenants, hopefully, will move out at the rate of 16 per month. Therefore, all non-buying, non-renting tenants will be out within five months and their units used for inventory.

So we're faced with 47 vacant units to be made ready for rental to outsiders at a cost of \$150 each. We'll assume ten are needed each month. So we budget \$1,500 per month for five months starting at month three. Of course, unless some temporary tenants decide to buy, these units eventually become part of the 160 units that must be made ready for sale at \$250 each.

- 25. Rental agent—salary & payroll costs. Let's budget one rental agent at \$650 per month for one month prior to plus five months into the sales period. The agent's job is not only to rent the units as they become available, but to anticipate move-outs and get those units ready for new tenants as quickly as possible. The agent must be in constant communication with both the rental make-ready crew and the sales department.
- **26.** Legal and recording costs. These are fees for a local attorney, experienced in condominium work, who will prepare our condominium documents and make sure they are properly recorded.
- 27. Closing costs. The cost to a seller for closing will of course vary from state to state. In this projection we set up \$100 per unit for the seller's closing cost, deducted from closing proceeds.
- 28. Common charges—unclosed units. Although some condominium sponsors try to avoid paying common charges until they

close title to the unit, we will pay our share of common charges on all unsold units because it makes no financial difference to us. But, more importantly, since the association will never have enough funds to properly maintain the condominium from the day of declaration until the last unit is sold, we would have to make up the difference to keep the project salable.

- 29. Insurance. Let's assume that the next premium is due in the second month. We must pay it of course, as the project is ours until declaration and must be adequately insured. At the point of declaration, our agent cancels this policy and issues a new one, naming the association as the party insured.
- 30-33. Bridge loan costs. For purposes of this projection, we assume that we refinance up to 75% of the \$5 million appraised retail value, or \$3,750,000. Let's further assume that we close the bridge loan in the middle of the month prior to the opening of sales, when, of course, we would simultaneously pay off the permanent loan. We also assume there is no prepayment penalty. Our bridge loan requires us to pay the interest on the first of the month for the month prior; the principal will be repaid by applying the net proceeds of each end loan after certain debits and credits have been made. The interest rate will be four points over the prime rate.

Look at our projected total closed, item 16 in Table 4 (previous overleaf). In month five of that table we show \$950,000 in closed sales. The broker's 6% should be paid from the proceeds, as well as the seller's closing costs of \$100 per unit. So we deduct \$57,000 for the broker and \$4,000 for closing costs, leaving a balance of \$889,000 for repayment. But we have the sale of optional items to consider. The bank has agreed to collect the \$28,000 for the sales of these items and to pay the suppliers the \$20,000 in cost, leaving us with an \$8,000 gross profit to be applied to the bridge. We thus add this \$8,000 to \$889,000 in proceeds so that \$897,000 will be applied to the bridge. Each month thereafter we repeat the process. We will still be generating cash from rentals, tax adjustments and repayments of broker's advance. (In practice, common charges are also adjusted at closing but that adjustment is not considered here. Obviously, the faster we pay off the bridge loan, the lower the interest.

**34.** Accounting fees. Keeping track of all of the above will most certainly require additional accounting expense during the conversion.

### 35. Total cash out. This is our total before we consider the effect of the bridge loan on the repayment of the permanent mortgage.

### 36. Cash balance (deficit) this month's operations. This is one of the major categories all these estimates and calculations have been leading up to. Note that we have a deficit until the eleventh month, and we certainly had to borrow funds over and above the cash amount to pay off the permanent loan, as cash out is in excess of cash in. The key question, however, is how much excess funding did we really need? Note the interest category. Obviously, if we had borrowed only enough to refinance, plus enough to cover operating deficits, our net deficit would have been less and our own profit would have been more. However, let's continue with the assumptions as made.

37-40. Bridge loan and cash balances. Items 37 through 39 add up to item 40 (Total source of funds) which shows the monthly amount available to repay the existing mortgage (item 41 below) and to cover any cash deficits from item 36 above.

41-43. Permanent mortgage and deficits. Items 41 and 42 show the one-time repayment of the existing mortgage and how we cover deficits from item 36. The total is shown in item 43.

44. Cumulative total cash balance/(deficits). This is the difference between Total source of funds (item 40) and Total application of funds (item 43) and shows our cash balance at the end of each month and at the end of all title closings. This is the bottom line for Table 5.

Now that we've threaded our way through the conversion, two things become obvious.

First, excess cash over the repayment of the permanent mortgage was needed through the eleventh month when the bridge was finally repaid.

Second, the excess of \$1,175,730 over the \$2,500,000 to repay the permanent loan definitely was not needed and the interest on that total was wasteful and costly: unless, of course, the excess could have been put to work for other purposes. The ideal solution is to structure a deal with the lender so that whatever funds are needed to cover operating deficits can be drawn-but only as needed. It would be well worthwhile to pay for that kind of commitment. The interest saving would be substantial, and cash and profits would be greatly improved.

### Now let's look at the bottom line

Although Table 5 shows we have \$1,653,005 net cash at the end of the conversion, that is not our profit. It doesn't reflect the project's adjusted cost basis (Table 1, page 79) or other necessary accounting procedures.

So we have to prepare our last set of numbers-a pro forma profit and loss statement (right). And we set it up this way:

Income. These figures include all Cash-in categories from Table 5 except Repayment of broker's advance (omitted because it's an exchange item). Total income: \$5,454,840.

Expenses. Again we go to Table 5 and pick up all Cash-out categories except Broker's advance and Repayment of bridge loan. And we add in the Adjusted project cost basis, which is considered an expense item for the pro forma. Total expenses: \$4,101,600.

(Note that sales and rental expenses are kept separate. This is done for tax purposes, because sales profit and rental profit will be taxed on different bases.

Profit. So conversion will yield \$1,353,240 before taxes-or about \$474,000 more than the \$879,182 pre-tax profit from a straight sale (Table 1, page 79).

Many assumptions must be made before an owner can project his profit from a conversion, but they won't be too far off if the owner's professional advisors consider every element. At the very least, the professionals will have planned each step instead of proceeding through uncharted hazards. Then if some assumptions don't hold up, necessary adjustments can be made as the program proceeds.

For example, in this case study we saw that the size of the projected bridge loan could be reduced. Suppose we had refinanced for just enough to pay off the permanent loan and to cover our cash deficits as needed. We would have saved \$107,000 in interest costs, and our pre-tax profit would have been about \$1,460,000 or \$581,000 more than from a straight sale.

On the other hand, if we had not planned for a maximum rental program during conversion (we realized some \$303,000 in rental income), the difference between converting the project and selling it outright might not have been worthwhile.

To sum up: This kind of planning and projecting is the only way to find out if a conversion will justify the effort and risk. Unless you've worked through the numbers beforehand, you have no basis for a go or no-go decision.

#### Table 6 Pro Forma Profit & Loss Statement From Conversion Income Closed Sales ..... \$5,000,000 Rental Income-Apts. .. Rental Income—Carports Sale Custom Items ..... 140,000 Real Estate Tax Adjustment 9.340 TOTAL ...... \$5,454,840 Expense Cost of Sales ..... 714.260 Common Charges ...... 34.915 Real Estate Taxes ...... 80,000 Bridge Mtge. Interest ... 316 785 Bridge Mtge. Closing Costs and Legal Fees ...... 84 375 Insurance Premiums .... 4 800 Rental Expense ...... 66,700 Adjusted Project Cost Basis ..... 2.799.765

TOTAL ..... 4,101,600

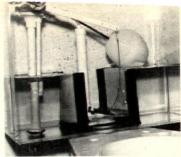
Before Tax Profit From Conversion .... \$1,353,240





Water-saving toilet uses only 3.5 gallons per flush. Conventional units require as many as 5 gallons. The "Artesian," with a siphon-jet flushing action, features a nonsweat tank, color-coordinated, snapon bolt covers and a convenient, side flush-handle. Toilet comes in a choice of colors. Borg-Warner, Mansfield, Ohio.

CIRCLE 208 ON READER SERVICE CARD



Simple water-saving device, "Little John," can be installed in almost any tank-type toilet. It prevents half the water in the tank from being needlessly flushed away. Two plastic walls with sealing gaskets on three sides fit around the drain and act as retaining walls. Metropolitan Water Saving, Washington, D.C.

CIRCLE 209 ON READER SERVICE CARD



Watersaving toilet, "Wellworth Water Guard," has a siphon-jet flushing system designed to use a minimum of water. The low-profile, vitreouschina unit comes round or elongated in a choice of seven decorator colors. Kohler, Kohler, Wis.

CIRCLE 212 ON READER SERVICE CARD

"Imperial" bathroom ensemble includes a light cap, a panoramic platemirror and matching cosmetic cabinet with mirror doors. Offered in a choice of finishes, easy-to-install units come individually or as a set. Triangle Home Products, Chicago. CIRCLE 213 ON READER SERVICE CARD

"Century Oak" vanity has an Early American look. The brown, knottyoak, hand-wiped finish is accented by specially designed hardware. Cabinet is available in 24", 30" and 36" widths with laminate tops. Brammer, Davenport, Iowa.

CIRCLE 207 ON READER SERVICE CARD

Cultured marble tub surround (below) comes in precut sheets to fit a 5' tub recess. The material is marble dust, polyester resins and colorants. Impervious to stains and impact, it can be cut or drilled. Acorn Marble, Walled Lake, Mich.

CIRCLE 210 ON READER SERVICE CARD



Modular cabinetry, "White and Gold," provides storage space and adds a design dimension. The combination shown above includes a drawer unit, two double-door cabinets and two single-drawer sections. Long Bell, Portland, Ore. CIRCLE 211 ON READER SERVICE CARD





Ceramic mosaics, in celadon green, tile an oriental bath (left). The vanity area, also done in the 1"x1" tiles. is divided from the shower compartment by a sliding door. Flagstones set in a cobblestone bed pave the tub area. An abundance of plants adds to the natural atmosphere. American Olean, Lansdale, Pa.

CIRCLE 200 ON READER SERVICE CARD

"Baronet" vanity (below), a traditionally-styled unit, features a solidoak frame and all-wood construction throughout. The maintenance-free finish is oven-cured for maximum durability. Silent-glide, warp-proof drawers, self-closing hinges and adjustable shelves are standard. Excel, Lakewood, N.I.

CIRCLE 201 ON READER SERVICE CARD





White-on-white modular vanity, "Alpine," (above) features gold-bead drawer and door pulls. Options include a hamper cabinet and a suspended drawer kit to make a dressing-table area. Unit is easy to install. NuTone, Cincinnati, Ohio.

CIRCLE 202 ON READER SERVICE CARD

Two-handle lavatory faucet (right) offers a "Crystal Look." Washerless faucet with pop-up drain assembly fits standard 4" centers or 6" to 16" centers. Widespread "Model 3524" is offered in triple chrome or gold. Delta, Greensburg, Ind.

CIRCLE 205 ON READER SERVICE CARD



Bathroom cabinet system is a spacesaving European import. Extruded PVC medicine cabinet has a rustand water-resistant aluminum finish. "Conception 340" storage system is acrylic-coated particleboard. Schock, Hastings-on-Hudson, N.Y. CIRCLE 203 ON READER SERVICE CARD

Bathroom fixtures in "Americana" brown are shown (at right) in a contemporary bath. Included are a "Carlyle" toilet, "Luxette" bidet, twin "Rondalyn" lavatories and an "Ultra" pool. American Standard, New Brunswick, N.J.

CIRCLE 206 ON READER SERVICE CARD



Centerset "Olympian" faucet (below) features brushed-gold finish and crystal lever handles. Options include a choice of chain stay or popup assembly. Matching tub and shower fittings are offered. Bradley, Menomonee Falls, Wis.

CIRCLE 204 ON READER SERVICE CARD





NEW PRODUCTS

88 Bathrooms

90 Bathrooms

95 Bathrooms

96 Bathrooms

100 Bathrooms

103 Bathrooms

104 Lighting

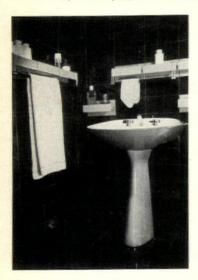
105 Lighting

106 Lighting

PRODUCTS/BATTIMOOL



One-piece seamless shower module is molded of durable "Corlglas." Measuring 56%" wide, 36%" deep and 74" high, the "Model 631" has two integral seats and soap trays. Easy-to-maintain shower comes in a range of decorator colors. Corl, Fort Wayne, Ind. CIRCLE 214 ON READER SERVICE CARD



Coordinated tiles and accessories, "System Modula," provide a totally finished look for a contemporary bathroom. Tiles, available in red, orange, blue, white and brown, are complemented by towel bars, shelves and paper holders. "Il Bagno" bath fixtures are shown. Hastings Tile, New York City. CIRCLE 215 ON READER SERVICE CARD

Double bowl vanity (below) is one-

piece, marble-like "Corian." The seamless, 3/4"-thick top has a hard, non-porous surface that resists scratching, marring and staining. "Corian" comes in a choice of three colors. DuPont, Wilmington, Del. CIRCLE 216 ON READER SERVICE CARD



Self-clearing, dripless shower neau, "Nova," provides a full, wellmodulated spray pattern. Unit automatically drains itself when water is turned off, preventing the build up of damaging deposits. The shower head is constructed of chromeplated brass and plastic. Ondine, Interbath, El Monte, Calif.

CIRCLE 217 ON READER SERVICE CARD





Sliding tub enclosures, "Series 640," feature an easy-to-clean open track design. Water, soil and soap do not get trapped so there is no mildew buildup. Doors come in tempered or frosted glass or mirrored with a plastic back. Howmet, Magnolia, Ark. CIRCLE 218 ON READER SERVICE CARD



Wood vanity, "Colonial Hickory," has a classic traditional look. Distinctively shaped panels of hickory veneers are surrounded by 1"-thick solid hickory framing. A "Durasyn" finish protects against scratches and stains. Haas Cabinet, Sellersburg, Ind. CIRCLE 219 ON READER SERVICE CARD



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"Chalet" vanities feature double cathedral doors with deep, contrasting, oak-grained designs on raised center panels. Doors and drawer fronts are molded of structured urethane finished to look like wood. Interiors are vinylclad. Merillat, Adrian, Mich. CIRCLE 220 ON READER SERVICE CARD



**Traditionally-styled "Plaza One" vanity** features a classic, raised-panel design. Molded of low-maintenance "Durium," the unit has the look of deepgrained oak. Vanities come in a wide range of sizes and models. Kitchen Kompact, Jeffersonville, Ind. CIRCLE 221 ON READER SERVICE CARD



Fiber glass "Bath & Shower Unit" has molded-in reinforcing ribs for exceptional strength. The four-piece system, offered in bone or white, comes with seven interchangeable color accent panels. Tub features a slip-resistant bottom. Owens Corning, Toledo, Ohio. CIRCLE 222 ON READER SERVICE CARD

"Centerset" lavatory faucet features heavy-duty, one-piece cast-brass construction. The durable, low-maintenance unit has a deep-plated finish. Competitively-priced faucet comes with a choice of five handle styles. Gerber, Chicago.

CIRCLE 223 ON READER SERVICE CARD





**Dramatically designed bath** is small but well planned. Archways give the room an added dimension. Durable vitreous-china fixtures are used. Low-profile toilet and built-in round lavatory help provide much-needed storage space. Eljer, Pittsburgh, Pa. CIRCLE 224 ON READER SERVICE CARD

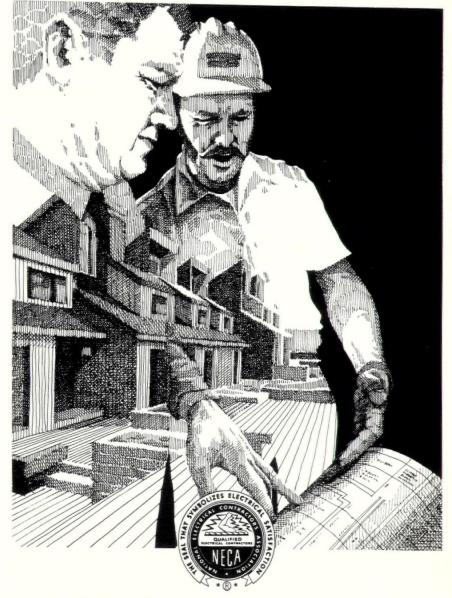
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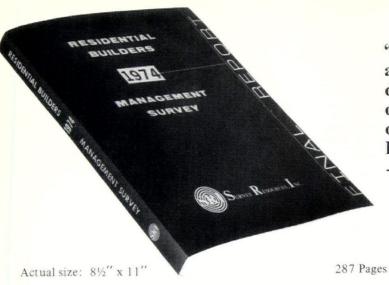
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I	ORGANIZATION
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Ш	COMPENSATION METHODS  Base Salary Supplemental Compensation Stock and Equity Estate Planning
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VI	SPECIAL REPORT: NEW TOWN/PLANNED COMMUNITY DEVELOPERS Introduction Organization – New Town Developers Organization – Planned Community Developers Compensation
VII	USING THE REPORT

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Three panel sliding tub enclosure provides easy access. Triple doors, of impact-resistant styrene in a cracked-ice pattern, are enclosed in anodized aluminum. Easy-to-install unit includes an adhesive-backed master frame. Kinkead, Chicago. CIRCLE 229 ON READER SERVICE CARD

"Rotary massage" shower head provides a whirlpool effect. An inner nozzle discharges streams of activated water. Spray pattern can be adjusted as desired. Unit, which fits any standard 1/2" pipe, comes in two mother-of-pearl models and in chrome and gold-plated versions. Rain Jet, Burbank, Calif.

CIRCLE 230 ON READER SERVICE CARD

Early American style vanity, "Character Pecan," features doors with vertical grooves. Hammered copper hardware accents the bookmatched pecan veneers. The five-coat bakedon finish is mar-proof. Arist O Kraft, United Cabinets, Jasper, Ind.

CIRCLE 232 ON READER SERVICE CARD

"Patrician White" vanity line is traditionally styled and accented by simple Early American hardware. Series includes a full range of door and drawer base units and matching wall-mounted medicine cabinets. Home-Crest, Goshen, Ind.

CIRCLE 233 ON READER SERVICE CARD



"Backsaver" vanity is 41/2" higher than conventional units. Offered in two decorator styles, including the "Mayflower White Chalet II" shown, vanities are hand-sanded, -fitted and -stained. Finish is moisture- and spill-resistant. Quaker Maid, Tappan, Leesport, Pa. CIRCLE 231 ON READER SERVICE CARD



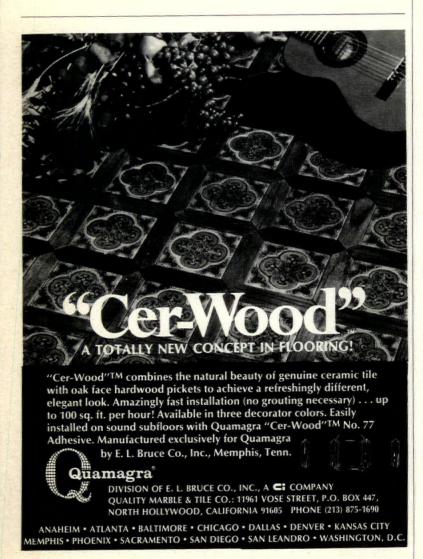
more products on page 96

# get it all together



TUB-MASTER for GLAS-TEC, Inc. TUB-MASTER CORP., 413 Virginia Drive Orlando, Florida 32803 Branch Plant: Anaheim, California

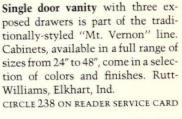
CIRCLE 59 ON READER SERVICE CARD







Coordinated hardware and accessories are a decorative accent in any home. The Mediterranean-style Monterey Collection<sup>TM</sup> includes electrical and door hardware as well as a complete line of bathroom accessories. Amerock, Rockford, Ill. CIRCLE 239 ON READER SERVICE CARD





Marbelized vitreous-china toilet is part of a line of 20 products. Series includes the low-profile toilet shown, other water closets, lavatories, bidets and a coordinated fiber glass tub/shower. Universal Rundle, New Castle, Pa.

CIRCLE 240 ON READER SERVICE CARD

Contemporary medicine cabinet, "Dauphine Lux," is complemented by coordinated bath accessories. The smoked lucite series includes a shelf, a soap dish, a cup holder, a towel rack and a garment hook. Allibert, New York City.

CIRCLE 241 ON READER SERVICE CARD



Cultured marble, 1"-thick vanity top, "Contessa," comes in a full range of sizes. Integral rectangular bowl with flaired edges features two built-in soap ledges and a recessed platform for faucet drillings. L&M Cultured Marble, Chicago Ridge, Ill. CIRCLE 242 ON READER SERVICE CARD

more products on page 100

# INCREASE YOUR 1975 INCOME WITH TEMPLE TEXTURED SIDING.

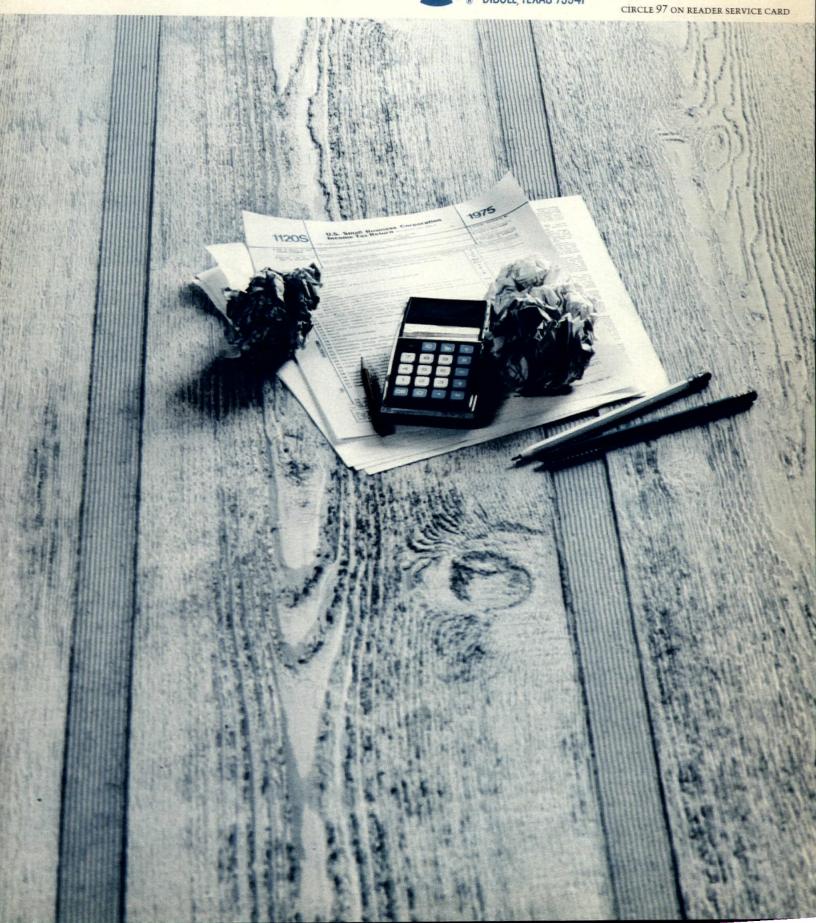
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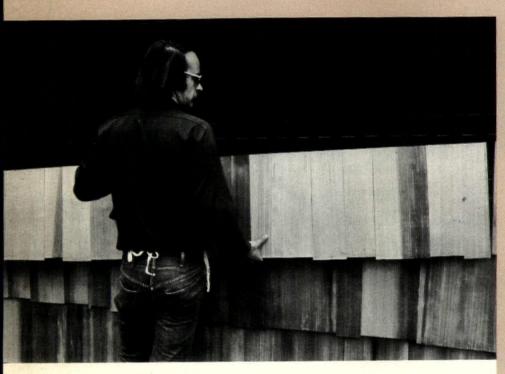
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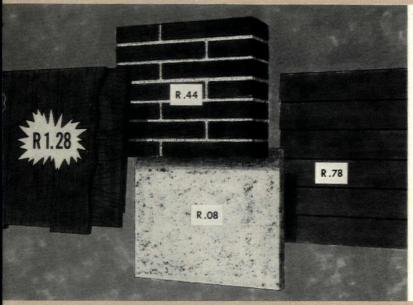
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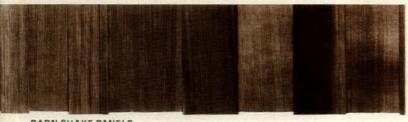
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\*ASHRAE Handbook of Fundamentals, 1972 ed., Chap. 20 "Design Heat Transfer Coefficients". Table 3A, pp. 362-63.

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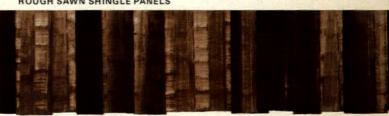
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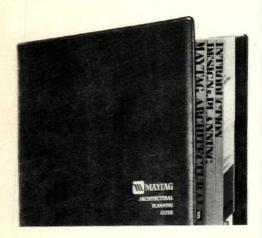
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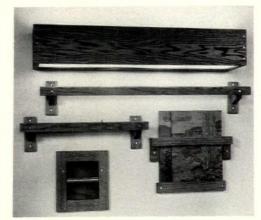
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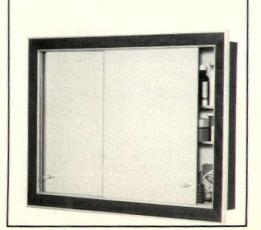




Early American style cabinets, "Colonnade," work well with traditional or contemporary decors. Door detailing has a classic barn-siding motif. Hardware is simple and functional. A protective "Rel-Var" finish is easy to maintain. Cabinets, in a choice of sizes and models, can be used in a variety of arrangements. Triangle-Pacific, Dallas, Tex. CIRCLE 225 ON READER SERVICE CARD

Genuine oak accessories add a rustic touch to any bathroom. Included in the line are a valance light with an incandescent bulb-track system, towel bars in two sizes, a toilet paper dispenser and a magazine rack. All have a Danish oil finish and come with brass screws. Pack River, Sandpoint, Idaho. CIRCLE 226 ON READER SERVICE CARD





Self-contained whirlpool bathtub, Beauty Spa®, is as easy to install as a conventional 5' tub. The unit comes complete with a factory-installed pump and all necessary piping. The pump recirculates water in the tub through four whirlpool jets, adding tiny air bubbles. Offered in nine colors, tub has a slip-proof bottom. Briggs, Tampa, Fla. CIRCLE 227 ON READER SERVICE CARD

Contemporary medicine cabinet, "Cynthia," can be surface-mounted as shown or recessed. Units feature easy-access sliding mirror doors. Brushed anodized gold or clear aluminum frames are accented by mirror or colored mica inlays. Colored inlays are custom-coordinated with vanity tops. Auth Electric, Sta-Rite, Deer Park, N.Y. CIRCLE 228 ON READER SERVICE CARD

more products on page 103

# wake the most of 1975 with this \$70,000 research report on America's most active builders

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CIRCLE 101 ON READER SERVICE CARD

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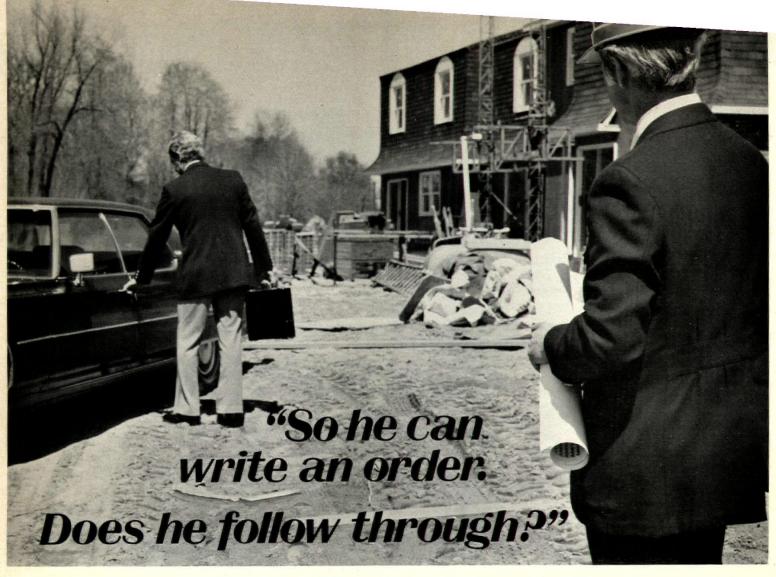
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Storage cabinet/drawer vanity features demountable doors for easy style changes. Six different door styles are offered. Vanities come in three widths and two depths. They can be used individually or with coordinated cabinets. Chemcraft, Elkhart, Ind. CIRCLE 236 ON READER SERVICE CARD

Complete bathroom decor, including accessories. lighting, mirrors and cabinetry, is offered in the "Builder Bath Plan." The contemporary style grouping shown is one of ten coordinated plans offered as packages. Hall Mack, Harrodsburg, Ky. CIRCLE 234 ON READER SERVICE CARD

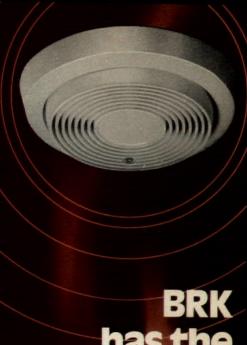


Coordinated hardware and accessories line, "Jamestown," has a traditional look. Offered in antique-silver, brass or golden-white finishes, collection contains 19 items. Ajax, City of Industry, Calif. CIRCLE 235 ON READER SERVICE CARD

Molded marble vanity top and bathtub add elegance to any bathroom. One-piece seamless units come in a choice of colors. Material has a highgloss surface that repels common household stains. Molded Marble, Menomonee Falls, Wis. CIRCLE 237 ON READER SERVICE CARD



more products on page 104

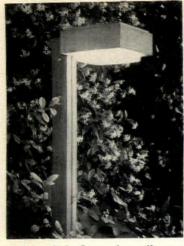


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\*Also BOCA & ICBO Research Committee listed

### PRODUCTS/LIGHTING



Outdoor light fixture for walkways, patios, planting areas or parking lots is made of clear heart redwood. Prewired, waterproof unit comes with 4', 8', 10' or 12' posts. It accepts 100 watt bulbs. Victor Mfg., San Carlos, Calif

CIRCLE 250 ON READER SERVICE CARD



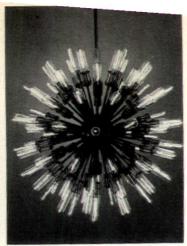
Graceful chandelier with traditional Williamsburg styling is part of the "Americana Heritage" series. Basic white ceramic is accented by blue or brown delft trim and contrasted by Sheffield or pewter. Feldman, Los Angeles.

CIRCLE 251 ON READER SERVICE CARD



Heavy duty floodlight, "Omniflood," (left) is for large-area application such as parking lots or sports facilities. Offered in 400- and 1000-watt housings that can accommodate mercury vapor, metal halide or high pressure sodium lamps, units have tempered glass lenses. Hi-Tek, Lithonia, Conyers, Ga.

CIRCLE 252 ON READER SERVICE CARD



Striking contemporary chandelier is an unusual light source for a dining or entry area. The 30" round sphere has 91 points of light that emerge from a dramatically dark center. Round globe or T-10 bulbs are used. TSAO, New Canaan, Conn.

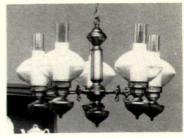
CIRCLE 257 ON READER SERVICE CARD

"Power Drawer Floodlight" (right) has a ballast drawer assembly containing all electrical components. Unit slides into the housing and is hooked into the power supply by a disconnect plug. Assemblies are for mercury, high-pressure sodium and metal-halide lamps. McGraw-Edison, Racine, Wis.

CIRCLE 255 ON READER SERVICE CARD

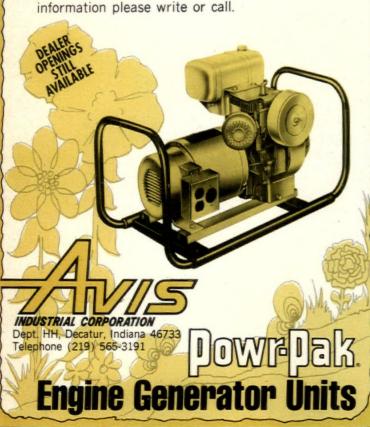
ditionally-styled with light amber and white glass chimney, has an antique-brass finish. Matching two-light pendant, ceiling light and wall fixture are offered. Virden, Cleveland, Ohio.

CIRCLE 254 ON READER SERVICE CARD





Here's POWER when and where you need it most. Dependability and confidence will be your mood with an Avis trouble free Powr-Pak engine generator unit. Whether it be for your home, your home on wheels, your camp, or your shop, we want to tell you about Powr-Pak. For further information please write or call



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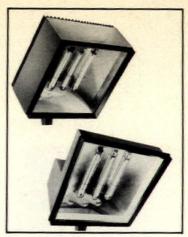
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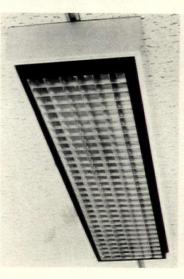
"TruBloom" fluorescent lamps are designed to promote healthy growth of indoor plants. The light source, which closely simulates the natural illumination of a bright, overcast day, does not give a tinted or discolored appearance to the greenery. Lamps are available in a wide range of sizes. Verilux, Greenwich, Conn. CIRCLE 256 ON READER SERVICE CARD



Low wattage outdoor luminaires with all aluminum construction are designed for energy-saving, lowpressure sodium lamps. Offered in the two styles shown, units can use one, two or three lamps per fixture. Stonco, Keene, Union, N.J. CIRCLE 253 ON READER SERVICE CARD

Fluorescent luminaires can be clipped to recessed or surface-mounted "Lytespan" tracks or adapted for "Lytespan III" ceiling runners. System allows track lighting to be used for task illumination. Lightolier, Jersey City, N.J.

CIRCLE 258 ON READER SERVICE CARD





more products on page 106



# Jacuzzi Special bath!

Nothing luxuriates a bathroom like a Jacuzzi!

Whether remodeling or competing in today's tough building market, Jacuzzi gives the bathroom that competitive selling edge. Our Premiere Custom Line Roman Bath has no equal in quality or performance! Three Whirlpool inlets give luxurious massage in every direction! Shipped with all plumbing contained within 3 x 6 or 3 x 5 module. Other sizes and shapes available.

JACUZZI RESEARCH, INC. 1440 San Pablo Ave., Berkeley, Ca. 94702 (415) 526-0334







### PRODUCTS/LIGHTING



Chain-hung light fixture (below) is part of the Victorian-inspired "Jenny Lind" collection. Delicate flowers and finishes decorate the handblown glass shade. Offered in four colors, fixture has 12' of chain. Thomas, Louisville, Ky.

CIRCLE 260 ON READER SERVICE CARD

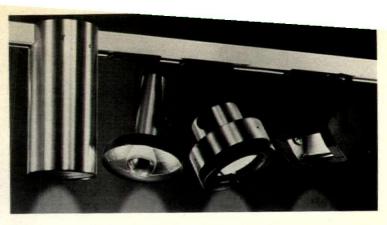


Contemporary luminaire blends with 1930 street-light pole (left). The 24"-diameter clear sphere accommodates a 400-watt, mercuryvapor lamp. Unit has a photocontrol for automatic turn on and off. Architectural Area Lighting, Santa Fe Springs, Calif.

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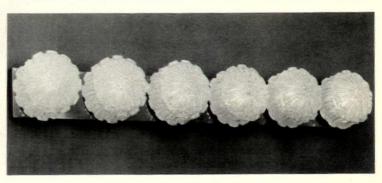
Colonial post lantern (above) is designed for driveway or walk lighting. The unit comes in satin black with polished brass trim. Star-cut glass panels are shatter-resistant for safety. Frosted chimney is standard. Progress Lighting, Philadelphia, Pa. CIRCLE 244 ON READER SERVICE CARD

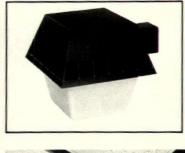


Versatile track lighting, "4-Circuit Trac," (above) provides multiple circuits connected from a single feed point. System can handle four different types of lighting service. Each can be separately controlled. Halo Lighting, Rosemont, Ill.

CIRCLE 246 ON READER SERVICE CARD

Bath or dressing room lighting (below) combines a traditional look with modern lighting techniques. Six ice-crystal fixtures mounted side-by-side on a highly polished brass bar provide good illumination for grooming. EJS, Compton, Calif. CIRCLE 247 ON READER SERVICE CARD





Low wattage luminaires, "Athena," (left) come complete with mounting structures. Overall pole heights of 3' or 10' with a choice of luminaire arrangements, and single-luminaire wall mounts are available. Units of die-cast aluminum have fullygasketed, opalescent, white acrylic lenses. Jet-Phillips, Houston, Texas. CIRCLE 248 ON READER SERVICE CARD



Thirties-style floor lamp with an art deco look is a striking accent in a contemporary living room. Part of the "Reflection 74" collection of boldly designed lights, the lamp features strip mirrors that wrap around the thick tubular base. Shade is parchment in an exaggerated cone shape. Sunset Lamp, Cosco, Columbus, Indiana. CIRCLE 234 ON READER SERVICE CARD



Energy-saver ceiling system provides effective task lighting at 2 watts per sq. ft. Key to the ceiling's lighting performance is the Percepta® luminaire, a twin-beam unit that eliminates reflections and reflected glares. System with a Snap-Track™ grid runner and snap-together troffers is easy to install. Holopane, Denver, Colo. CIRCLE 249 ON READER SERVICE CARD



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"Mention it to a customer and you might be surprised how pre-sold he'll be.

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\*ASHRAE Handbook, 1972 edition.

### Red Cedar Shingle & Handsplit Shake Bureau

5510 White Building, Seattle, Washington 98101







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Round	3.16	3.20	3.05			
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