

THE
MAGAZINE
OF

housing

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old
and new

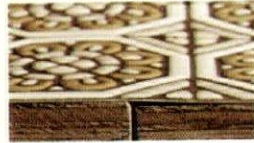
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Non-swinging singles—a new growth market
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Tredway installs with staples.

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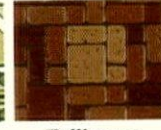
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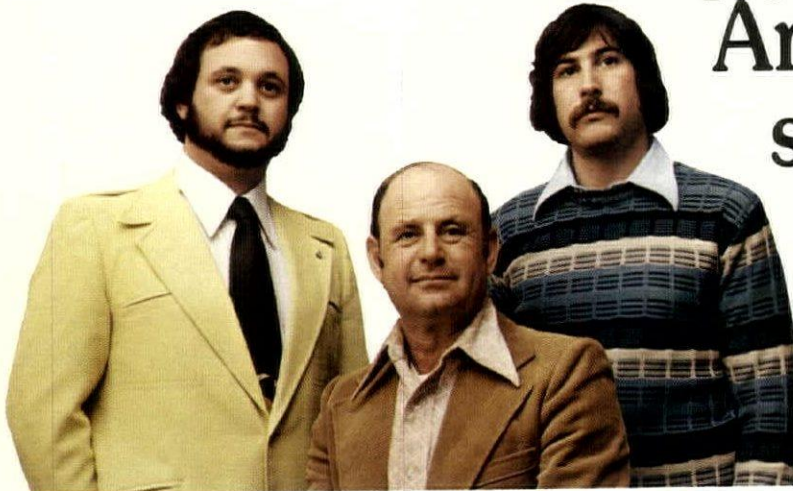


Tredway cuts easily.



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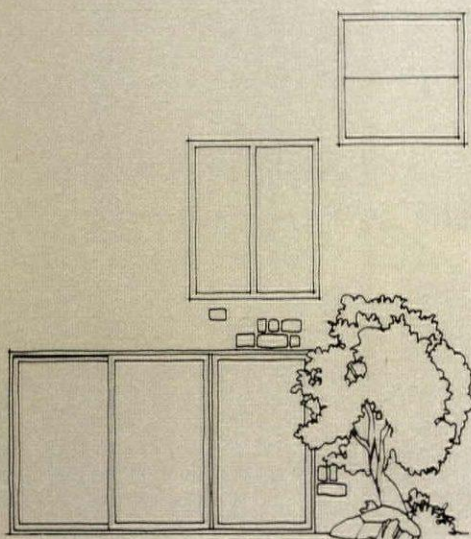
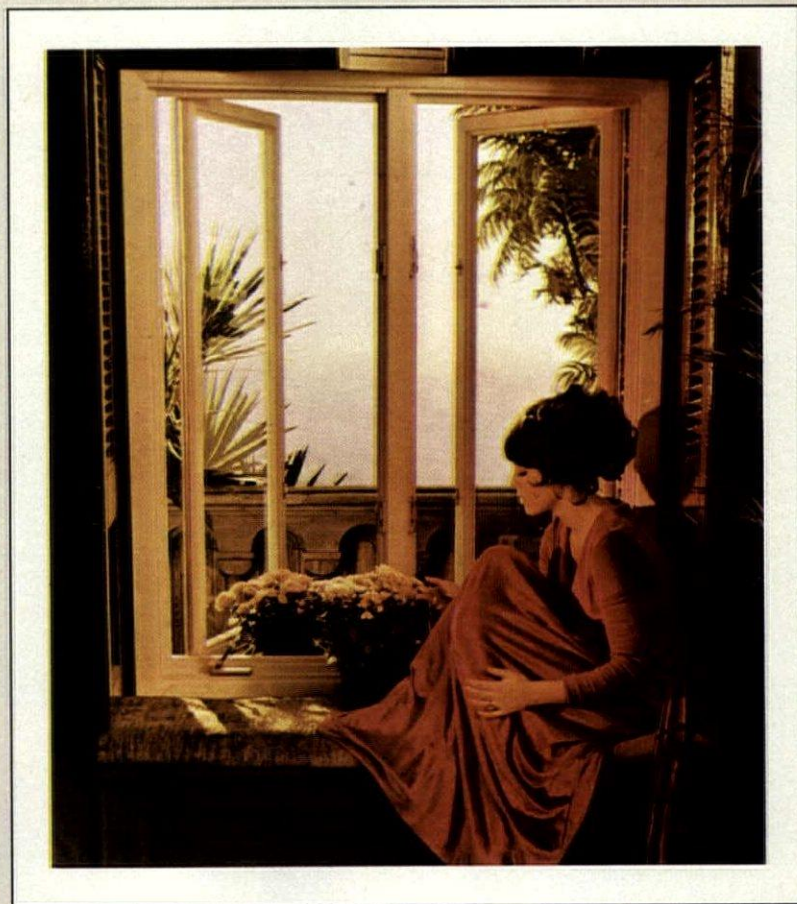
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Energy-saving subsidies? Yes—but . . .

Energy conservation got top billing at the May meeting of NAHB's directors—and rightly so.

Not surprisingly, the directors approved much of President Carter's energy program. For instance, they strongly supported indirect subsidies for retrofit—specifically, tax credits for homeowners who upgrade the insulation of their houses or install solar equipment.

But—and this, too, came as no surprise—the directors also focused on new construction, which was notably lacking from the President's proposal. They urged favorable treatment of new buildings that exceed current energy standards—either tax credits for buyers of new homes or investment credits for builders of apartments and commercial structures.

There's no argument here with incentives to encourage energy retrofit. Old houses make up the vast bulk of our housing stock. Built when energy was cheap, most of them are distressingly subpar by today's energy-saving standards. And without some form of subsidy, most homeowners can't afford to make their houses more energy efficient.

But extending government subsidies to new construction raises a basic question.

Is this just one more way to invite expensive government interference?

The costs—both direct and indirect—of bureaucratic red tape have already played a major role in jacking up house prices. Tax or investment credits for energy-efficient construction would help only if they didn't generate still more red tape and thus wipe out their benefits.

So in pushing energy subsidies for new housing, the industry should make sure they are not self-defeating.

—JOHN F. GOLDSMITH

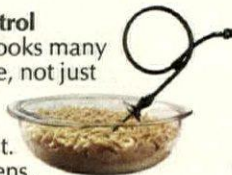


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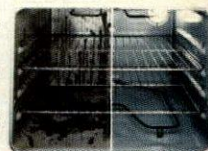
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Builders hail energy program

Housing industry sees Carter's program as a business opportunity

Jimmy Carter's energy program is striking a responsive chord in the building community.

Builders who never expected to agree with that man in the White House seem genuinely pleased with the Carter plan. The housing industry's cheers may even be loud enough to muffle the discordant reaction from Detroit's automakers.

In Washington, officials of organizations representing builders and mortgage lenders see business opportunities in Carter's call for more fuel-efficient dwellings. More thoughtful members of this fraternity think adherence to the scheme will go a long way toward solving the vexing energy problem.

There's still a queasy feeling that the plan could go awry or cause economic dislocations. Carter must still do a selling job or his base of support will melt. Simultaneous with its announcement, interest groups set out to modify the plan more to their likings. This is a danger that Carter recognizes, and he promises to hang tough.

NAHB response: action. Declarations of support have been rolling in, nonetheless. John McGinty, president of the American Institute of Architects, wired the President to proclaim that AIA "is the one interest group that won't fight the plan."

"We may even ask for some broader actions," the Houston architect said.

The National Association of Home Builders responded with a more tangible act: It is preparing a set of energy standards and practice guides for use by its members—"something the association has never done before," a staffer noted.

Several housing leaders mentioned



ANKERS CAPITOL

NAHB energy committee meets at National Housing Center. From left: Richard Kuchnicki, asst. director, and Alan Trellis, director, technical services; Bryan Landeran, asst. staff vice president, builder services; Jennifer Soave, asst. legislative counsel; Ivan Wohlworth, committee co-chairman; Arthur Johnson, energy conservation director, NAHB Research Foundation; and Ralph Johnson, foundation president.

that Carter's energy pronouncements would lead to more energy-efficiency consciousness. "Consumers will demand better insulated homes," says Robert Levenstein of Kaufman and Broad, the nationwide builder based in Los Angeles. "The President is both in the forefront of and following what the consumer is demanding," he added.

Lenders' support. John A. Hardin, president of the U.S. League of Savings Associations, said he expected "energy-efficient homes will command a premium price, while less efficient homes may suffer a price penalty." The league plans to develop ways for appraisers to factor energy costs into their judgments.

Kennon Rothchild, president of the Mortgage Bankers Assn., agreed. He wants his members to help "by cranking the thermal efficiency of a house into their lending decisions." High

utility costs, Rothchild says, have "already barred buyers previously qualified for the house they want.

"Unless we act now, these costs will inevitably raise the qualifying income required of the applicant for a mortgage loan."

Carter's plan gave some outfits an opportunity to boast about what they are already doing. Arthur J. Decio, chairman and chief executive officer of Skyline Corp., a major mobile home builder, said, "The President's energy message formalizes the status quo at Skyline. Economy in housing is our thing."

And K&B's Levenstein felt about the same way. "We have been offering [energy-conservation] packages in our housing in Chicago, Detroit and northern and southern California," he said.

Criticism. The only direct criticism from a housing leader surfaced in sur-

MBA's Rothchild
'Unless we act now . . .'



BLACKSTONE-SHELburne

U.S. League's Hardin
'A premium price'



Skyline's Decio
'Economy is our thing'



Critic Gilchrist
'Nothing on new building'



vey of the industry's spokesmen. It came from Don Gilchrist, president of the National Association of Home Manufacturers.

"Carter and his people are throwing insulation at the problem," Gilchrist said. "The problem is the whole building envelope, and everybody knows it except them."

Gilchrist proposes the use of existing model codes "that are there and ready to go." But, he adds, "we've heard nothing really specific from Carter on new building."

Understandably, the most bullish organization of all is the National Home Improvement Council. Its president, Edward A. More, says the "industry has been booming, but now it's going to be strained to capacity."

The association plans to get utilities and insulation contractors together to "mobilize joint efforts," including the lenders who will provide the financing. "There's both a patriotic and profit incentive," association officials say.

U.S. Chamber objections. Running contrary to the rave reviews was the assessment of the Chamber of Commerce of the United States. Its chief economist, Jack Carlson, charged that the Carter plan was "like a one-armed bandit—taxing for conservation with a promise of your money back."

He was addressing the entire package, not just that section affecting the building industries. But he said the energy plan would be inflationary, cause a decline in the standard of living and result in unemployment.

Everyone agrees that the plan offers many opportunities for arguments or disputes over the correctness of the approach. By emphasizing conservation over supply increases, Carter is following a path little understood—even in fairly sophisticated circles.

This conservation approach means a massive effort to improve energy efficiency in homes, buildings and industrial plants, plus cost penalties on inefficient transportation modes.

Opportunity. Roger Sant, a former federal energy administrator, is telling the housing industry that the Carter plan "is an opportunity, not a problem for builders." Now an energy consultant in Washington, Sant urges that industry groups meet Carter's energy challenges voluntarily. That's what the NAHB seems to be doing with its energy guides. They are the product of a new special committee on energy, headed by Builder Ivan Wohlworth of Hicksville, N.Y.

If followed, the NAHB says, the

CARTER ENERGY PROGRAM FOR BUILDERS

BUILDING CODES: HUD is ordered to promulgate mandatory performance building codes for energy conservation a year earlier than scheduled—or by Sept. 1, 1980. All jurisdictions must adopt the codes or builders will risk borrowing sanctions.

CONSERVATION LOANS: The government will open a secondary market for residential energy-conservation loans through the Federal Home Loan Mortgage Corp. and the Federal National Mortgage Assn.

INSULATION TAX CREDITS: Owners can claim a tax credit of 25% of the first \$800 and 15% of the next \$1,400 spent on conservation measures between April 20, 1977, and Dec. 31, 1984.

SOLAR TAX CREDITS: A credit will be allowed for 40% of the first \$1,000 and 25% of the next \$6,400 (maximum of \$2,000) paid for the installation of solar equipment between April 20, 1977, and Dec. 31, 1984.

MASTER METERING: The government would outlaw master electric meters for such structures as apartment houses and insist instead on metering for each individual unit.

DISTRICT HEATING: Utility commissions would encourage district heating schemes through regulatory provisions. (Example: a small central steam plant.)

APPLIANCES: Mandatory energy-efficiency standards for air conditioners, furnaces, water heaters and refrigerators will be set up soon.

UTILITY ASSISTANCE: Gas and electric companies would offer customers a residential energy-conservation audit and then, if needed, would install energy-efficiency equipment and offer loans to be repaid on monthly utility bills.

PEAK-HOUR PRICING: Electric utilities would have to offer peak and non-peak hourly rate pricing and reductions for customers willing to have power interrupted.

LOW-INCOME ASSISTANCE: The existing low-income residential conservation or weatherization program will increase to \$130 million in fiscal 1979 and to \$200 million by 1981.

INSTALLATION LABOR: Recipients of funds under the Comprehensive Employment and Training Act (CETA) will provide labor for the weatherization program for low-income families.

RURAL HOMES: A weatherization program will be undertaken with the aid of rural electric cooperatives and loans from the Farmers' Home Administration.

guides will increase energy efficiency by 16% in America's housing. A greater improvement is hard to develop, an association official says, "because we found builders are doing a pretty good job already."

'Easier to understand.' The new guides were prepared for adoption at the association's board of directors meeting in May. They were being put into a form that would enable a builder

in any section of the country to determine what sort of energy conservation materials and practices he should adopt.

"Rate cost, climate costs—everything is being plugged into it," says on NAHB official. "And it will be easier to understand than other similar guides for homebuilders."

—BILL HICKMAN
McGraw-Hill News, Washington

Farmers get loans to insulate homes

Seven rural electric co-operatives and Agricultural Secretary Bob Bergland have signed an agreement to help farm families pay for insulating their homes.

Families earning less than \$15,600 a year can borrow \$1,500 for insulation and installation. An Agriculture Department spokesman says the saving in fuel costs should offset the cost of borrowing.

The Farmers Home Administration is funding the program. The co-ops will take applications and bill the agency

when work is completed. Families will have the cost of their loan included in their monthly electric bill.

The signers were Blue Ridge Membership Corp., Lenior, N.C.; Adams Electric Co-operative, Camp Point, Ill.; Verendrye Electric Co-operative, Velva, N.M.; Northern Lights Inc., Sand Point, Idaho; Guadalupe Valley Electric Co-operative, Gonzales, Tex.; Farmers Rural Electric Co-operative, Glasgow, Ky.; and Black River Electric Co-operative, Sumter.

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maximum heat from the gas burned—with improved insulation to keep in more of that heat.

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- Gas dryers with automatic pilotless ignition that eliminate the pilot light and cut gas use.

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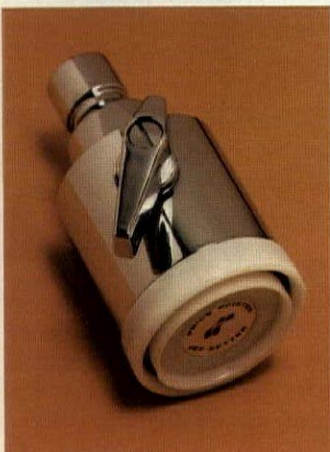
The Federal Power Commission has specified that the gas industry's first priority must be to keep on supplying homes that now have gas. So your gas customers can expect to have continued service. Now more than ever, it pays to stay with gas.

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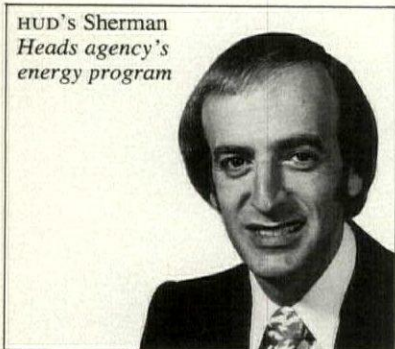
HUD's solar program starts strong

Thousands of phone calls poured into the Department of Housing and Urban Development when the government offered to pay \$400 of the cost of installing each of 10,000 solar hot-water systems in single-family houses.

The \$4.6-million program is designed to stimulate solar industry, according to Henry Marvin, an official of the Energy Research and Development Administration, which is footing the bill.

The offer is limited to ten northeastern states and Florida, where electricity is widely used to heat water and where utility rates are relatively high. Joseph Sherman, director of HUD's energy programs, says that where electricity costs

HUD's Sherman
Heads agency's
energy program



as much as 5 cents per kilowatt hour, monthly payments on a solar heat unit are about the same as the utility bill. "When electric rates go up," Sherman says, "the consumer with a solar system saves money."

The \$400 grants will be distributed by state agencies designated by the governors of Florida, Connecticut, Massachusetts, New Hampshire, Rhode Island, Vermont, Delaware, Maryland, New Jersey, New York and Pennsylvania.

The \$400 payments. Sherman says a solar hot water system for a single-family house costs an average of \$1,300 to \$1,400 to install, although the cost can vary from \$900 to \$2,200.

The northeastern states and Florida have a burgeoning solar heating industry, according to Sherman, and the simplicity of the systems make quick expansion of output relatively easy.

A test by the New England Electric System, involving about 100 solar water heaters, showed the cost of the systems to be higher than estimated and savings less than expected. Company officials said costs averaged \$2,000 per unit, compared with original estimates of \$1,000 to \$1,700. One official, John Meeker, said the higher costs were due in large part to higher-than-estimated installation costs.

Dispute over savings. Meeker said energy-cost savings averaged only 20% to 25% as against earlier estimates of 40% to 60%, and that customers would not recover their higher investment through lower electric bills for perhaps

another 18 to 20 years.

Officials of HUD disputed the figures, saying that unit costs are lower than when the systems were bought for the utility's test.

The agency paid the Sheet Metal and Air Conditioning Contractors National Assn. to develop a set of installation standards, and these have now been promulgated. And HUD will soon publish new minimum property standards for solar hot-water systems in homes insured by FHA. The 10,000 units subsidized by the HUD-ERDA grants of \$400 must comply with these new standards.

HUD's solar subsidies. Under HUD's "regular" program of grants for installing solar equipment in housing, which began in January 1976, some 4,000 units have benefitted from a subsidy program totaling about \$5 million. The first round of \$1 million in grants went to 55 builders and other sponsors to install 143 units for space heating, cooling and water heating.

The second round last October granted \$3.9 million to 102 recipients to install systems for 1,411 housing units—high-rise apartments as well as single-family homes.

The third round brought in 700 proposals seeking a share of \$6 million in grants. One official suggests that perhaps 200 builders and developers will be selected.

The program seeks to encourage builders to test the market for a solar energy house. [See "A Solar-House Project Comes to Market," H&H April.] —D.L.

Energy plan's chances in Congress

What are the energy program's chances of becoming law?

Congressional leaders have promised to expedite consideration of President Carter's proposals.

Speaker Thomas P. (Tip) O'Neill Jr. (D., Mass.) has even taken the unprecedented step of naming a special *ad hoc* committee to study the energy bills. It will be headed by a lawmaker familiar to homebuilders: Thomas L. (Lud) Ashley, an Ohio Democrat who is also chairman of the housing subcommittee of the House Banking and Currency Committee.

Easy passage. The Senate will consider the proposals mainly through its newly created Committee on Energy and Natural Resources. The panel is

headed by Senator Henry Jackson, a Washington state Democrat, who is expected to spend most of his time on energy-supply questions.

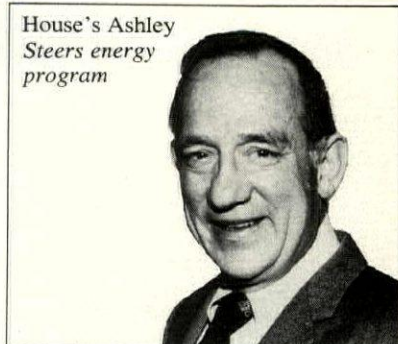
Here's a look into the crystal ball:

Tax incentives, loans and grants for insulation and weatherization programs in homes and buildings should sail through quickly and without undue debate.

New requirements on utilities to aid with the program should be approved too, though perhaps with greater controversy.

And hard going. Higher taxes on gasoline, and perhaps the surcharge on gasoline-guzzling automobiles, will bog the lawmakers down in extended debate and probably will be modified

House's Ashley
Steers energy
program



before approval. Taxes on crude oil and higher ceiling prices on interstate natural gas are a particularly sticky question to Congress. The chances here rate somewhere between slim and a toss-up. —B.H.

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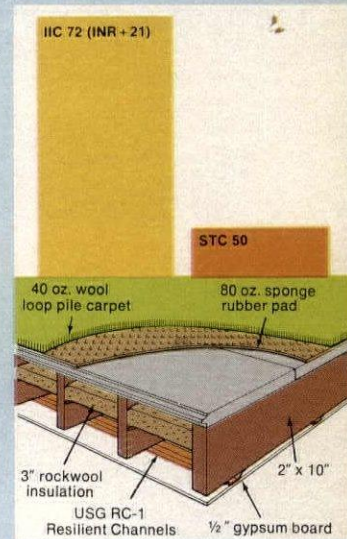
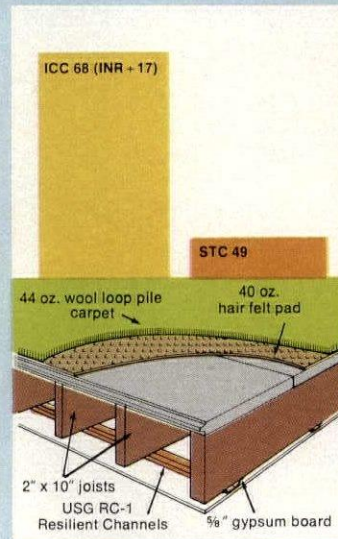
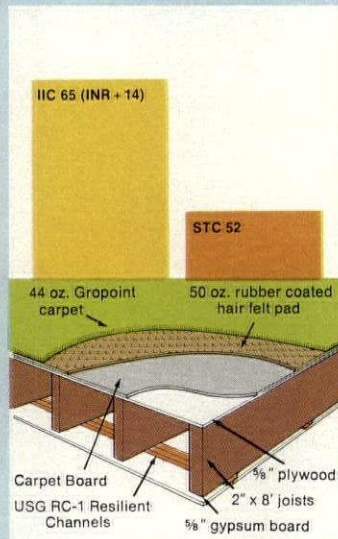
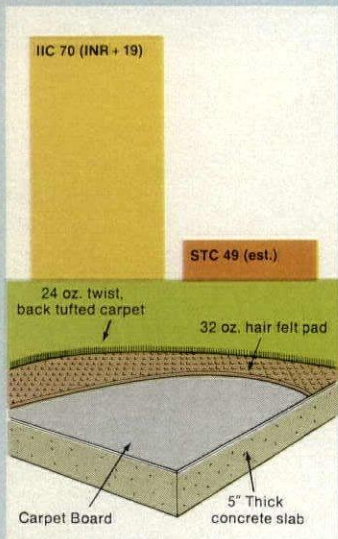
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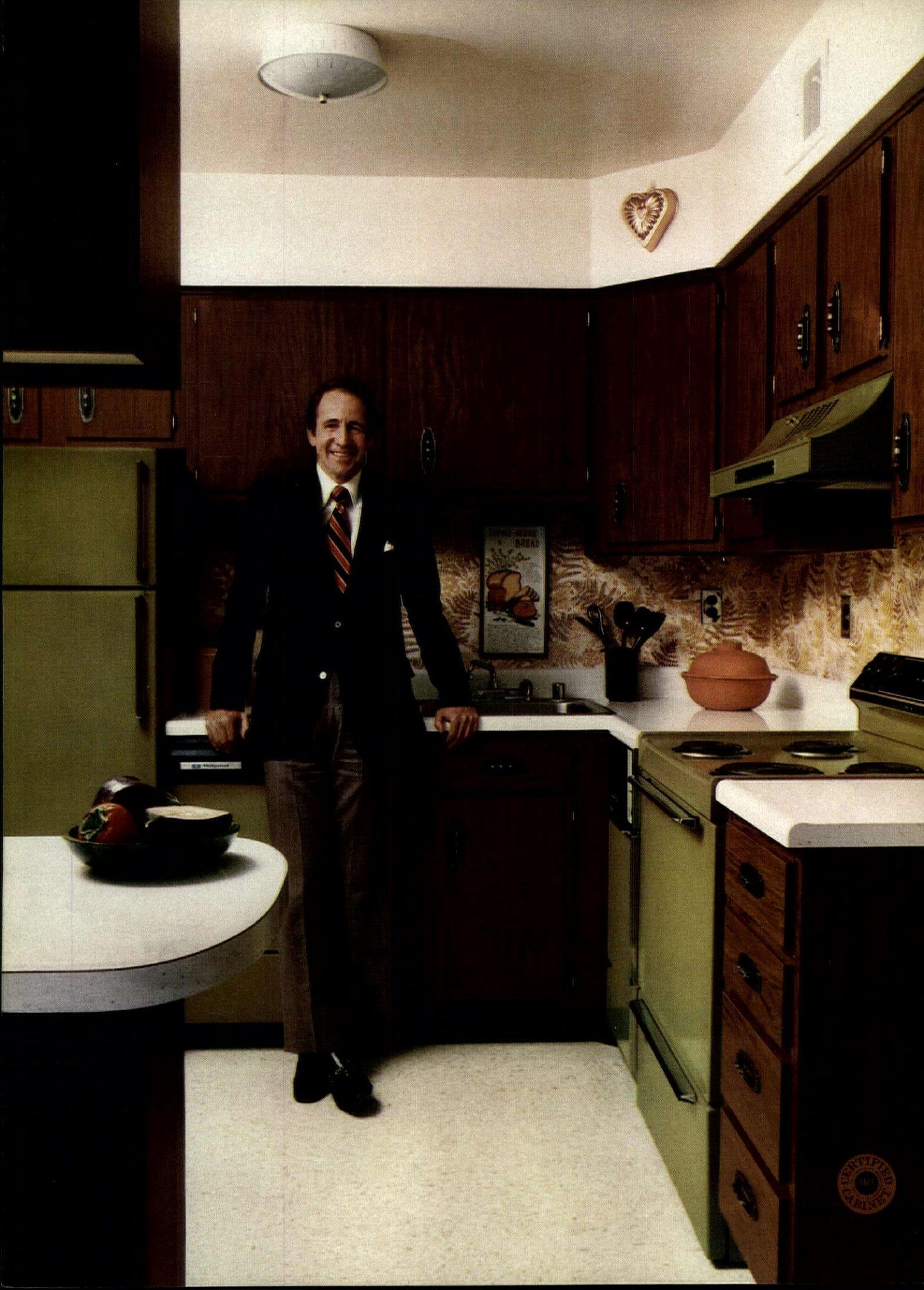
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Builder offers energy-saving extras

A Michigan builder, Multiplex Home Corp., has begun offering energy-saver packages with its cold-climate homes in all price ranges.

Early sales reports on mid-priced homes marketed with five optional packages suggest the company's strategy will reap rewards. The most expensive of the packages includes an infrared photo checkup on the house to spot heat leaks.

At Multiplex's Village Oaks subdivision in White Oak Village, five of seven buyers committed between \$670 and \$2,390 beyond the \$47,000 house price in the first two weeks. They bought extra insulation, special furnace devices and energy-saving appliances.

Multiplex officials believe this pattern will follow at other sites at the low-priced end of the market, \$30,000 homes, and at the high end, \$200,000 homes. The company will soon adapt its current package program to suit offerings at three other subdivisions representing its complete price range.

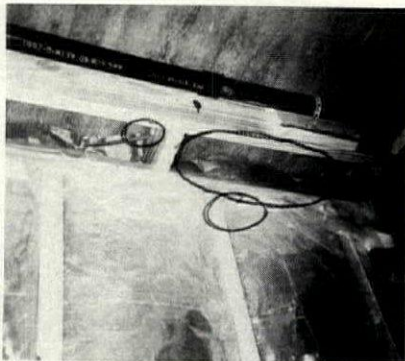
Low profits. "We're accepting a low profit margin on energy options to induce sales," says the Multiplex marketing and sales director, Larry Rospierski. "And because our program is unique, we expect to sell more homes than other energy-efficient builders.

"Publicity on our energy packages and use of the infrared scanner already has increased traffic. Sales may also be above the trend, but it's too early to tell."

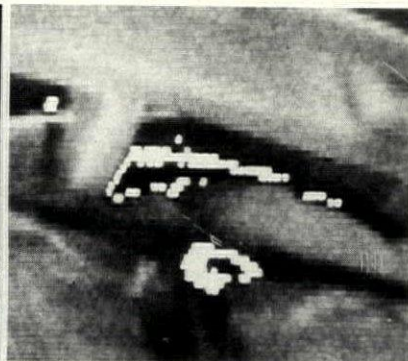
Rospierski spent much of the big-freeze season at trade shows devoted to energy-efficient homes. Multiplex built an energy-option model during the spring thaw, and General Electric provided infrared camera surveys of a standard model and of the new energy-option model. Owens-Corning Fiberglas filled out the picture with a computer estimate of annual energy savings.

Results. The infrared study showed far less heat loss from the energy-efficient house. The computer study showed a 35% energy saving from houses with package No. 3 (see list next column), but it got no other specific readings for the other packages.

"Based on consumer surveys, we believe that 80% of our buyers will choose one of our energy packages," says Rospierski. "About 35% will opt for extensive packages, which are now



Actual photo of bond above foundation in energy-extra house. Ring areas will be tested for heat loss.



Thermovision shows loss of heat as bright light. [H&H, April '75: "See Where Housing Loses Heat."]

priced above \$2,000."

Buyers of the largest package get a pledge that a crew will return to the finished home with an infrared camera to detect heat loss, and that the crew will correct any loss due to faulty construction. Use of the heat-sensing camera led Multiplex to improve its standard home insulation.

The five packages. These are the packages Multiplex is offering at Village Oaks. The company's headquarters are nearby, in Rochester, Mich.

- **Standard.** R-11 insulation in walls, R-19 in ceilings. Double-paned windows. Metal-insulated entry doors. Sealed and caulked joints.

- **Package one.** Standard features plus R-19 insulation in walls, R-33 in ceilings. Price: \$670.

- **Package two.** Package one plus day-night thermostats, basement storm windows, sill sealer on all plates. All doors and windows set in a bed of caulking. Price: \$960.

- **Package three.** Package two plus substitution of 2"x6" wall studs with proportional increase in insulation batting. Wood double-paned windows and patio door. Thermostatically controlled attic fan. R-3.5 basement wall insulation, furring and vapor barrier. Price: \$2,260.

- **Package four.** Package three plus R-44 insulation in ceiling. Price: \$2,390.

- **Package five.** All previous materials plus substitution of urethane sheathing for standard. Energy-saving light switches throughout. Water-conserving toilet. Flow restrictors on all interior faucets. Furnace electronic ignition. Price: \$3,000.

Sales campaign. The prices are based on the builder's Hawthorne Colonial model, a two-story, 1,400-sq.-ft. house with attached garage. Assuming constant fuel prices, Multiplex tells prospects that buyers will save \$250 a year in utility bills, paying off the investment in extras within five years.

Differences in energy packages are presented to prospects with cut-away models of home walls, ceilings and a slide film that shows houses under construction. Brochures produced by the builder, Owens-Corning and local utilities are on hand at the sales office. Wall signs in models point out individual energy-saving features.—ROGER GUILLES

McGraw-Hill, Detroit

Goodfellow takes reins at Guerdon

Guerdon Industries, the mobile-home subsidiary of City Investing Co. of New York, has a new president.

William S. Goodfellow, a former senior vice president of Rheem Manufacturing Co., New York, has replaced Jack E. Dahl, who has resigned. Guerdon's headquarters are in Louisville, Ky.

Blount Inc. of Montgomery, Ala., an agribusiness and construction company, is selling off its mobile-home division to undisclosed buyers.

Blount has been treating the mobile-home arm as a discontinued operation for more than a year. It reported a loss of \$1.8 million on the mobiles division for the fiscal year that ended on February 28.

“Scheirich’s Gardencourt cabinet was ideal for remodeling.

It withstood the hard knocks of busy workmen, and we didn’t have to sacrifice good looks for durability.”

David Clark, President
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along with still another on all doors, shelf edges and corners.

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Other features include rich, antique pewter-finish pulls and color-coordinated backplates.

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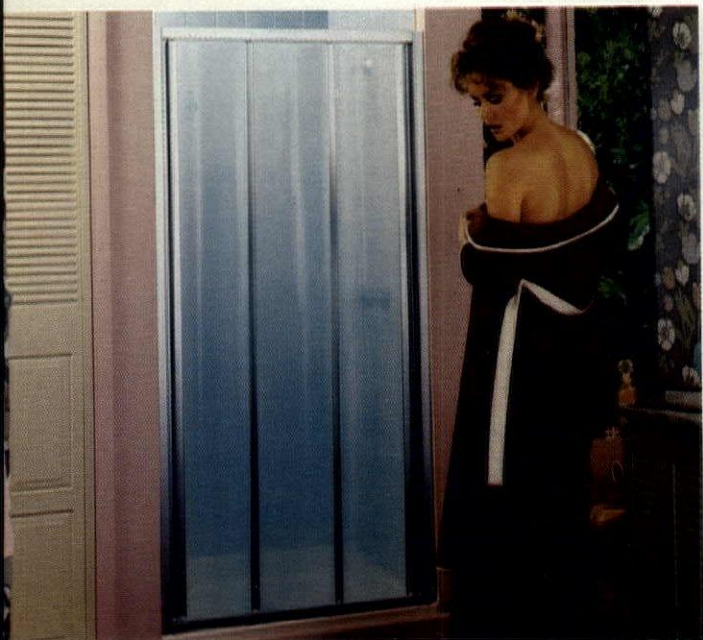


Clustered in a grove of trees along Pennsylvania Avenue in Washington, D.C., Fairfax Village is a 56-acre community of 826 apartments and town houses. For 35 years, the community was a home away from home for senators, congressmen and other government officials. Now, over 435 units have been completely modernized, with the entire project scheduled for completion by 1978. The beautifully landscaped one, two and three bedroom units range from \$19,900 to \$40,000, and include everything from central air conditioning to trash compactors as standard equipment. To date, over 90% of the remodeled units have already been sold.

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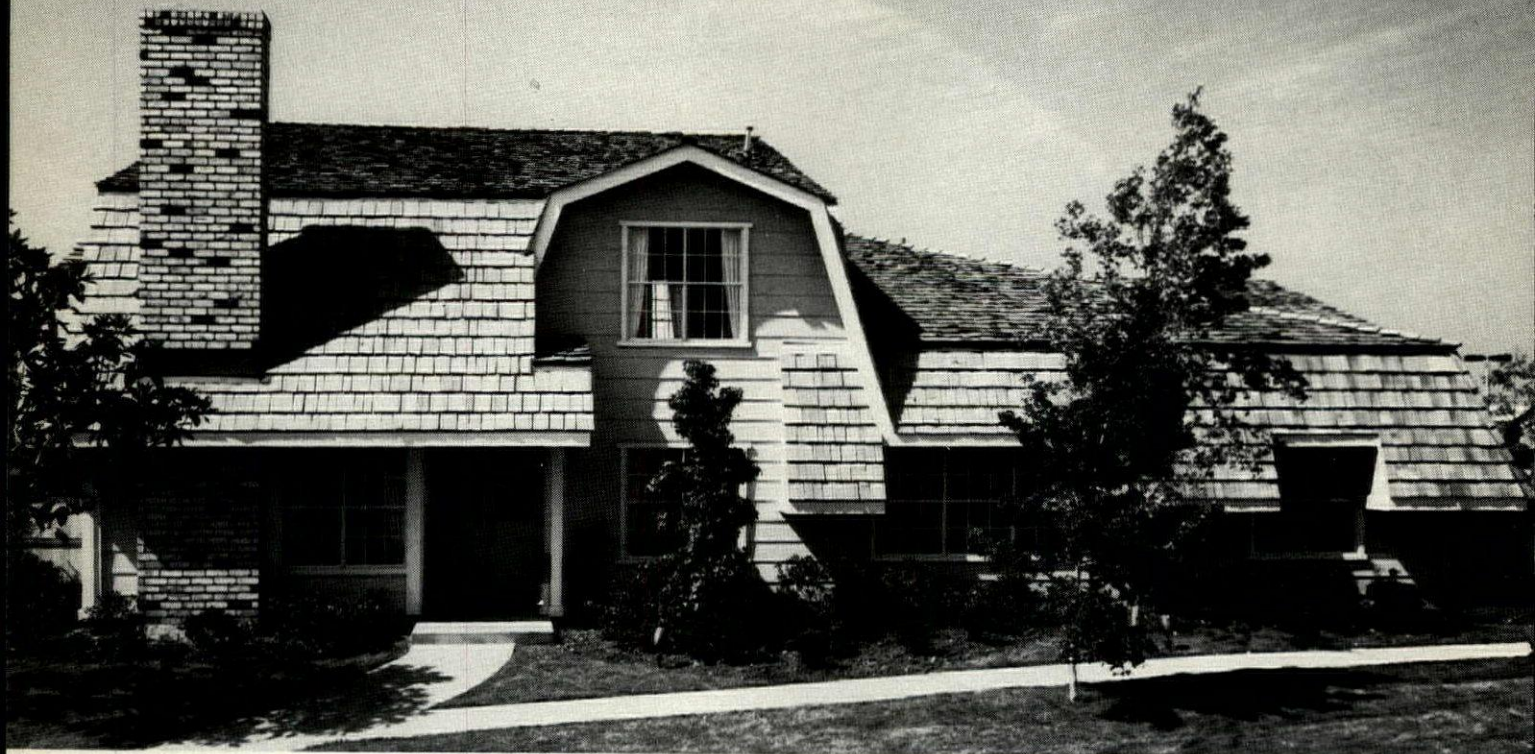
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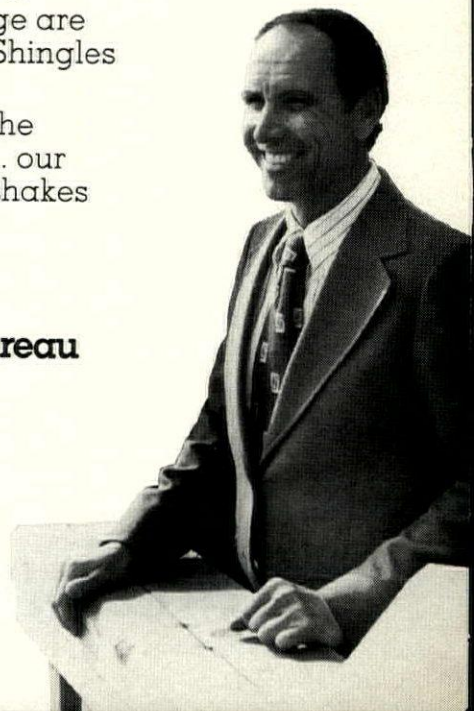
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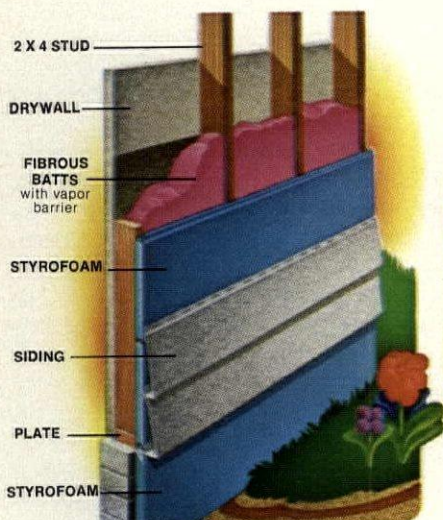
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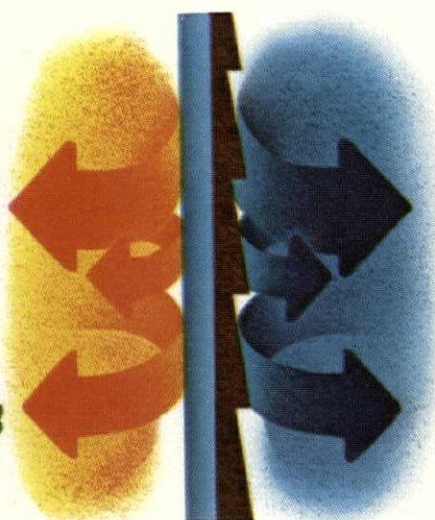


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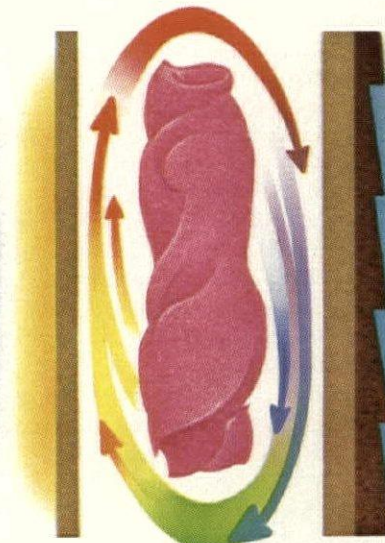
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Builders invited back into cities

You can prosper in urban centers, HUD tells all who fled to suburbs

Larry Simons says the suburban home-builder can and should get a piece of the urban market—the market that will benefit from any new and expanded programs devised by President Carter's team at the White House and Secretary Patricia Harris's team at the Department of Housing and Urban Development.

Simons, the Staten Island, N.Y. builder who is Mrs. Harris's assistant secretary for housing, said in an interview: "I have talked with Ted Seldon [head of the NAHB's committee on urban development] and what he pointed out is absolutely right. With the no-growth movement and the difficulty of getting land in the suburbs, the small builders are being forced to look back to the cities once more for rehab and in-fill building."

Simon admits that, as yet, he has no new programs or incentives to help this trend.

"What HUD can do," he says, "is create an atmosphere that will encourage them to come back in, and get the financing redirected back into the cities."

More Section 8 starts. In separate interviews Simons, Secretary Patricia Harris and Undersecretary Jay Janis all said that Mrs. Harris has given Simons the key assignment for the home-builders. Simons is to badger, cajole and encourage the bureaucrats in HUD's field offices to get the Section 8 starts up.

"Quality processing" was the watchword under Carla Hills' Republican regime at HUD—a policy, the Democrats say, was used as an excuse to slow down the programs. "Now," says Mrs. Harris, "the assistant secretary for housing [Simons] is taking personal responsibility for seeing how many housing starts he can kick out of the pipeline."

Simons concedes:

"I got my marching orders and I'm going ahead."

Low-cost task force. Mrs. Harris also said she was creating a HUD task force to "encourage the construction of lower-cost housing." She added quickly, "Don't ask me any more questions about it. We just decided this is a major thrust that we have to make early on."

So she was asked a question about it.

"Will this be under Assistant Secretary Simons?"

Mrs. Harris answered coolly: "No. This will be under the Secretary [herself]. The Secretary of Housing and Urban Development considers this a secretarial priority."

Rallying the troops. In April, Simons and other top officials began visiting HUD's bureaucrats in area and regional offices. At his first meeting in Chicago, which pulled in the directors of all HUD's offices, Simons passed along, "short-term and long-term goals for starts office-by-office."

The long-term goal, he says, is to get 80,000 starts underway by Sept. 30, the end of the current fiscal year. "That's definitely attainable," he promises.

What is a start, under Section 8?

"In multifamily, including Section 8, it's the initial endorsement of the mortgage," Simons explains.

Simons also sings the new Housing

Department theme song:

"People who want to make the government work [meaning the Democrats now in power] can make it work." All this is in contrast to the previous Republican administrations, says Simons, whose policy was, "Let's get rid of the government."

Simons' up-beat message is, "Give them [the area-office bureaucrats] direction and tell them you're going to back them up, and they're going to produce."

Management. Janis, like Simons, says he really is on board to contribute management expertise to HUD's bureaucracy. Janis heads the Organization Assessment Task Force, which will produce recommendations on "how much centralization" good HUD management will require.

Janis, whose office is next door to the Secretary's, gets special assignments from Mrs. Harris. "She's the chief executive officer, and I'm the chief operating officer," he says. "But everything—including the policy issues—flows through here, at her direction."

"Ask me later" is a frequent answer Harris, Janis and Simons give to questions about the direction the new Democrats hope to take housing programs.

The FHA. Mrs. Harris and Simons both affirm that there's an FHA in the industry's future. "There's no question that the time is here to look at the future role of FHA," says Mrs. Harris. "We will do so." But she says the Administration's recommendations aren't likely to come before President Carter sends his state-of-the-union, budget and economic messages to Congress early next year.

Simons says he doesn't "buy the idea that FHA is here to take only the risks that the private industry won't insure." The FHA is needed, he says, to come up with such innovations as the graduated-payment mortgage and other ideas to help buyers now priced out of the market to become financially able customers for the homebuilders.

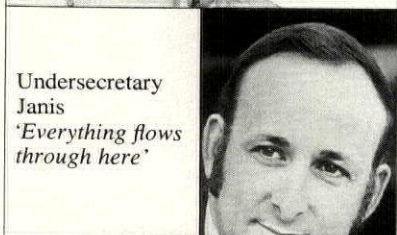
Janis says that, regardless of all the agonizing over the future of FHA, the agency "has not been seriously looked at by a production-oriented administration."

—DON LOOMIS

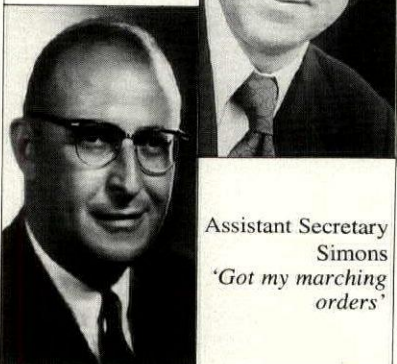
McGraw-Hill News, Washington



Secretary Harris
'Kick starts out of pipeline.'



Undersecretary Janis
'Everything flows through here'



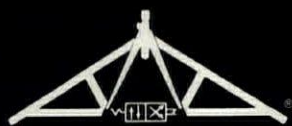
Assistant Secretary Simons
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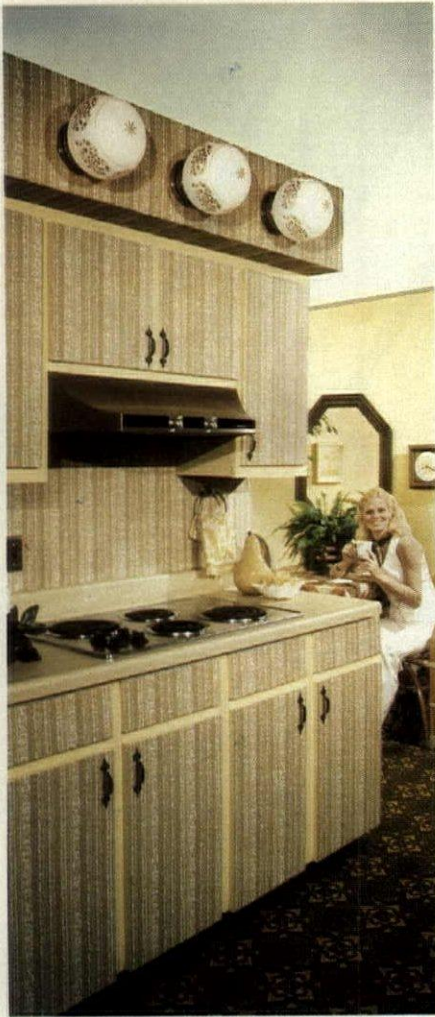
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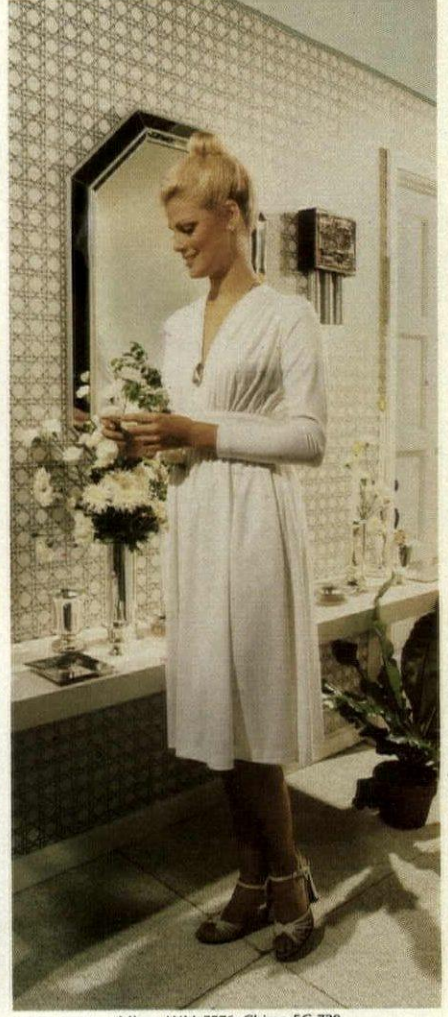
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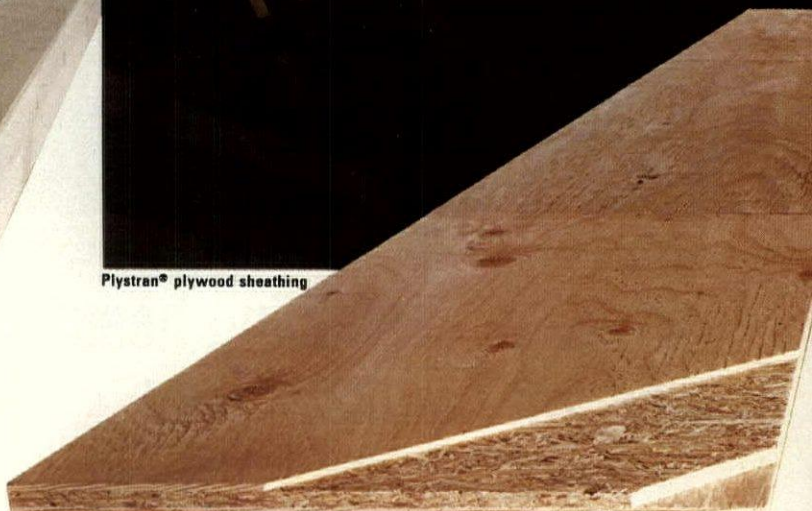
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French buy second Texas builder

Two Texas homebuilders now have a French connection—and with it a broader financial and managerial base for dramatic expansion.

A Paris construction company, Société Chimique Routière et Entreprise Générale (SCREG), made its first move into the U.S. homebuilding market in June 1975 when it acquired Houston's Leyendecker & Associates Inc. It has now come into Dallas by purchasing Mahaffey Construction Co. Inc.

The French company builds roads and bridges, and it has projects in Europe, Africa and the Far and the Middle East. It is also a holding company with two homebuilding subsidiaries.

One is Promogin, one of the largest of the private homebuilders in France. It builds 1,600 detached homes and condominiums annually.

The other, American SCREG Construction Inc., was set up in March 1977 to acquire Mahaffey Construction. At that time shares in Leyendecker, which has been purchased directly by SCREG, were transferred to the American subsidiary.

Executives. Christian Rolloy, who is based in Paris, is president of both Promogin and American SCREG. Promogin's agent in Houston is Christian Vandaele, secretary-treasurer of American SCREG.

The Houston and Dallas acquisitions were similar. Both companies had youthful presidents who had organized and built their own operations.

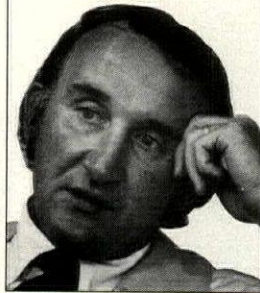
In 1974, when SCREG decided to enter the American market, Vandaele, now 30, was at Kent State working for a Ph.D. in business. Rolloy asked him to analyze the U.S. housing market, and Vandaele made a computer study of 37 cities.

"Houston came out on top," he says. And he moved to Houston in March 1975. He began seeking out builders through the local HBA and through bankers.

The Houston story. Charles Leyendecker, now 42, and his company fitted the SCREG profile and the deal was made.

Leyendecker began 15 years ago, producing 20 houses the first year. When he incorporated five years ago, he was building 100 units annually; and when he sold to SCREG in 1975, he was building 150. This year he will produce between 250 and 300 units. Leyen-

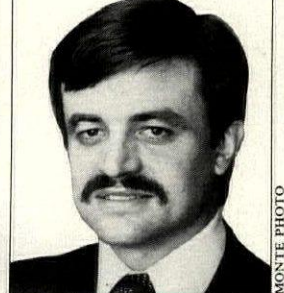
Builders Leyendecker. . .
*'Money for
land development'*



. . . and Mahaffey
'An increase in units'



Buyer Rolloy
The French connection



MONTE PHOTO

decker remains as president and, except for the increased volume, he says there has been no change in operations.

As important as the expanded construction capability, Leyendecker says, is the fact that the acquisition "brought us the working capital to get into land development and to pursue other programs."

Leyendecker builds townhouses in the \$40,000 range and detached houses in the \$55,000-\$75,000 bracket in five locations—up from three in 1975—in southwest, west and northwest Houston. The organization has 15 people in the main office and ten in the field, including salesmen. Construction is subcontracted.

The Dallas experience. A friend of Leyendecker and Mike Mahaffey served as the catalyst for the Dallas acquisition.

"He dropped into my office in July 1976 and asked if I would be interested in talking to SCREG," says Mahaffey, "I said I would. I was interested because they had been successful and had already been in homebuilding in Houston."

He was attracted to the French combine, he says "by the fact that they are in the homebuilding business in France. They are not a manufacturer, but a homebuilder. They understand the business. Their participation is going to mean an immediate increase in the number of units we are going to build and in our advertising program."

Mahaffey's growth. Mahaffey, 35, is the son of a homebuilder. "My father, who is now retired, started building homes in the Dallas metropolitan area in 1953. His company, Mahaffey-Wagner, was the largest homebuilder in Dallas in the late 1950s and early 1960s." Mike formed Mahaffey Construction in 1967.

"We were building 25 houses a year

by 1969, but we grew fast. During 1970-72, we were building 80. Since then our volume has ranged from 65 to 100 units. Last year, with 105 starts, was our biggest, and I believe we ranked seventh in starts in the Dallas area."

Mahaffey builds his Greenbriar Homes in the \$35,000-\$60,000 range in two suburbs, Garland and Richardson, and expansion now planned will be within the Dallas area. He subcontracts all construction. The staff numbers about 18.

French buyer's plans. According to Vandaele, American SCREG has no plans to move into other markets or acquire additional homebuilders now.

"But we are going to start some other businesses, which I can't talk about now," he explains.

—LORRAINE SMITH
McGraw-Hill World News, Dallas

N. Y. builders join

Two New York City developers, H.R.H. Construction Co. and Starrett Housing Corp., are merging.

Starrett has acquired the construction operation of H.R.H. The acquired company's assets and liabilities remain with a new H.R.H. Equity Corp.

The former chairman of New York state's Urban Development Corp., Richard Ravitch, has resigned as chairman of H.R.H. while retaining his interest in several H.R.H. projects. Ravitch is reportedly seeking the Liberal Party's nomination for Mayor of New York, but he has not yet announced his candidacy [H&H, May].

President Irving Fischer of H.R.H. becomes president of a new Starrett construction subsidiary now being organized. Starrett's president is Henry Benach.

Specify Jenn-Air.

The range that's as unique as your kitchen designs.

More and more people are talking about it because they want features like these.

Accessories quickly convert cooktop to an open spit rotisserie or shish kebabber.

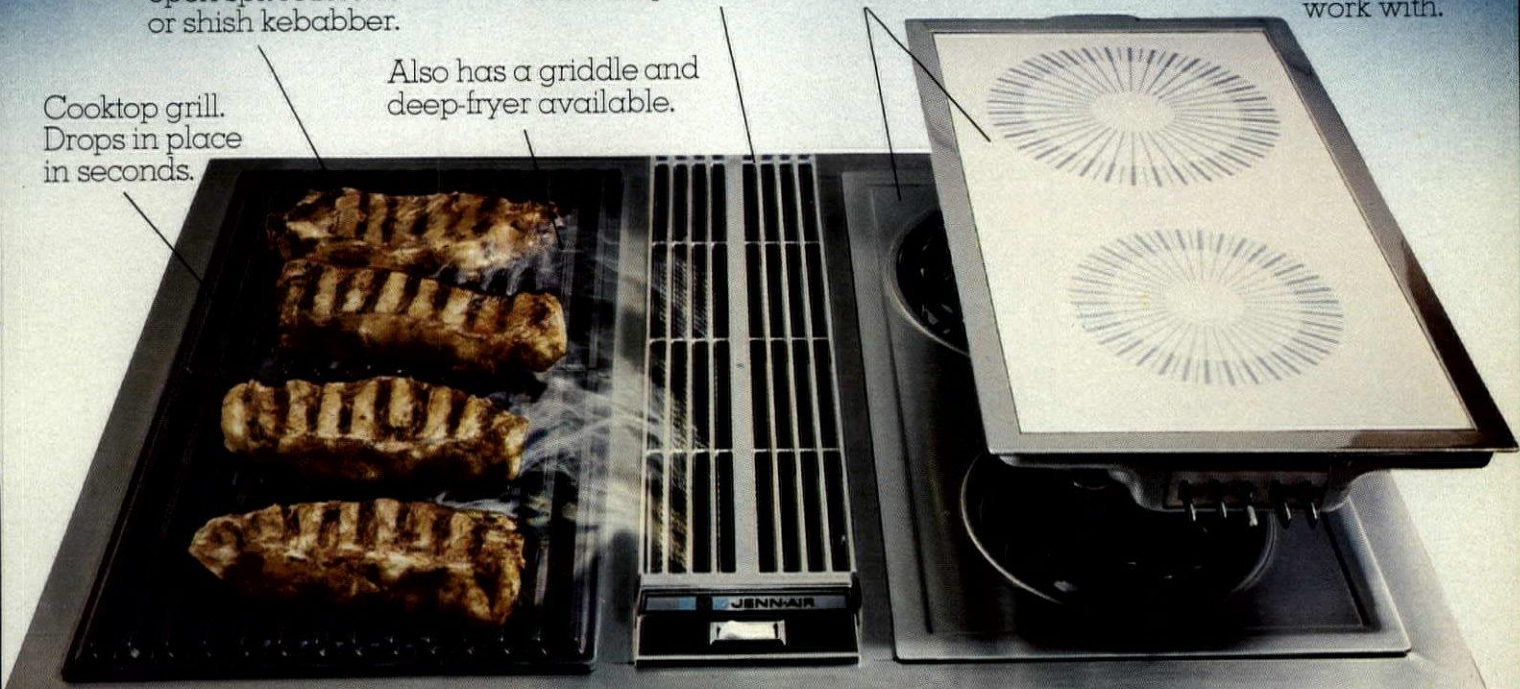
Hoodless surface ventilation removes smoke and odor where they start.

Conventional heating elements or ceramic heating elements.

It needs no hood so the overhead space is yours to work with.

Cooktop grill. Drops in place in seconds.

Also has a griddle and deep-fryer available.



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with power-driven air. Power Oven cleans itself continuously during use and has accelerated cleaning

cycle for heavy-use build-up. Available in free-standing built-in and drop-in models for complete design flexibility.

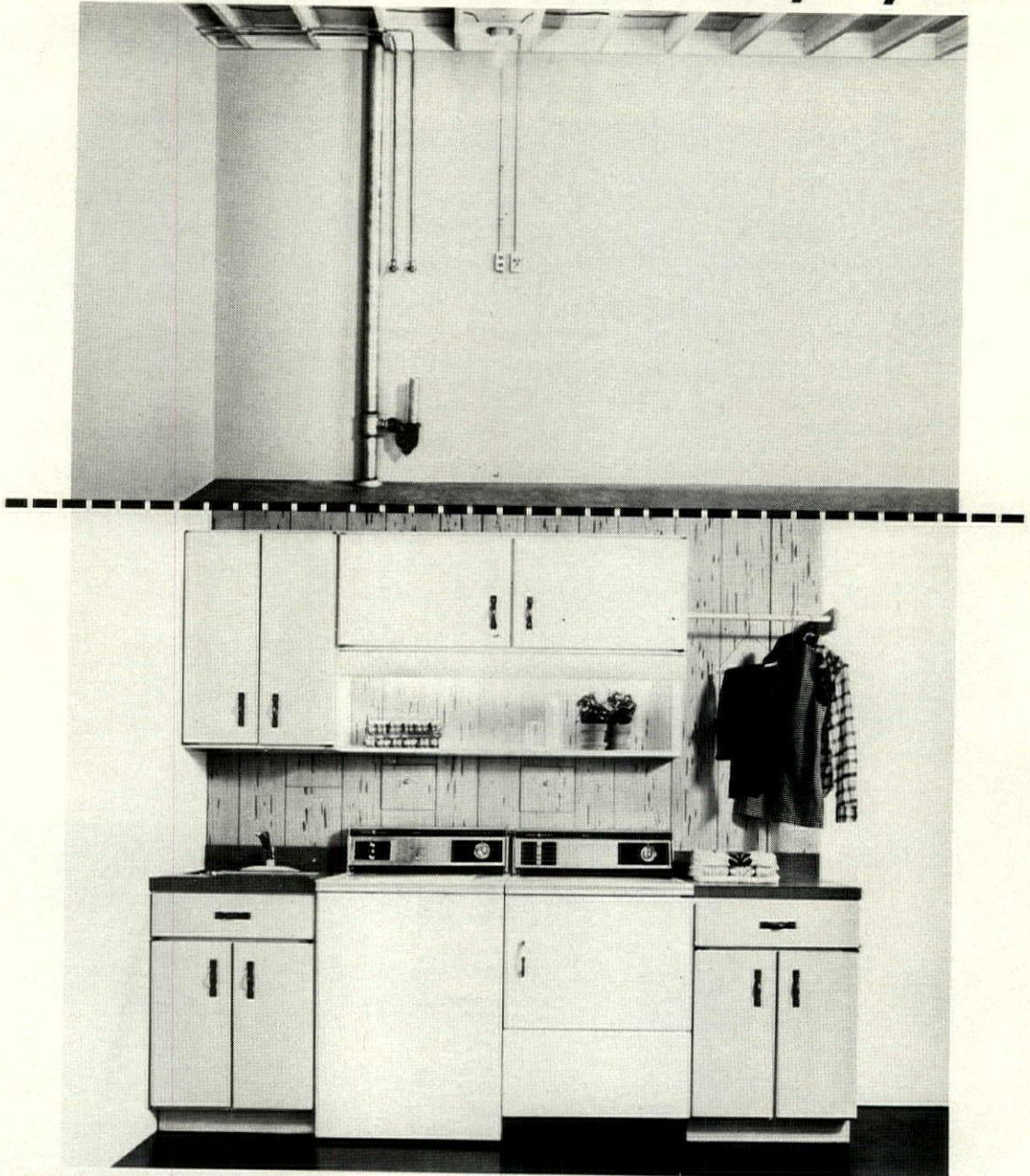
See the Yellow Pages, the 1977 Sweets File 11.27/Je, or write Jenn-Air Corporation, 3035 Shadeland, Indianapolis, Indiana 46226

The Jenn-Air Grill-Range.

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The average homemaker
does 400 loads of laundry a year.



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Instead of two pipes and a bare bulb, install a complete laundry center that the average person will take a long hard look at.

Imagine the impact you can create by offering a well-designed laundry area that provides storage for detergents and bleaches, a hamper to collect dirty clothes, a hanging rack for Permanent Press, and a counter top to fold linens.

Then install a GE Washer and Dryer.

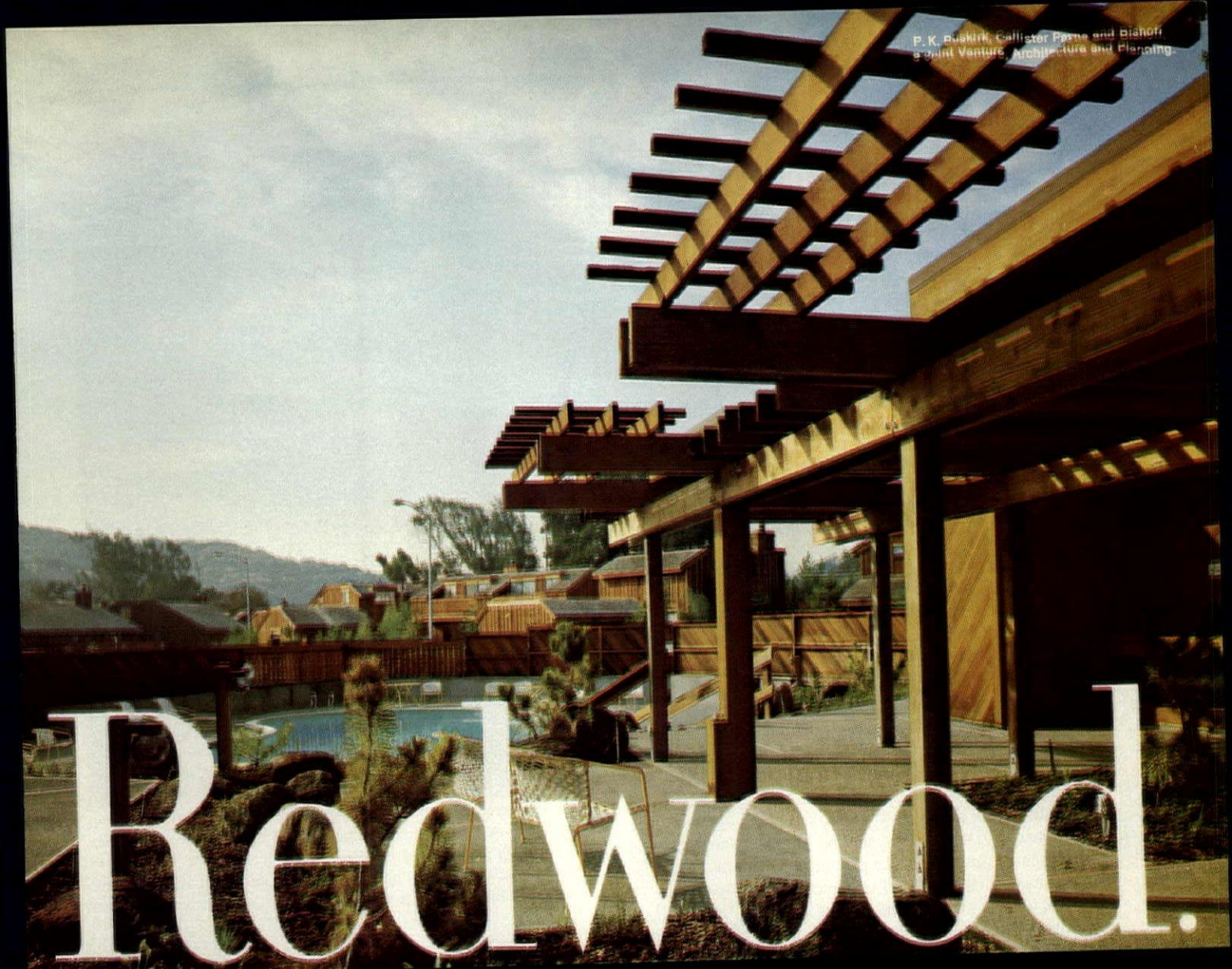
Result: A complete laundry center that gives you, a real selling edge over your competitor's houses.

The GE Washer and Dryer, of course, are backed by Customer Care® Service which means we have Factory Service Centers covering over 800 cities, plus more than 5,000 franchised servicers across the country. Most are listed in the Yellow Pages.

For more information, contact your local GE Contract Sales Representative. Ask him for our booklet of laundry center ideas. It's called, "Give Em What They Want."

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Construction Heart, Construction Common and Merchantable redwood, popularly called garden grades, are priced far lower than kiln-dried grades. The natural knots and sapwood streaks in garden grades are particularly suited to those amenities that make outdoor space more useful and attractive, more pleasant and more saleable.

For decks, trellises, fences, screens, sunshades, benches—even storage sheds and cabanas—the lower cost grades of redwood add the rustic beauty and weatherability of this prized natural building material, at a price your budgets can accommodate.

So whatever your forthcoming projects—commercial, civic, or residential—be sure to include redwood in your plans.

For data on specifying redwood, see the Redwood Landscape Guide in Sweet's, or write us at Dept. S.

Poolside area (above) at Miller Creek Homes in San Rafael, California, is made more inviting and livable with fencing, cabana and trellises of naturally textured redwood.

IBM office building facade is warmed and softened by use of rustic redwood window grilles and bridge.



Carter banks on graduated mortgage

As house prices rise, the Carter administration looks to the graduated-payment mortgage (GPM) as one answer.

JOE BARCIA

The Housing and Urban Development Department's assistant secretary for housing, Lawrence Simons, sees guaranties of the GPM as one of the two key functions of a revived Federal Housing Administration. The other FHA job would be guaranteeing loans in the cities.

The latter goal is largely a matter of rescuing snow-belt cities, but it also relates to the rise in house prices. The economist for the U.S. League of Savings Associations, Kenneth Thygeron, points out that it is only through rehabilitation of houses in older neighborhoods that it is still possible to achieve a solidly built house for \$35,000 or less.

Two sides of GPM. The graduated payment mortgage is seen—at least by its partisans—as a boon in coping with higher prices. It keeps mortgage payments small in the early years, when a homeowner's income may be small, and increases the payments later, when he has reached full earning potential. But lenders are reluctant to take on the GPM without a guaranty because it involves negative amortization in the early stages of a loan.

The first guaranteed GPM loans made under a limited pilot project that Congress authorized for HUD are being made now, and HUD and Federal Home Loan Bank Board economists are studying the results.

Hint of subsidies. Simons thinks that, if the results of the pilot project are encouraging, the way will be open to take a much more important step—coupling the GPM with a federal subsidy to first-time buyers to bring them into the inflated real estate market. The pilot would test how well young families meet the obligations imposed by a GPM loan contract. It would also show whether they could pay back federal housing-assistance subsidies.

The HUD officials must see, first of all, whether borrowers with average "upper mobility" in incomes are getting the experimental loans and how they are coping with the debt. Simons cites the young police officer as an example of the kind of buyer he wants.

Inflation's role. One assumption is that anyone with adequate cost-of-living pay raises plus appreciation of



First couple to obtain a HUD graduated-payment mortgage: George Castillo, 28, and wife Virginia, 25, San Antonio, Tex. Although charges will rise later, they now pay only \$181 a month in principal and interest on 30-year, 8% loan of \$32,800 for this \$37,500 house. Social worker Castillo takes home \$1,100 a month. Monthly payments under FHA's regular single-family insurance plan would be \$245 for the same loan.

property values can keep up with the rising payment demands of the GPM. To date, too few loans have been made to establish a profile of borrowers, let alone fix a track record on debt service.

What is really being tested in the pilot program is the degree of tilt in the loans. With a very sharp tilt, few borrowers could safely enter into a GPM contract except prospective brain surgeons whose incomes will spiral upward.

Escalation. Simons describes the degree of tilt permitted in the pilot as "conservative." The tilt becomes progressively sharper in five different contract formulas. The steepest calls for payments to rise for five years at 7½% a year.

But even for this top tilt, Simons argues, the negative amortization in the early years of the contract is only 3% a year at a maximum. Therefore, a 3% inflation in the market value of the house would assure that the lender would be repaid.

That being so, Simons claims that even a rehabbed house could qualify for this type of GPM loan. As he sees it, the tilt in the pilot is so conservative that

the real question is how much sharper it can be made.

Wider eligibility. Every little bit helps, Simons notes. He points out that, whereas a \$350-a-month house payment requires that buyer's income be \$18,000, if the tilt cuts the payment to \$320, the income qualification is reduced to \$16,000-plus. Says Simons:

"We have just increased the number of eligible buyers."

The case for widespread use of the GPM would weaken if house-price inflation eased. Says a HUD official:

"People are well advised to take out a level-payment [standard] mortgage if they can."

Price prospects. While such government economists as the Bank Board's Marshal Kaplan expect prices to stabilize, others outside of government are less optimistic.

The Harvard-Massachusetts Institute of Technology Joint Center for Urban Studies paints one of the blackest pictures. It projects the 1970-1976 rate of price increase and concludes that by 1981 the median-priced new house will cost \$78,000. In 1970 it was only \$23,400.

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The bigger the project, the more you need to be sure of the windows. We've furnished windows like these Casemasters for projects requiring several *thousand* units. The Casemaster is beautiful, rugged, easy to operate, and tight. Those are some of the reasons they get specified. Another is that Marvin can deliver big numbers of windows on a tight schedule, including prefinished units set up and ready to go into the opening. Write for complete information on these and other fine Marvin units. Marvin Windows, Warroad, MN 56763. Phone: 218-386-1430.

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But many of you just haven't been listening.

We're not giving up on you because we're convinced that featuring Clean Air Machines in your model homes is just too good a deal for you to pass up. We're just taking a new approach.

We want you to CALL US.

You see, we know we can convince you that you'll benefit by offering Honeywell Electronic Air Cleaners *as a necessity* in your showcase homes.

So call us.

You haven't got anything to lose, and we're convinced you've got plenty to gain. So call Fred Gabriel, EAC Market Manager, at:

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Why wait? Send for our descriptive literature now. Let Long-Bell cabinets help sell your kitchen... and the whole house.

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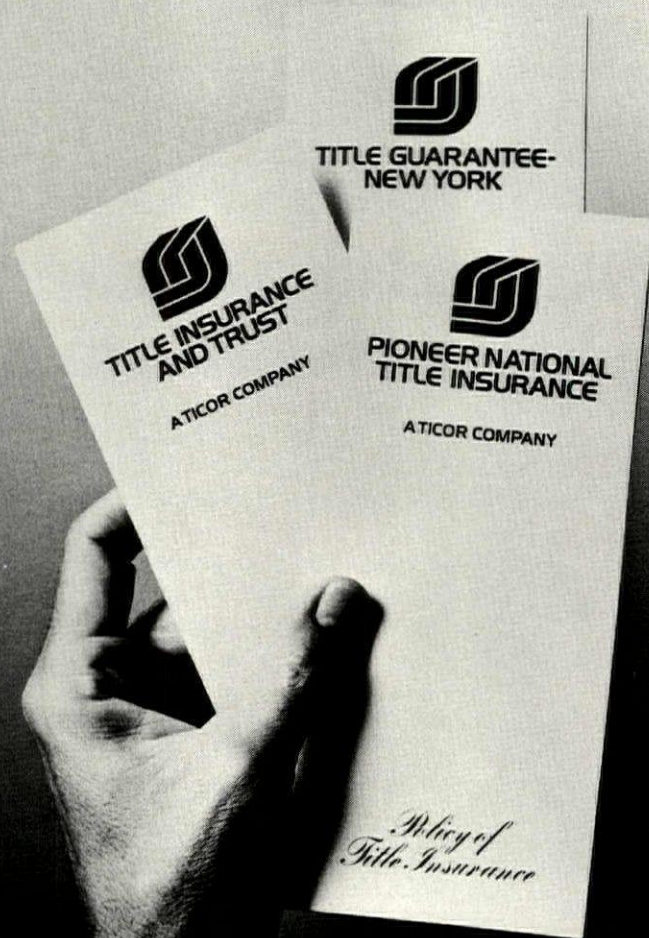
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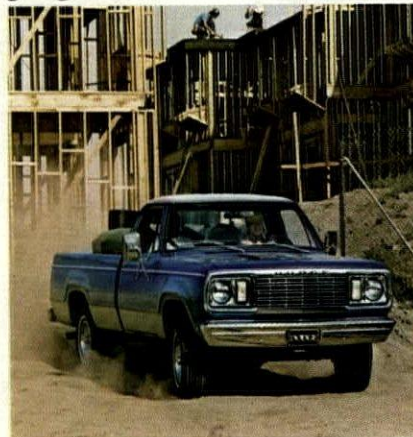
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today's Power Wagon gives you four-by-four performance full-time. Designed for deep biting traction to get you to the toughest jobs under the roughest conditions. And you never have to get out of your truck to lock or unlock wheel hubs when going on or off the road.



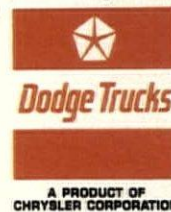
Dodge builds a full line of Power Wagons for '77

including the only four-wheel-drive Club Cab available. And Dodge's Crew Cab has enough room for six adults. So you'll be able to get more manpower to the job.

Buy or lease at your Dodge Dealer's. Whether you're buying or leasing, whether it's one truck or a fleet, you can count on your Dodge Dealer to give you a great deal and great service on a new '77 Power Wagon.

**Price and price comparisons based on manufacturers' suggested retail prices, excluding destination charges, taxes, and options.*

***Not available in California or high altitude areas.*



Options shown: AM radio (\$76), rear bumper (\$64), low mount rearview mirrors (\$45), body mouldings (\$56), sliding window (\$67), sport road wheels (\$230), and raised white letter tires (\$329) extra. CB radio not factory equipment.

Builders' boom is editors' bust

Lots of money is being made in the southern California housing market—but not by the *Los Angeles Times* real estate section.

The award-winning weekly usually runs 30 or 32 pages, maybe 34, with dropoffs held to major holidays. It's now down to 8 or 10 pages.

Says Editor Dick Turpin: "Builders don't need to advertise. They're selling houses they haven't built yet. I've been on the job almost ten years and this hasn't happened to us before."

Such old faithfuls as the Irvine Co. still run full pages in institutional type to keep the name up front. But most of the big spenders of even a year ago are gone. What's left includes industry associations and S&Ls, plus a few builders announcing project openings but warning that "75% are sold out prior to opening."

Million Club's overflow. The weekly "People" column has always highlighted names of those elected to the million-dollar real estate sales club.

It doesn't any more. Says Turpin: "There are just too many—we'd have 100 to run. It's nothing to sell that much real estate now. I had to write an editor's note saying we no longer have room to run the names."

The housing boom has brought some other shakeups for *The Times's* realty section.

• Public relations and advertising people are idling. They have little to do except create occasional brochures and material to hand out at openings.

Editor Turpin
'We're just spoiled'



"There's very little news material to give us," says Turpin. "We get notices saying such and such a development is sold out. We don't run them. There's no point."

• Editorial space is so tight, with reduced section size, that news "has to be spoon-fed in," Turpin says. "All marginal stories and little features we might have run before just don't make it. We have space for only what is timely."

Behind it all. The key factor in the southern California boom, Turpin feels, is that, while population is increasing by only 1%, household formations are increasing by 3%. Formations are coming from more divorces, from children leaving home sooner, from people with two homes and from unwed people living together.

Adds Turpin: "We're just spoiled after 34 pages. I guess we're going to have to make up in quality what we had in quantity." —BARBARA LAMB

McGraw-Hill News, Los Angeles

BRIEFS

The \$2 billion level in mortgage servicing is attained by National Homes Acceptance Corp., making it one of the Big Five mortgage lenders. The subsidiary of National Homes Corp. celebrated its 30th birthday in April at its headquarters in Lafayette, Ind. (photo at right).

A target is set up by the Federal Trade Commission, according to word from the target itself. General Development Corp. of Miami says, in a filing with the SEC, that FTC staffers are asking the commission to issue a formal complaint against General Development for unfair and deceptive land sales practices. The company says it is negotiating a settlement.

An environmental tax of sorts is paid by Deltona Corp. of Miami. The Army Corps of Engineers' denial of development permits for Deltona's Marco Island community results in a \$7,262,000 loss, the company discloses. It establishes a \$14,700,000 reserve to offset costs of the Corps ruling. The loss, combined with pre-



COMMERCIAL PHOTO, LAFAYETTE

Good news is given by President George Hansen of National Homes Acceptance Corp. (right) to Chairman Frank Flynn (ctr.) and President James Shaw of National Homes Corp. The news: NHAC's mortgage portfolio tops \$2 billion.

viously reported 1976 losses of \$3,120,000, leaves the company in the red to the tune of \$10,382,000 or \$2.77 per share, for 1976. Deltona lost \$5,078,000 in 1975. The company says it has a backlog of \$8.9 million in undelivered homes.

A foreign contract is nailed down by Consultants Network Inc. of Newport Beach, Calif. The company wins the assignment to build 10,000 low-cost housing units in Tehran, Iran. The agent for the deal is the Takafand Co. of Tehran.

NOBODY BUILDS A DISHWASHER LIKE WASTE KING

The best of everything. That's what you get with Waste King. A modern masterpiece in stainless steel, for those who want a better product, advanced features, long-lasting service.

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It's tough. Rustproof. Sanitary. Unlike the porcelain or plastic coatings used by many manufacturers, stainless steel can't wear off, chip, peel or crack. That's why we use it where the action takes place. For the tank and inner door of the dishwasher, the wash arms that do the scrubbing and rinsing, the basket guide rails. That's why we can guarantee all stainless steel parts for 20 years against failure due to corrosion.



Load it the easy, random way

There are no special instructions to follow when loading a Waste King dishwasher. Both baskets pull out all the way for easy accessibility. Both take a mixed load of dishes and utensils. Bowls can go on top of other dishes. Removable dividers in the upper basket provide space for oversize serving dishes, utensils.



Three-way washing action

Fast-moving jets of hot, detergent-activated water from two counter-rotating wash arms reach every corner of the steel tank. This two-level, full-width cleansing system not only cleans completely, it permits random loading of each basket. The lower arm sends water



up through the lower basket. The upper arm jets water up through the upper basket, as well as down through the dishes below it. (SS777 has single arm only)

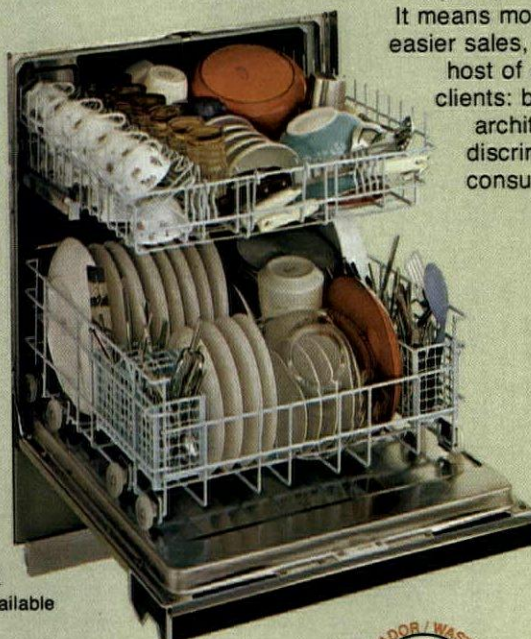
Superscrub and Sani-heat

The Superscrub cycle extends wash time to get tough jobs like roasters really clean. Sani-heat, a 165-degree final rinse sterilizes thoroughly. A silent heater provides humidity-free drying.



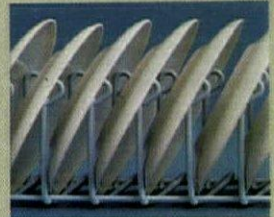
Control Panel for SS911.

Shown: Model SS911
Two portable models
(convertible) also available



Waste King pampers the load

Waste King's big baskets provide space for almost every size and shape. The huge-capacity tank can truly hold and wash a day's dishes for a family of five. There's no need to worry about breakage. Plates are spaced by cushioned loops to prevent chipping; M-shaped supports make secure cradles for the most fragile stemware. Flatware baskets have lidded sections to hold small items.



Insulation cuts down noise

Waste King dishwashers are ultra-quiet in operation, thanks to Hush-coat, a dense acoustical material that deadens sound at the source. In addition to hush-coating, the top, sides, back and door are wrapped with a thick blanket of fiberglass.

Disposo-drain ends pre-rinsing

No scraping. No pre-rinsing. Just flick off bones and large food pieces. Waste King's efficient Disposo-drain will flush away soft waste such as corn, spaghetti, potatoes, spinach. There's no screen to clean or to trap tiny food particles.

The Rinse-and-Hold cycle is a quick rinse to remove surface soil from dishes to be held for a full washing cycle later on.

We build it. We back it with a super-warranty

For more than 30 years, we have been building dishwashers to rigid standards of performance, quality and craftsmanship. We back them with a **super-warranty that's the strongest in the industry.** This kind of track record can make your job easier.

It means more sales, easier sales, and a host of satisfied clients: builders, architects and discriminating consumers.



**SUPER
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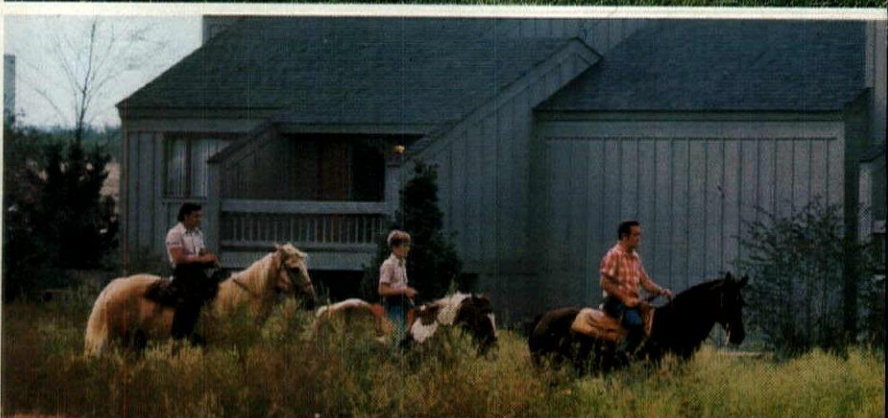
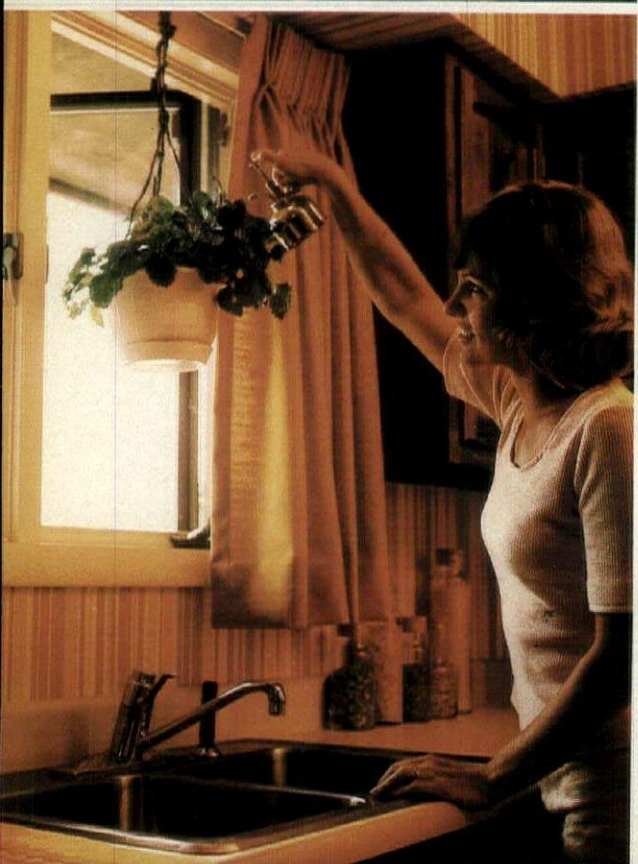
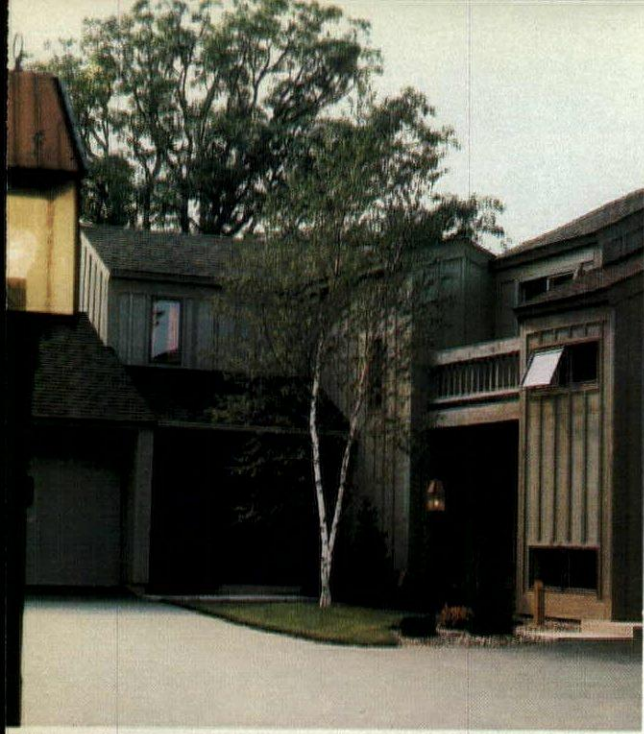
**Super programs
Super profits**

Waste King
Stainless Steel Dishwashers



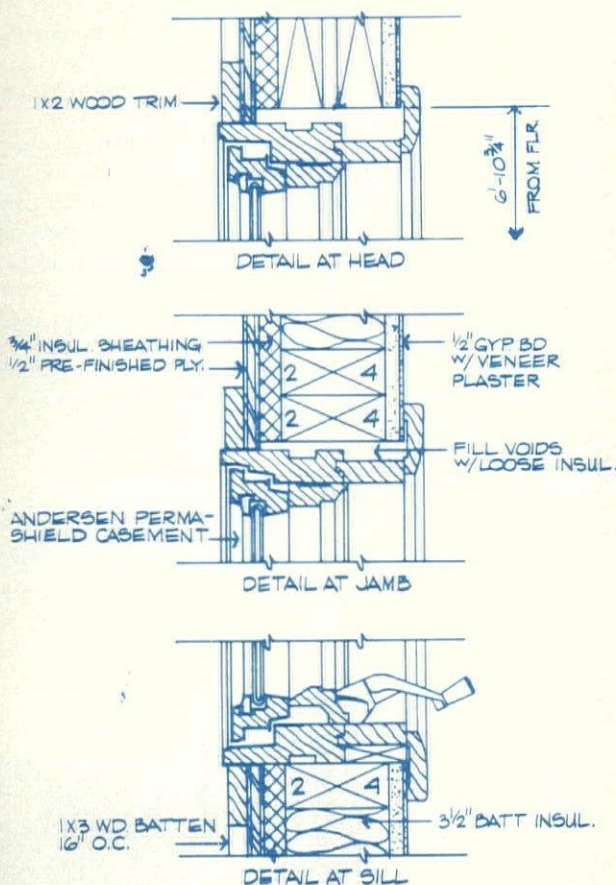
For further information and complete warranty details, see your Distributor or write Waste King, Dept. S, 5119 District Blvd., Los Angeles, Ca. 90040

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We knew our dramatic, new, earth-tone color would be under critical review.

But our Perma-Shield® Casement and Awning Windows in Terratone won the praise of both the developer and the homeowners.

The developer liked how naturally Terratone blended with the wood exteriors of the townhouses. And the beautiful match this rich, warm earth-tone made with brick, stone, masonry and the surrounding landscape.

The townhouse owners applauded how well Perma-Shield complemented their leisure life-style.

Perma-Shield Windows are sheathed in carefree, low-maintenance rigid vinyl that's designed not to rust, pit or corrode. Not to chip, flake, peel or blister.

They're also made of wood—one of nature's best insulators—then built two times more weathertight than industry air-infiltration standards.

And double-pane insulating glass provides a major part of the fuel-saving benefits of single-glazing with storm windows, plus the convenience of no storm window bother.

So, add color to your next performance. With Andersen Perma-Shield Casement and Awning Windows in new Terratone color.

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Timberedge Townhomes of Charter Oak Village
Charter Oak Development Company
Peoria, Illinois
Architect: John Hackler and Company
Peoria, Illinois

Printing limitations prohibit exact color duplication.
Use actual sample for building specifications.

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Travel package helps turn around a troubled Florida project

The package offers vacationers airfare, entertainment and a furnished apartment at Fairways of Inverrary, Lauderhill, Fla. for a minimum of two weeks. It was put together by a Boston travel firm, which has leased 213 apartments for \$80,000 a month, beginning in the fall of '76. And it greatly improves the financial picture for Fairways, a victim of the '74 recession and Florida's housing glut.

The project opened in December 1974, but only 200 of its 774 apartments were rented by February 1976. That's when Donald Hootstein, president of Sunbound International Inc. of Boston, came to builder/developer Robert Olnick with a proposal for using Fairways as a resort. Now, with more than a quarter of its apartments rented

to Sunbound and with rent-up accelerated by the additional traffic Sunbound brings to the site, Fairways is 80% occupied.

"We charge Sunbound regular rent plus amortization of the cost of furnishing the apartments, spread over the three years of the lease," Olnick explains. "They clean the apartments between vacationers; we do the heavy maintenance, such as repairs."

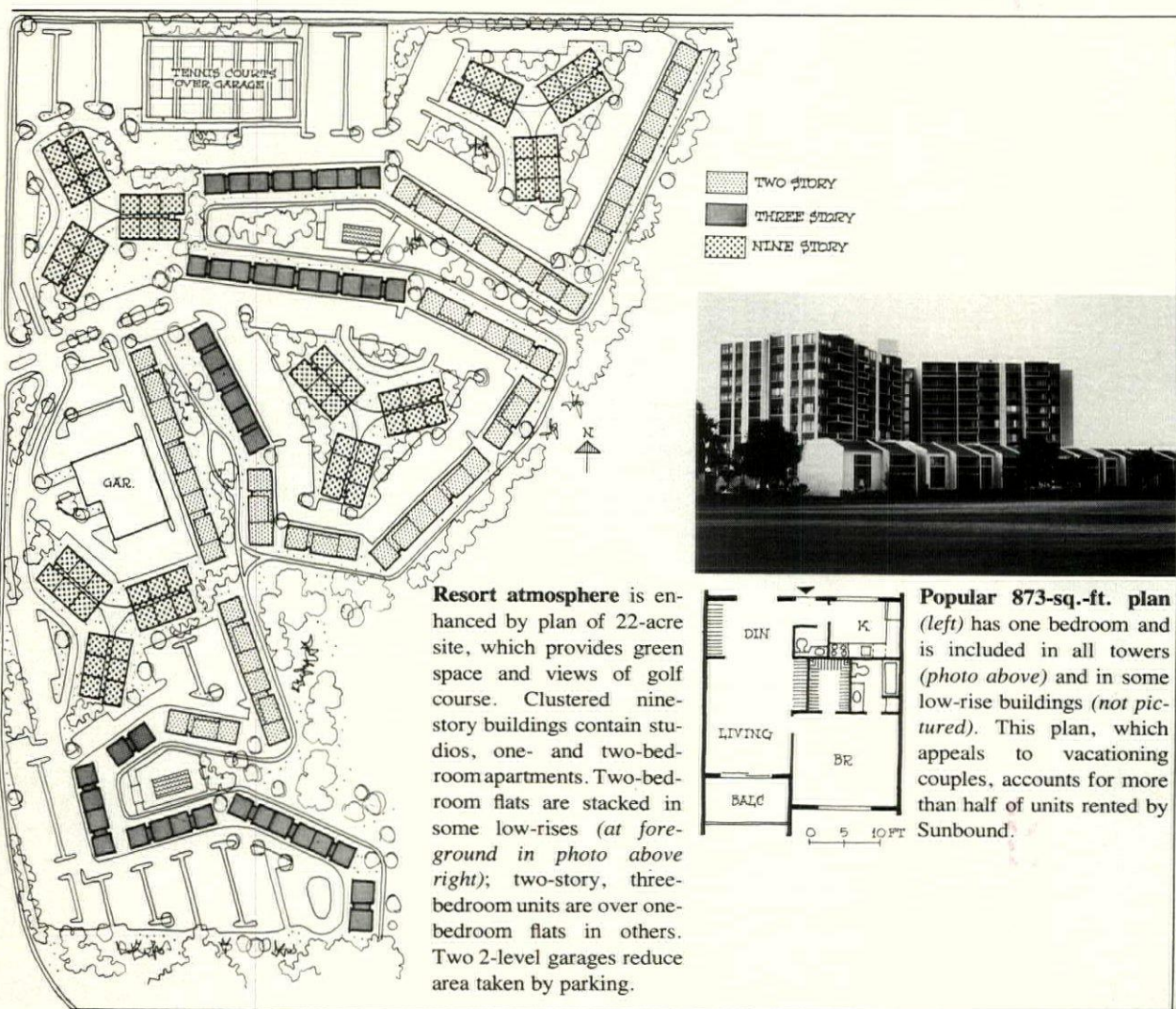
And, Olnick says, the influx of Sunbound vacationers has not conflicted with the regular tenants' style of living—most of the regulars are renting the apartments as vacation residences, anyway.

Fairways of Inverrary adjoins the golf course of the Inverrary County Club, site of the Jackie Gleason Inver-

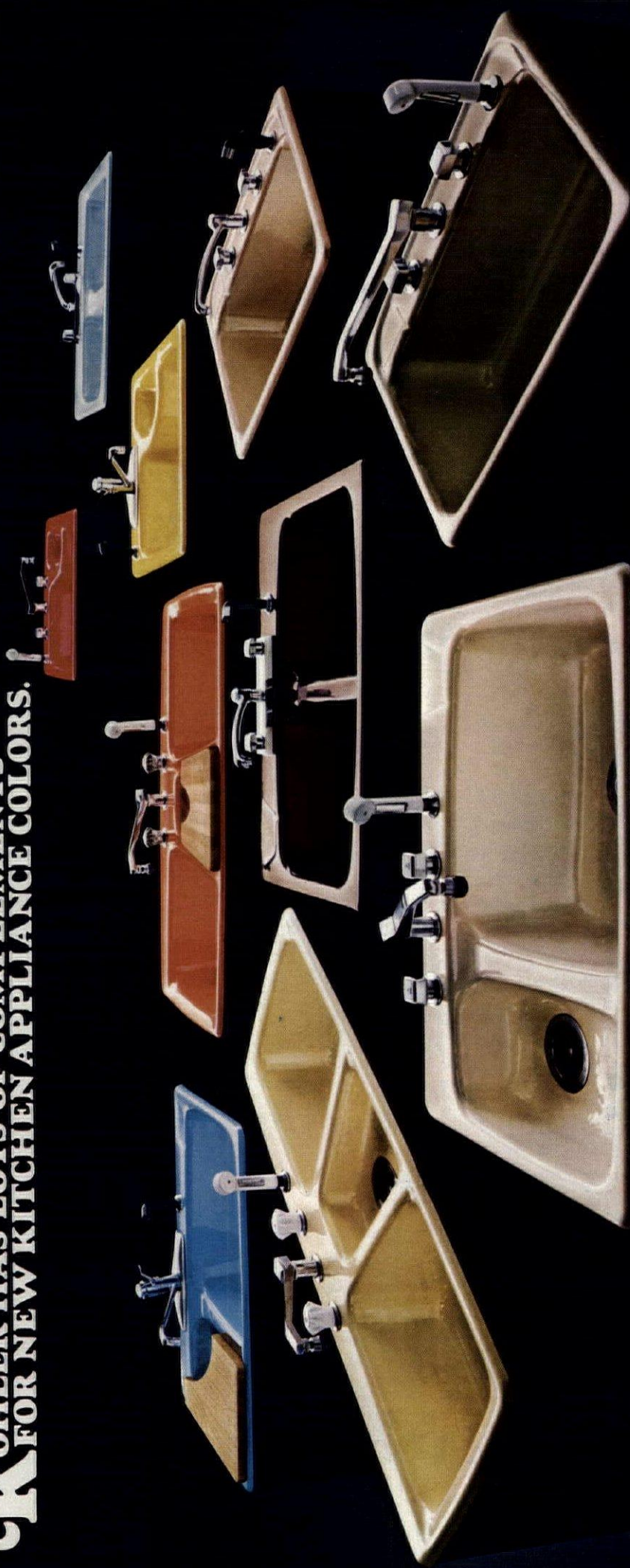
rary Golf Classic and other PGA tournaments. Two pools and five tennis courts are provided for tenants, whose apartments cluster in nine-story buildings or in the two- or three-story low-rises that surround them (see site plan below).

Sunbound's 213 units include 22 studios, 110 one-bedroom units and 81 two-bedroom units for families or couples vacationing together. They're grouped in the last-completed and therefore least-rented mid and low-rise buildings.

Olnick plans to phase out Sunbound as regular rentals improve. "Fairways has the right under the lease with Sunbound to take away apartments from them, and it would facilitate refinancing to have a conventional occupancy." —BARBARA BEHRENS GERS



KOHLER HAS LOTS OF COMPLEMENTS FOR NEW KITCHEN APPLIANCE COLORS.



The big news in kitchens is color. New, earth tones from leading appliance manufacturers. And an unmatched selection of 14 Kohler sink colors to match, complement or accent.

Natural Kohler colors like Parchment, Espresso or Harvest Gold. Bold accents like Fresh Green, Sunflower, Tiger Lily or Blueberry in styles and sizes for every kitchen plan.

Unlike the dull look of stainless steel, a sink in color makes your kitchen brighter, cheerier. And Kohler enameled cast iron sinks have a strength, depth of color and gloss that other materials can't match. They resist acid, stains, scratches and dents. The

enamel on a Kohler sink is five times thicker than on a steel sink — and colorless stainless steel has no enamel. Because they're solid cast iron, Kohler sinks help dampen disposer vibrations and noise.

For more decorative ideas for the bath or kitchen, Kohler offers Redbook's *Beautiful Baths and Kitchens*, a 100-page planning and remodeling guide, \$1.00. For quantity prices on this great customer give-away, write Box KA

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Nothing sells homes easier than Weldwood® paneling.

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From early American to contemporary. From the real wood veneers of our Craftsman® line to the amazingly faithful simulated woodgrains of our High Ridge line. From \$5 to over \$100. Covering a veritable forest of different wood types like hickory, birch, walnut and oak to name just a few.

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freedom to make all your homes as unique on the inside as they are on the outside.

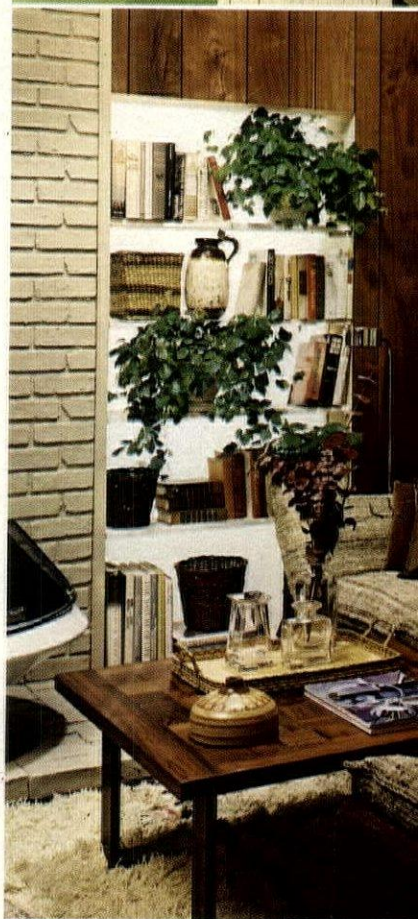
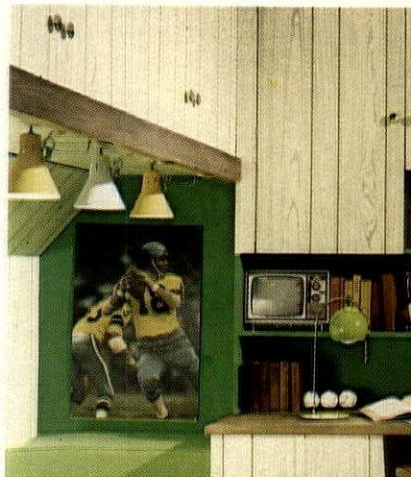
And when you tell your customers they're getting Weldwood paneling, they'll know they're getting something that will look great for years. Because they know and trust the Weldwood name—it's been nationally advertised for years in the best family magazines across the nation.

We're proud to say we make Weldwood paneling under our new name, Champion Building Products. (You've known us for a long time as U.S. Plywood.)

Look for our complete selection of pre-finished paneling at your Headquarters/Champion Building Products Dealer. He has everything you need, from paneling to sidings to roofing, insulation or lumber.

For further information, call your local Champion Building Products Sales Office.

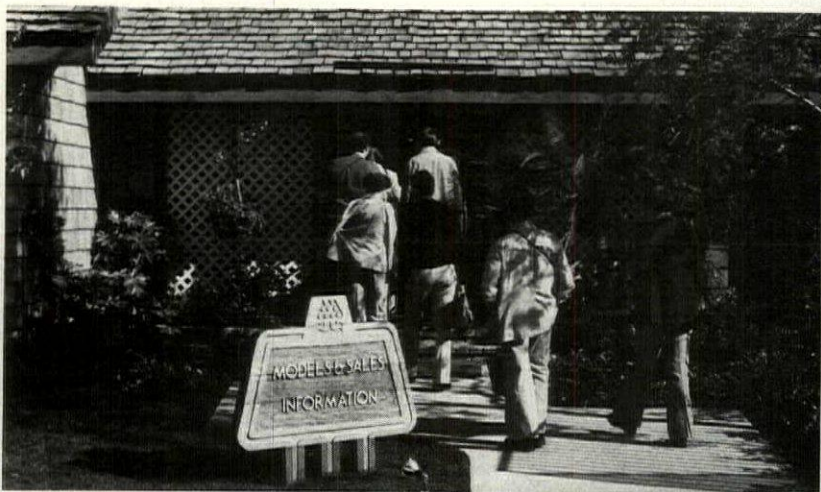
And make it easy on yourself.



Champion Building Products™
Champion International Corporation



The following Weldwood paneling lines are shown clockwise from upper left corner: Candyland®; Ticonderoga™; Barnboard; Shenandoah®; Wayside Inn®; Early Spring; Craftsman®. Center: Country Place®.



The visitors toured model areas . . .

California's marketing skills turn on visiting firemen

The firemen were 150 builders, Realtors and housing professionals who attended two HOUSE & HOME marketing seminars in Newport Beach, Calif., earlier this year.

They came from 20 states, Canada and as far away as Hong Kong. They spent half of the three-day session in the classroom listening to marketing experts, the other half walking through sales offices and models in and near Orange County, currently the country's hottest for-sale market.

Most of the visitors came away with this conviction: Although southern California housing *per se* may not be exportable to their own locales, the professional marketing that creates and sells that housing is not only exportable; it is badly needed.

Said Lester Goodman, president of Lester Goodman Associates, one of the faculty marketing experts, and a member of the Orange County Chapter of the California Building Industries Assn., which helped arrange much of the tour:

"We told them they shouldn't try to take whole houses back with them, just pieces. They understood, and I think they learned a lot. It was an interested, thoughtful and appreciative group."



. . . studied sales offices . . .

Comment. Here are some other comments.

J. M. Heaner, J. M. Heaner Construction Co., Brownsville, Tex.: "It's nice to see things done completely professionally. It shows up our shortcomings and fires us up. We go home inspired. Things like the interior designs we saw can be directly applicable to our business."

Len Reith, Nu-West Development Corp., Calgary, Alberta: "I'm most impressed with the concept of a development put together as a package and merchandised through the model complex. We're used to undecorated models."

Alan Ying-Kit Kwan, Swire Properties Ltd., Hong Kong: "We handle high-rise with small apartments, so this is different from what we're used to. But the marketing approach, the home-buyer psychology—this is universal."

Lessons. Here are some of the specifics that the visitors said they would take home and use:

"Sales offices. We're not especially sophisticated—we use garages—but I see we could pack a lot more into them than we do." Ross Gatzert, Western Development Co., Albuquerque.

"The plans and techniques for build-



. . . and shot everything in sight.

ing on small lots. We don't use small lots in Atlanta, but we're going to try to move some in the 5,000-to-10,000-sq.-ft. range. That's small for our market." Marlin A. Alsup, Jr., Cousins Properties Inc., Atlanta.

"The idea of researching the market, using employment as the base." Donald Wollstein, Freure Homes Ltd., Kitchener, Ontario.

"The use of mirrors to make rooms in the model seem more spacious, and evergreen landscaping in the winter." William Archer, Taco, Inc., Meridian, Miss.

"Higher and sloped ceilings to make rooms feel larger, and the use of more exterior wood to get away from our stereotype of concrete block." Herbert Brattlof, H. Brattlof Construction Co., Palm Coast, Fla.

"The triplex which looks like one large single-family house rather than three units, and sells fee simple rather than condo." Herbert A. Ross, The Ross Organization, Orlando, Fla.

Wide range. Visitors had to move fast; in three half days they toured 14 projects—10 in the big new towns of Mission Viejo and Lake Forest and in the Irvine Ranch villages of Woodbridge and Turtle Rock.

Speakers in the classroom sessions included Kenneth Agid, marketing vice president, Irvine Pacific Corp.; Alfred Gobar, President, Alfred Gobar Associates and an H&H contributing editor; Thomas Payne, president, Applied Research Services; and Stephen Auld, vice president, Walker & Lee. Carole Eichen, president of Carole Eichen Interiors and also an H&H contributing editor, conducted a special model-house-decorating tour. —BARBARA LAMB

McGraw-Hill News, Los Angeles

We make doors that say, "Welcome."

Say hello to the Ideal decorative entrance. The finest door that money can buy.

Carefully crafted from natural Ponderosa Pine, for beauty and energy savings. With heavy-duty 5/8-inch dowel joint construction for enduring performance. With many components



The logical place to put your best foot forward is where the feet enter the house.

hand-assembled just as they have been done for generations.

And, finally, sanded satin-smooth to accept with elegance paint, stain or varnish to complement any architectural theme.

The end result is a door that does more for a house than you would expect a door to do. A door that is warm, that is inviting, that says, "Welcome."

It's a noticeable difference. A difference that can help an architect sell a total design. A difference that can help a builder sell a house. A difference that gives the homeowner a justifiable sense of pride.

There has always been a market for this kind of recognizable quality. And for 60 years we have been satisfying that market.

But there's more to making doors than making doors. We also provide our distributors and retailers with an impressive national advertising campaign in the leading

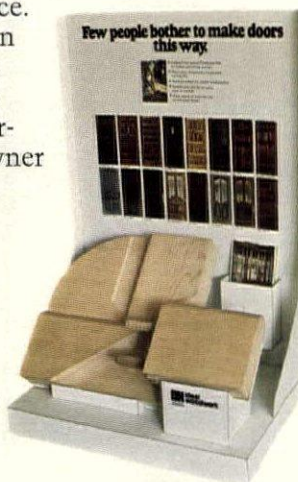


Some doors are cold, and say "Go away." Ours are warm, and say "Welcome."

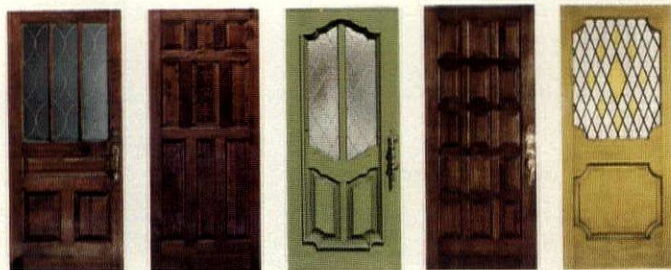


For 60 years we've refused to cut corners.

building and remodeling guides. And a full library of booklets and catalog sheets that itemize step-by-step the benefits of each of our scores of designs. We also think you'll appreciate our unique countertop point-of-sale display that compresses eighteen of our top-of-the-line entrances into about a foot of counter space.



Over 320 square feet of doors in full color, in this single, countertop display.



The hardest decision is deciding which door.

It's a compelling combination of quality products and superlative merchandising aids that should be very welcome during this period of homebuilding recovery.

Contact us for more information. Ideal Woodwork Division, Department J-67, CertainTeed Corporation, Post Office Box 889, Waco, Texas 76703.

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April 15, 1977

725,000 Common Shares



Price \$14.25 Per Share

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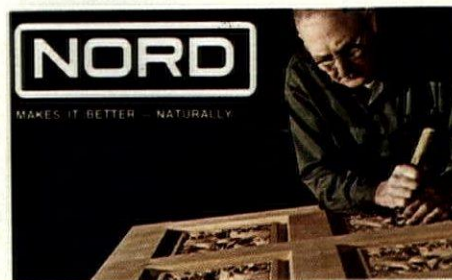
Stoney Brook Development, Denver, CO

Custom elegance, ready-made economy.

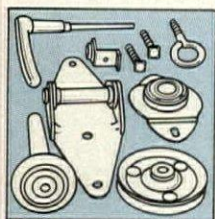
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Not to a spring manufacturer, nor a millwork, nor a shipping line. Not even to a contractor, because there are over 300 authorized Raynor distributors who install every door we build.

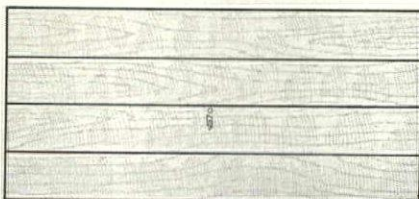
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Call us for more specifics. 815/288-1431. Or write Raynor Manufacturing Company, Dept. HH, Dixon, IL 61021, for the name of the Raynor factory-trained distributor/installer near you.

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GARAGE DOORS





“Bostitch saves me money every time I drive a fastener.”

Joseph L. Kenick, President, Kenick & Tomilson, Inc.,
Exeter, New Hampshire

Roofing and sheathing output has quadrupled. The technical data and acceptances Bostitch showed us convinced me to try stapled roofing, and now we're believers. We're getting four times the output per man-hour invested, and realizing substantial savings.

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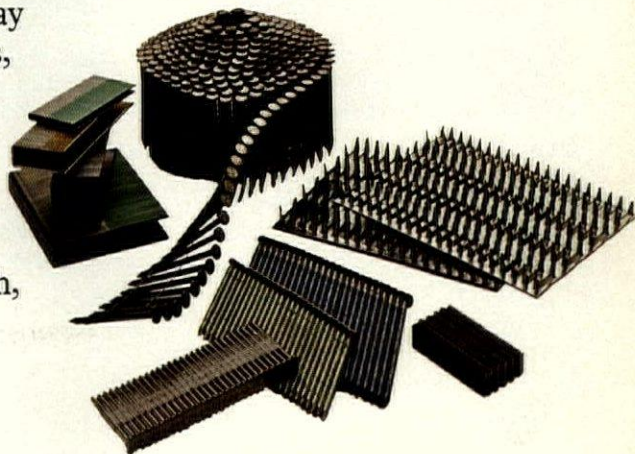
Our men even do a better job. With pneumatic tools, it's so easy to 'pop in another nail' our men rarely skip one. And in tough-to-hammer spots we get better fastening than ever before.

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To find out how Bostitch can help you cut down costs and speed up production, look for Bostitch in your white or yellow pages. Or write Bostitch, East Greenwich, Rhode Island 02818. *Bostitch. The fastening experts.*

Joe Kenick wrote us a letter telling us all the ways he saves money with Bostitch. We'd like to share his words with you.

The savings on decking and sheathing are dramatic. On a 'standard home', deck nailing used to take two carpenters and two helpers 2½ hours to finish. Now one helper can do it in less than an hour.

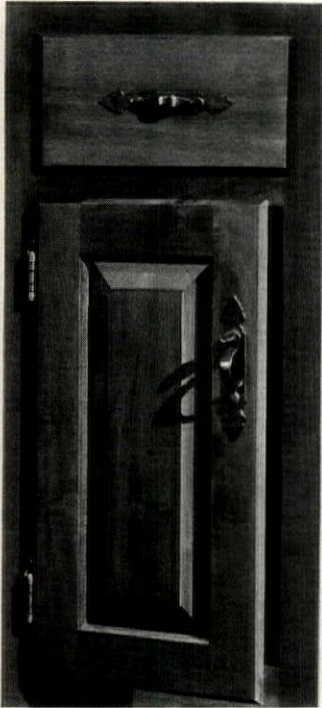


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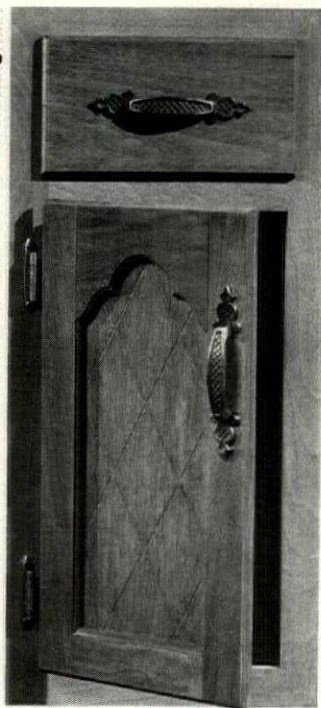
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We make a quality product, beautifully designed and crafted, sturdily constructed, painstakingly finished.

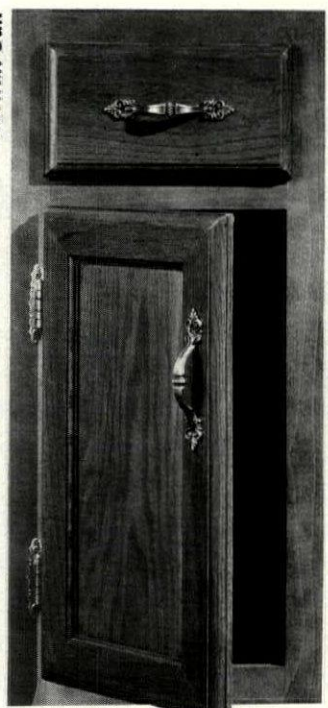
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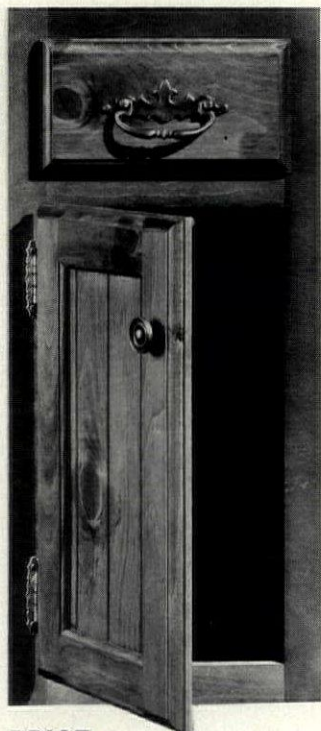
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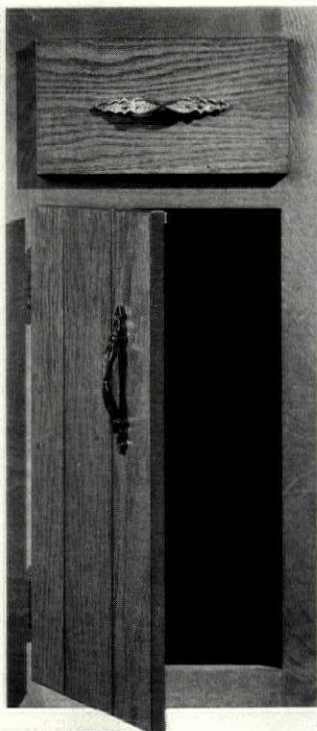
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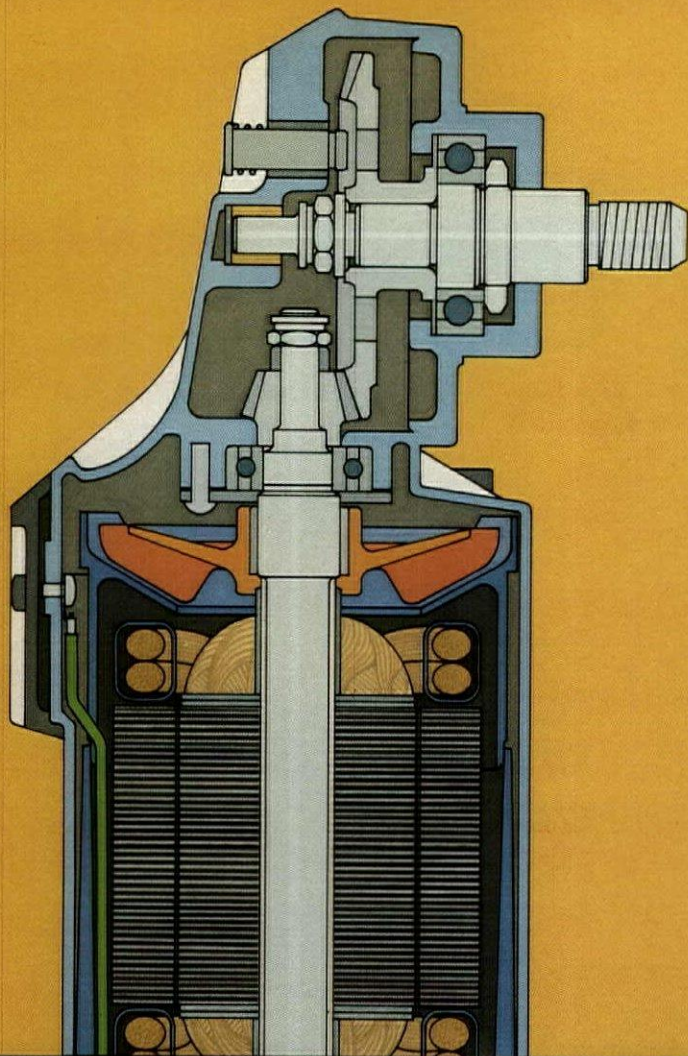
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Four centuries ago, William Shakespeare said, "What's past is prologue." In modern terms, this means that experience of the past usually leads to the beginning of something new.

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Some of our best salesmen have never worked for us.



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John Peterson is VP of the fence division of the Paul Peterson Company in Columbus, Ohio. "What affects profits? Man hours, safety, maintenance and callbacks. Senco nailers have cut operator fatigue, upped output six times over hand-nailing."



Fred Jensen runs Village Properties, general contractors in Citrus Heights, California. "We use Senco nailers and staplers for construction framing, sheathing and siding. They're fast and rugged. I've sold about 15 other contractors on Senco."



McCool's Home Repair specializes in re-roofing for individual homeowners in NE Texas. "No one beats Senco service," says Jesse McCool. "Their wide-crown staplers are light and balanced, help new hands become skilled roofers in a hurry."

Jim and Jesse, John and Fred are real guys. We didn't pay them to say nice things about our products. On their own they've been recommending the Senco tools and fasteners they use to friends, and the end results to customers. Senco nailers and staplers, the fasteners they drive, and the service behind them, got their juices going without any encouragement from us.

We know user satisfaction doesn't just happen. So we work extra hard to make sure every sale we make pays off . . . for you.

How hard will we work? We'll train your workers. Look for new cost-cutting ideas and profit-boosting techniques to apply to your fastening requirements. And we'll make certain your Senco equipment stays in top operating shape.

Some of our best salesmen aren't on our payroll, but they're on our side. Perhaps because we're on their side. When necessary we can save them time by helping them get local building code approval. Show them how to get the most out of their

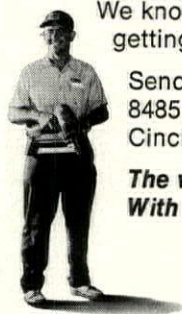
air compressors. Tighten up their inventory and make their fasteners go further.

We'd like to hear *you* saying good things about us. Of course, you can't do that until you've tried a Senco fastening system. *Well?*

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Moen faucets have all the basics your customers want. 1) Single-handle convenience. 2) Superb styling. 3) Water and energy savings. 4) Dependability based on the unique cartridge that's the heart of every single unit. Then put those Moen faucets on one of our handsome stainless steel sinks and make your customers doubly happy. And double your sales.

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New! Moen Flow-Rators™ on every standard Moen fitting for automatic water/energy savings.

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Take a look at
a growing
new market:

NOT-SO-SWINGING

BY NATALIE GERARDI

They're a different breed from the young hedonists who flocked to the swinging-singles apartment complexes in the early '70s.

They're more mature, although not necessarily older.

They have a stronger sense of individuality.

And—perhaps the biggest difference—they're in no hurry to get married.

This doesn't mean they're unwilling to put down roots. In fact, where they live is tied in with their sense of individuality, and often an apartment doesn't fit the bill. Chances are it's not large or private enough. It's not worth decorating because improvements must be left behind. It hasn't enough storage space. Worse, there's no tax or investment advantage.

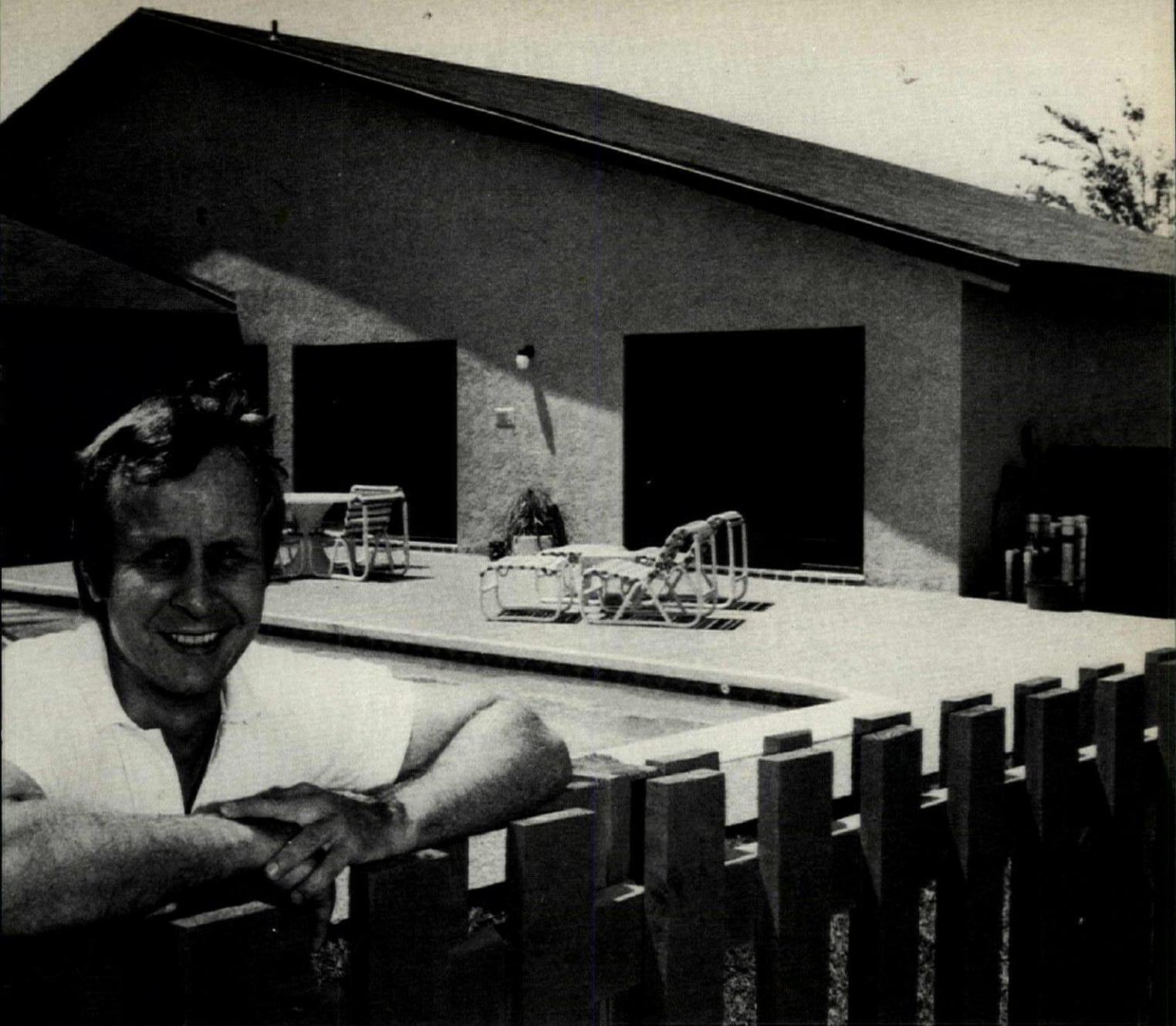
For a growing number of singles, the answer is to buy. It's both an economic and an emotional decision: Everyone wants a tax break and

a chance to build equity, but equally important is a sense of acquiring one's own piece or turf.

"I'm a roots person. I feel good about owning my own home," says Betty Hallam of White Plains, N.Y. At 38, she bought a two-bedroom townhouse in Hillside Village, built by the Robert Martin Co. in Westchester County, N.Y.

"I enjoy fixing up my home and putting my personal touches on it," says Susan Means, who bought a two-bedroom unit at Harris Development's Woodway Bend in Houston. She is a second-time buyer at 27; her first unit was a condominium conversion in Dallas.

The two single women are not unusual in buying their own homes. When Walker & Lee, the real-estate services firm in Anaheim, Calif., studied the buyers of 786 attached homes in California in the first half of 1976, it found nearly a third unmarried.



SINGLES

In some well-located communities the proportion of unmarried buyers in attached housing is as high as two-thirds. Yet the strength of this market has taken builders by surprise.

"We backed into it," says Martin Berger, Robert Martin's president. "When we started High Point three years ago, we thought our prime market would be empty nesters. But 60% of our buyers were single."

High Point, also in Westchester, is a mid-rise condominium with one- and two-bedroom apartments near many corporate headquarters. At the same builder's Hillside Village, nearby, two-thirds of the buyers are single.

Who are these singles?

They're the postwar baby boom's babies who have not yet married. They're also the divorced people who have not remarried. Both groups are



Businessman Paul Field may look like a typical suburbanite as he leans on the back fence of his \$93,000 Miami home, but he's not so typical: The 36-year-old company president is a bachelor.

Salesman Judy Taber kept her eye on a certain lot in the Galleria section of Houston until a construction trailer appeared. "Then I zoomed in and said, 'Whatever you're building, I'll take one,'" she says. A divorcee, she works for a pharmaceutical company

fairly young. Walker & Lee's survey found 69% of the single buyers under 35 and 60% of the divorced under 40.

Everyone expected the boom babies to have a sharp impact on housing when they had their own children. They are having an impact, but for a different reason. More young people are either postponing marriage beyond the traditional age and forming one-person households, or they are living together as unmarried couples.

Census Bureau data show that the proportion of 20-to-24-year-olds who remain single increased from 28% in 1960 to 43% in 1976 for women, and from 53% in 1960 to 62% in 1975 for men. Twenty-three percent of all households in 1976 consisted of persons alone. That's more than one in five, and it represents 17 million people. In 1960, persons living alone accounted for 13% of all households, or 7 million people.

In 1975, for the first time, divorces topped one million. Everyone knows divorces have been increasing rapidly, but it's still mind-boggling to realize just how rapidly: In 1960, the rate per 1,000 population was 2.2; in 1975, it was 4.8—more than double.

In March 1976, there were 2.8 million men and 4.4 million women who were divorced and not remarried—a potential market of 7.2 million.

Why do singles buy?

Mainly because the tax accountant tells them they'd better get some deductions. And once one person buys, there's a ripple effect among his friends.

Nearly half of the singles and 80% of the divorced buyers surveyed by Walker & Lee were in high tax brackets, as can be seen from the following table:

Income	Singles	Divorced
\$12-15,000	11%	—
\$15-20,000	22	—
\$20-25,000	22	20%
\$25-35,000	44	20
Over \$35,000	—	60

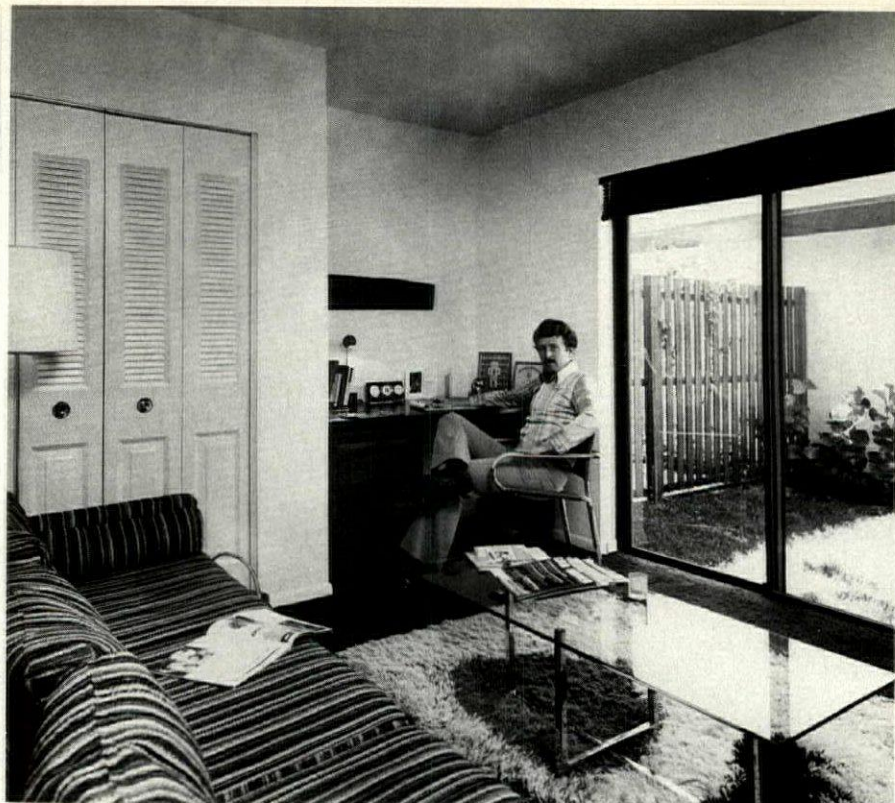
This indicates not only that these buyers have the income to buy homes, but that many will be fairly sophisticated about money and value.

Take 27-year-old Howard Wagner, who bought at Hillside Village:

"Since taxes on a condominium are much lower than on a house, I could leverage myself with a much higher mortgage than with a house. I made a relatively small down payment—20%. So I'm getting appreciation on a \$60,000 house with only a \$12,000 investment."

Many divorced people buy because they already have an owner mentality. Walker & Lee found that 46% of the divorced buyers were moving from homes they owned. Considering that many probably moved into apartments at the time of divorce, the percentage of previous owners is probably much higher.

The singles market has profited from women's increased ability to buy. This traces to new federal prohibitions on discrimination in mortgage lending and to the women's movement, which has helped open more well-paying jobs to women.



"Five years ago a woman who earned over \$25,000 was a rarity," says Berger at Hillside Village. "Today we're getting female executives with IBM, Union Carbide, General Foods and other companies who earn \$35,000 and \$40,000."

And with higher incomes comes a greater need for a tax break.

Says Judy Taber, a buyer at Woodway Bend in Houston: "Now that I'm carrying a man's position, I have the same tax problems as a father of two or three kids."

Mrs. Taber moved to Houston from Albany, N.Y., after a divorce. She became a pharmaceutical salesman "because I needed a man's job if I was going to have the same standard of living I had had."

Divorced or single, male or female, these buyers are career-oriented, earn above-average salaries and feel entitled to a good standard of living. Often this means the kind of home in which they grew up.

"I'm from the country," says Vern Jansen, 45, who bought a two-bedroom unit at Emerald Green in the Chicago suburb of Warrenville. "I enjoy working in the city, but at night I like to be able to get away from it."

And Anne Compton, 38, is moving from a two-bedroom condominium apartment at High Point to a three-bedroom townhouse at Hillside Village partly because "I grew up in a fairly large house and I like space."

There's another reason for buying: fear that tomorrow may be too late.

"I bought at the height of the recession because I realized that property was appreciating and I wanted to get in before I could no longer afford a home," says Bob Collins. At 38, he bought a two-bedroom townhouse at Arvida's Sabal Chase in Miami, Fla.

Researcher Bob Collins

found apartment life cramped—and no wonder. His job with the Dade County (Miami) School Board involves taking work home, and his hobbies—including boating and scuba diving—require space to store all the paraphernalia.

Dog lover Susan Means,

shown here in the kitchen of her new Houston townhouse, had found that some apartment owners wouldn't rent to her because of her dachshund, Tootsie Roll. She is assistant vice president of Plavco Mortgage Co., a Fox & Jacobs subsidiary.

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PHOTOS: COMPIX







Executive Anne Compton, shown in the kitchen of her condominium apartment, is moving to a three-bedroom townhouse because she wants more space. The apartment turned out to be a good investment by New York standards: 20% appreciation in three years. She is a business practices adviser for IBM.

Pharmacist Miles Kaufman unwinds after a day of running his own business. He retreats to his garage for some woodworking. He makes gift items to sell in the pharmacy, such as the antique-type medicine cabinet he's working on here and the shadow box clock on the workbench.

This reason for buying is not peculiar to singles. Nor are these others, cited by the buyers Walker & Lee surveyed:

	Single	Divorced
Tired of renting	52%	41%
Larger home	21	19
Better area	18	23
Closer to work	18	12
Less maintenance	13	20

Here's what singles want in their housing

"No. 1, tax advantage; No. 2, location, and No. 3, reputation of builder," says Karen Berman, a salesman at Hillside Village.

And indeed, almost all the buyers HOUSE & HOME talked to mentioned the builder's reputation or the quality of construction as an important reason for choosing a particular home. Typical is Valerie Tibbett, 37, who bought a two-bedroom unit in Woodley Village, built by the D&S Company in Granada Hills, Calif.

"I had lived in a condominium apartment that the same builders had built," she says, "and so I trusted their construction."

Ed Havlik, president of Home Data Corp., a housing research firm in Hinsdale, Ill., believes that singles seek good value.

"On the other hand," he points out, "singles care far less about the social and economic make-up of a community than families do."

It is often hard to distinguish between the features the singles buy because they want them and those they buy with resale in mind. For even though singles commit themselves to buying, few expect to remain for long in the home. Career people expect to follow job opportunities. And since they're investment-minded, they're ready to trade up the moment the time is ripe. As 28-year-old Miles Kaufman puts it in Granada Hills, Calif.:

"If I live here five years, it's a long time. I always look for something that I like a bit better if I can afford it and make a profit."

Kaufman has just traded up to Woodley Village from a condominium apartment.

More specifically, here are the likes and dislikes.

Size: Two-bedroom units fill the bill

Walker & Lee found that 68% of the singles bought two-bedroom units and 27% bought three. Among divorced buyers, 61% bought two-bedroom units and 38% bought three, probably because of children.

A few years ago singles would have hesitated over two-bedroom units because of the resale problem. Today, with so many singles buying and so many young couples remaining childless, few have such concern. The Walker & Lee survey showed that nearly as many married couples chose two- as chose three-bedroom units (47% vs. 48%).

Design: There are no set rules

"Here they like as much of a contemporary interior as we can give," says Jack Cliff of The First

Marketing Group of Houston. "But they're not quite ready for contemporary exteriors."

Indeed, while single buyers prefer open, contemporary interiors, they don't insist on them. It's more important that the units be homelike.

"I had always hoped to get into a townhouse because I prefer to have my own private entrance," says Anne Compton, a former apartment owner in White Plains, N.Y. "And life is a little less complex in a townhouse. When the power goes off in an apartment and you have to walk up seven floors, you say to yourself: 'Do I really want this?'"

In California, Miles Kaufman echoes her feelings:

"I don't like low ceilings because they're apartmentlike," he says. "If I could have a condominium that looked like a house, I'd take it any day."

Other houselike features brought praise:

"It may sound funny," says June Tinnermeier, "but I particularly like the utility room." She's 33, and she bought a two-bedroom unit at Chicago's Emerald Green.

And at Sabal Chase in Miami, Bob Collins comments:

"This place is very well laid out for a townhouse. When I went in, I knew where to put everything. I didn't have a lot of uncertainty about what to do with this strange space."

Other likes: private entrances and yards, sound insulation and—frequently mentioned—washers and dryers.

The dislikes were familiar: too little closet space, small kitchens and foyers or dining rooms, and poor quality in finishing. And there was one thing buyers really missed when it wasn't included: a wood-burning fireplace.

Kitchens: Singles want all the extras

The singles that HOUSE & HOME queried had gone out and bought everything from microwave ovens and trash compactors to kitchen carpeting. Pantries and cabinet space were important. (One bachelor complained he had no place to put his large platters.)

For some singles, as well as for other buyers, a kitchen is more than a place to cook.

"I like to relax by sitting around in the kitchen," says June Tinnermeier, "and I particularly like the sliding glass doors that open the kitchen to the outdoors. In most apartments and condominiums the windows are stuck off in a corner someplace, so there's no direct light." She's even going to put her desk in the kitchen.

Baths: No consensus on how many

But there is a consensus on hating to scrub them. One large, luxurious bath would fill the bill for most singles, but they're worried about what this would mean for resale.

Robinson Neblitt's two-bedroom townhouse at Houston's Woodway Bend has two-and-a-half baths. Two back up to each other.

"I wanted to knock out the wall and put in a great big marble tub," says the 26-year-old bachelor. "But then I thought it might hurt resale."

TO NEXT PAGE

At Sabal Chase, Bob Collins thinks he has the ideal set-up with two lavs flanking a compartmented tub area.

"If I have a guest, one person can shower and go out to one of the vanities and we can kind of rotate through the thing," he says. "It's much more usable than if the half bath had been in another part of the house."

Another buyer, a divorcee who had lived in a large house, would have redesigned one of her two bathrooms to include the washer and dryer.

What did the singles and divorced people surveyed by Walker & Lee buy? Mainly homes with two or two-and-a-half baths (about a third each). Another 25% bought homes with one-and-a-half. Few bought one-bath homes.

Outdoor living: Without it no house is a home

"I chose the first floor rather than the second because it has a little garden," says Betty Hallam, the Hillside Village divorcee who used to live in a single-family house. "Even though it's a tiny space, I'm eager to get my hands in the dirt again."

Not everyone wants to garden; most single buyers, in fact, are grateful for the outdoor maintenance benefits of condominium living. But most had something they wanted to do in their own outdoor space.

"I'm looking forward to using my electric grill on the balcony," says June Tinnermeier. Her 20' x 6' balcony can be reached from either the kitchen or living room, and it's one of the things she particularly likes about her new home.

As with interior space, quality counts more than quantity. Valerie Tibbett hopes to buy a single-family house because her back yard at Woodley Village, the California sevenplex community, is not private enough.

"I want a yard for my dogs," she says, "and I want to be able to go out and use it without worrying about disturbing someone right on the other side of the wall from me."

And at Sabal Chase, Bob Collins had originally put a deposit on a two-story interior unit. He changed to a single-story end unit when he considered the yard.

"I couldn't sit in it because I was surrounded by all those two-story buildings," he says. "I felt like I was down in a well."

Garages: For the men, they can make the sale

That's particularly true for those who have bulky sports equipment, like Bob Collins, who fills his garage with scuba gear and a boat.

"I bought a \$40,000 home to keep a \$3,000 motorcycle," Steve Duffy jokes. Duffy, 27, who bought a two-bedroom unit at Woodley Village, is a reserve motorcycle officer for the sheriff's department, and his cycle has to be kept in a locked garage. Besides two motorcycles and a car, Duffy has a workbench in his garage. "And my bicycle doesn't have to stay in my bedroom anymore," he says.

For Miles Kaufman, another Woodley Village buyer, a two-car garage and a patio were basic criteria in choosing a home. He wants the extra garage space for a workbench and for storage.

And because this market demands the benefits of a private home, builders who provide mere apartment-type facilities get low marks.

June Tinnermeier had considered buying at a community where each unit had its own garage door, but the doors opened onto a common garage.

"I don't like people banging their car doors into mine," she says. "And if one person doesn't lock his door, the whole garage is open to everybody. And besides, who wants to have to lock up his bicycle?"

Amenities: They're nice but not necessary

Most of the buyers HOUSE & HOME talked to didn't choose a place to live because of its amenity package. They bought in communities where there are few or no recreational facilities.

The exception was Miami's Sabal Chase, which offers a wide range of recreation. Says Paul Field, a 36-year-old resident: "I bought here because of all the activities. When I have time off, I want to use it. I don't like to sit around." Field, president of his own company, bought a four-bedroom, single-family house for \$93,000.

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Administrator June

Tinnermeier is moving into her own home at the end of the month—just before her apartment rent goes up \$17. She picked a community that's out in the country because she feels the close-in areas are too congested. She works for the Maytag Co. in the Chicago suburb of Oak Brook.

Motorcyclist Steve Duffy once

lived in a swinging-singles complex; he says a year was all he could take. Duffy came across Woodley Village, in Granada Hills, Calif., while doing the electrical estimating and decided to buy. His mortgage payments are lower than his rent on a two-bedroom apartment.

PHOTOS: COMPIX

HOW TO MERCHANDISE TO SINGLES

A few years ago you would have had to show singles that they were indeed qualified to buy.

That's still true in some areas but not everywhere.

Indeed, most singles interviewed had sought out the developer and bought from plans.

"Few bother to come to the sales office if they're not qualified," says Karen Beriman at Hillside Village in New York's Westchester County. "We advertise, but people now know enough about condos and about their own situation to know whether they're qualified."

"Why Pay Rent" is still the most popu-

lar theme for advertising.

"We mailed to 35,000 apartments in the area every few months," says Mike Blumenthal, sales manager of Alpert Corp. in Aurora, Colo. Alpert's Timbers subdivision in Denver sold close to 200 units in the last 18 months, a large percentage to singles.

Blumenthal is now marketing a new development called Apple Tree Condominiums with an Adam-and-Eve theme: "Try The Temptation of Owning."

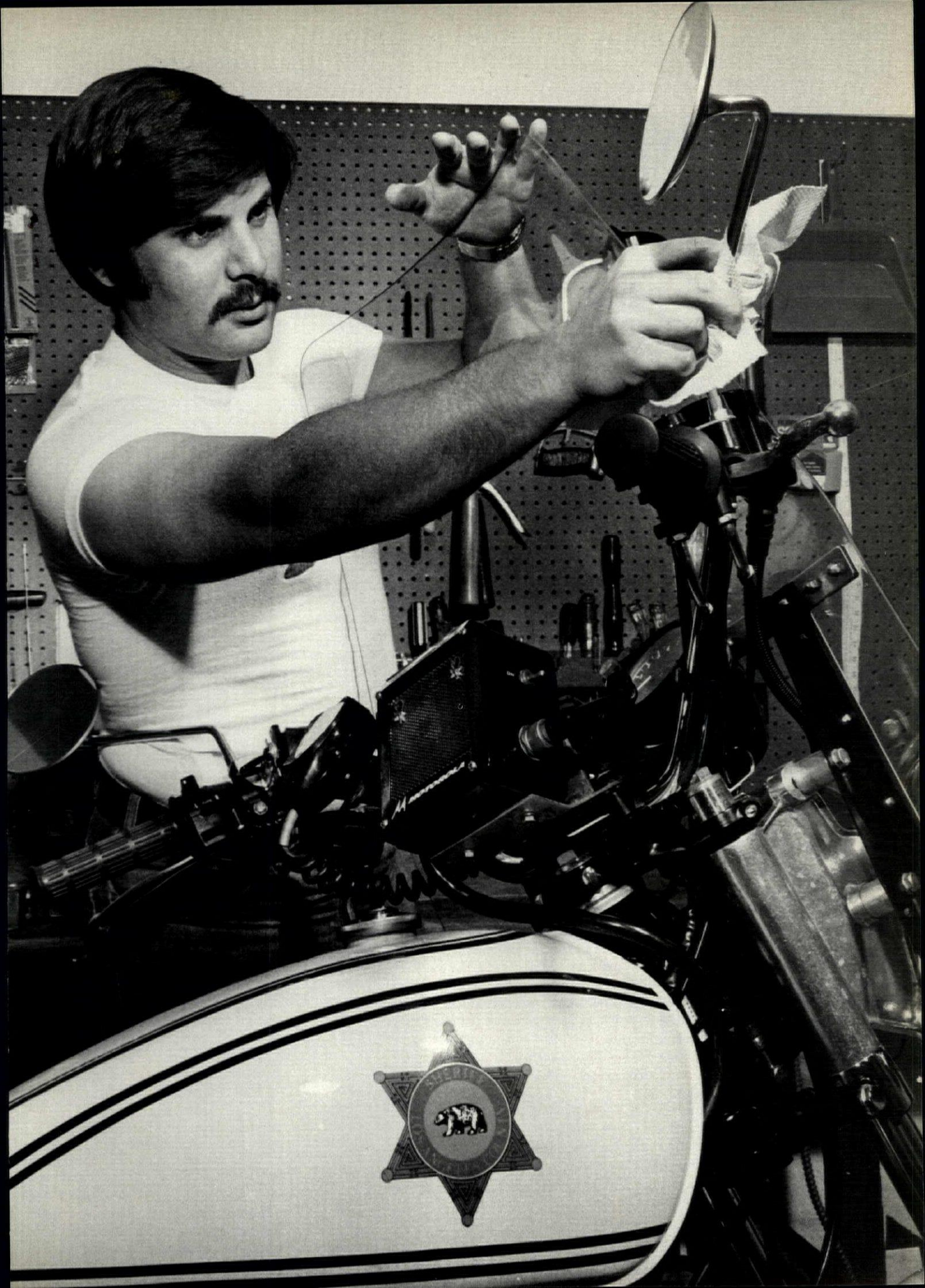
In California, Bryan Hardwick of Bryan Hardwick Associates, Palos Verdes, also aims at renters in his advertising for the Christiana Companies' Villa Martinique.

Example:

"You've invested in what you are. Now invest in where you are. Renting, you're no place."

Another ad says: "Apartment dwellers arise! Join the Villa Martinique revolution. You have nothing to lose but plastic living, a collection of rent receipts, a lousy future in an inflationary economy."

Says Hardwick: "We spell out specifically what the advantages of ownership are because we find that most people in apartments really don't know. It's an educational thing, but we sugar-coat it with humor and by showing good-looking people who invoke a certain style of life."



A bet pays off



The bet: that traditional architecture would have sales appeal in northern California.

The bettor: developer Vintage Properties Inc., which last spring broke ground for Whaler's Cove, a 206-unit single-family development in Foster City.

The morning line: a waiting list of 700 prospects before models were framed and before final prices were set [H&H, Sept. '76].

The payoff: Sales are running far ahead of production. By April, the project's 100 zero-lot-line houses were sold out for prices ranging from \$78,500 to \$106,500; so were the first two phases (52 units) of detached houses at \$92,500 to \$129,500; and to keep up with demand, the developer began marketing phase three, even though October is the earliest those houses can be delivered. New prices: \$104,500 to \$136,500.

Although the northern California housing market was soft when Whaler's Cove was planned, Vintage Properties was confident its bet would pay off. Vice President John Erving (he's also project manager) explains the company's marketing philosophy:

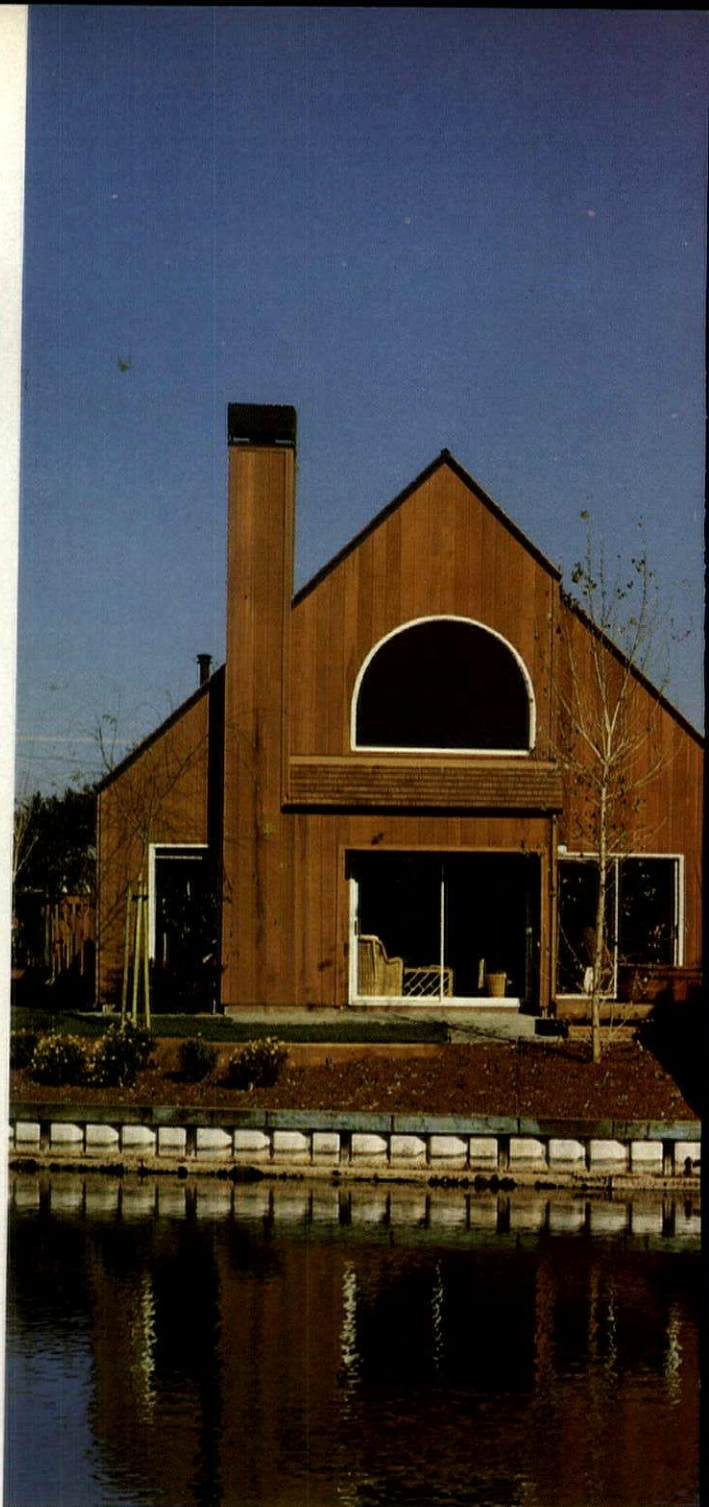
"We've learned from past jobs that there's always a market for something different—that even in tough times people will pay a premium for a well-executed new product."

What specifically has turned on buyers at Whaler's Cove? The relative authenticity of the traditional design is one of the biggest—if not the major—selling points, according to Erving. For example: the clean and uncluttered facades and the solid wood siding.

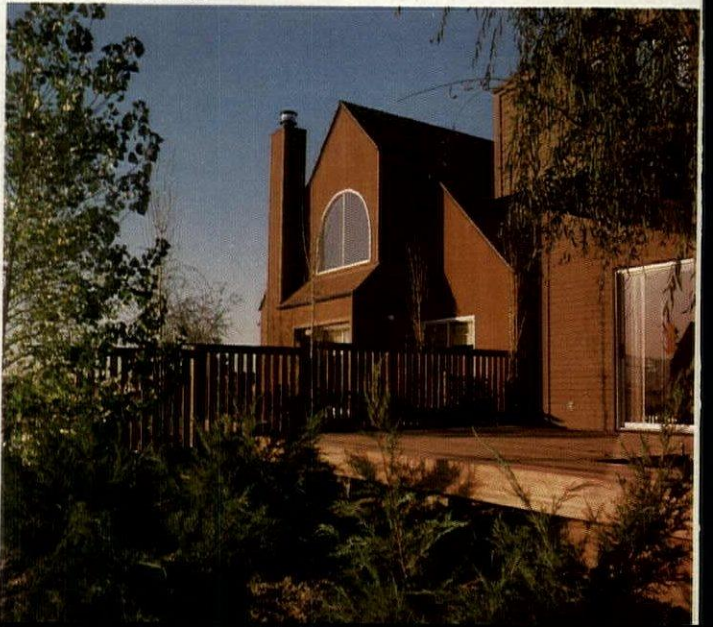
"California developers frequently mix materials—some stucco, some wood," he says. "The effect is often more decorative than architecturally authentic, and buyers seem to be getting tired of that."

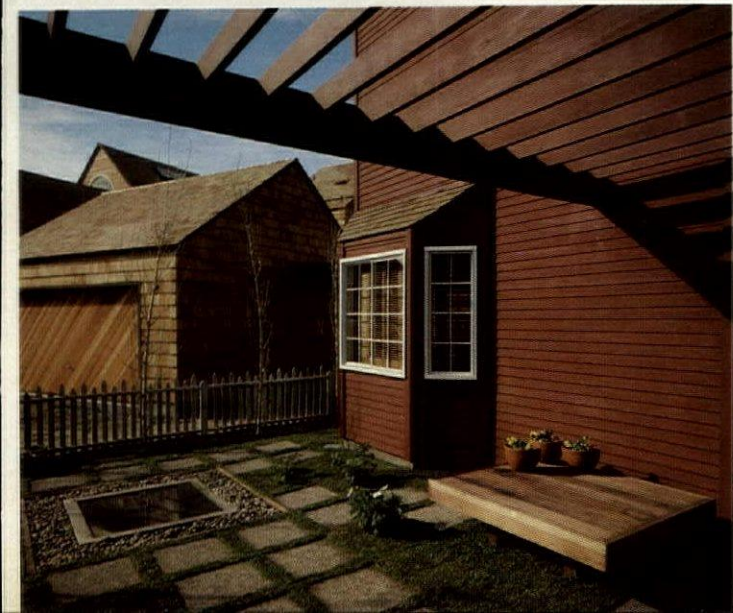
Erving says the variety of elevations and floor plans—there are six basic designs, each with alternates—is another reason Whaler's Cove is selling so fast. "We made sure we'd tap every market from singles to empty nesters," he explains.

So far 85% of the buyers have come from a five-mile radius of the project. Some of the others are former New Englanders who, Erving says, "like the idea of living in a community that reminds them of back home." The buyer profile: primarily professionals and business people. The average income: between \$30,000 and \$36,000.



PHOTOS: JOSHUA FREIWALD





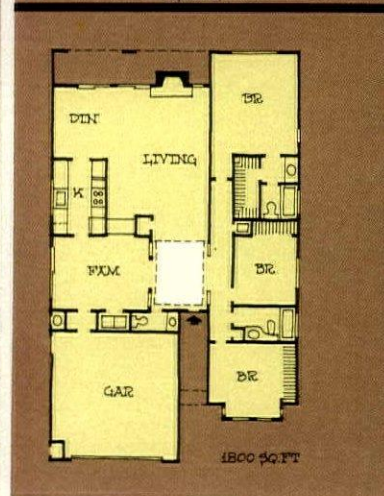
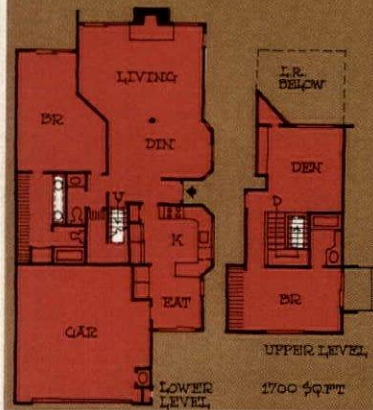
Waterside and landside elevations reflect the traditional heritage of architect Fisher-Friedman Associates' design. For example, there are bay and multi-paned windows, high pitched roofs and clapboard, vertical T&G and shingle sidings. Even the fencing and trellises are reminiscent of what's found in New England villages. To strengthen the project's traditional character, San Francisco landscape architect Omi Lang Associates specified deciduous trees. They are planted in mounds and leached to protect them from the effects of a high saltwater table that's indigenous to the area.

Contemporary interiors, a marked contrast to the exterior design, are in keeping with the living style of sophisticated West Coast buyers. Skylights and curved windows, like those shown here, have been top selling features. The atrium (right) is in the 1,800-sq.-ft. detached (yellow) plan; the living room below in the 1,700-sq.-ft. zero-lot-line (red) plan. Models were decorated by Christy Neidig.



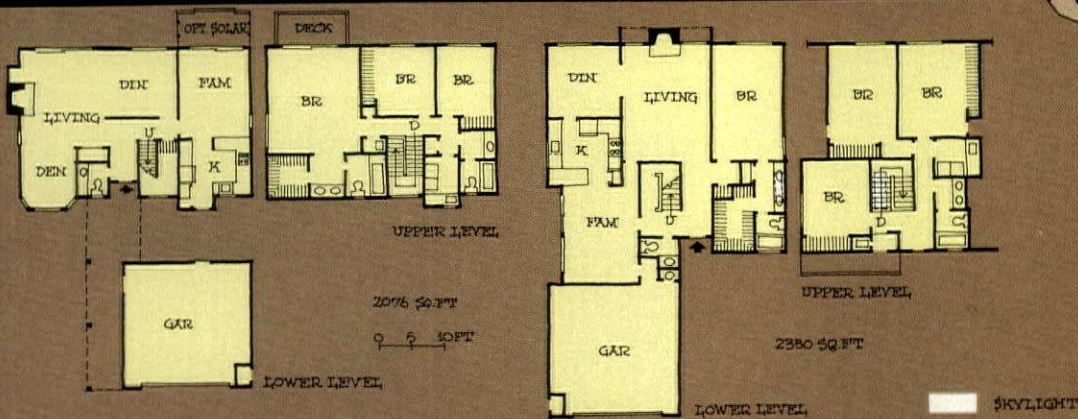
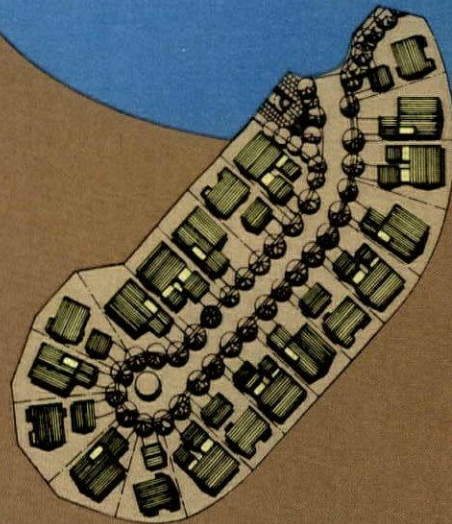
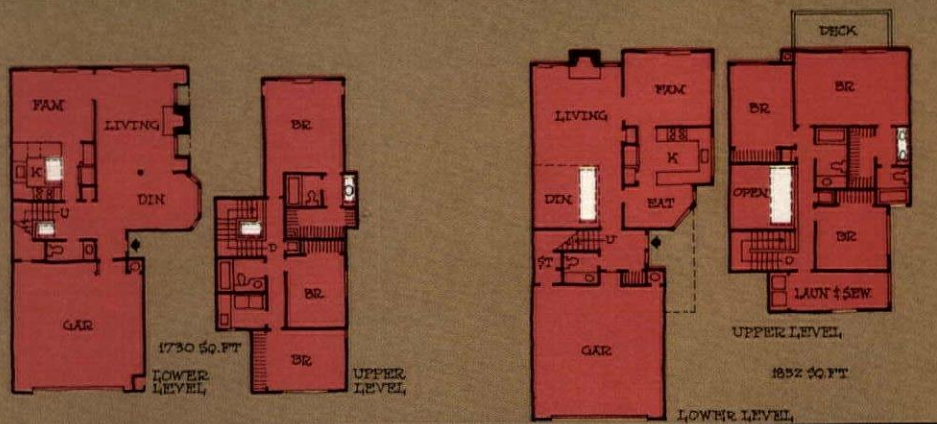
PHOTOS: JOSHUA FREIWALD

Odd-shaped 34-acre site (right) provided a natural break for detached (yellow) and zero-lot-line (red) sections of the project. The three inlets in the detached section were dredged out by the developer so that a maximum number of houses could be oriented to the water. Buyer profiles indicate that the project's six plans (below) were right on target for the intended markets. Here's a rundown:
Zero-lot-line plans: the 1,-



700-sq.-ft. model to empty nesters/singles; the 1,730-sq.-ft. model to empty nesters/singles/young families; the 1,832-sq.-ft. model to young families/singles/a few empty nesters.

Detached plans: the 1,800-sq.-ft. model to young families/empty nesters; the 2,076-sq.-ft. plan to small families/singles/empty nesters; the 2,350-sq.-ft. plan to established larger families, primarily with older children.



FIRST HONOR AWARD: A bonus payoff

Many of the same qualities that helped Whaler's Cove pay off in the marketplace also made it a top winner—and the only merchant-built single-family entry to receive an award—in the 1977 Homes for Better Living awards program.* Some of the judges' comments:

"The overall concept—both the site-development aspects and the good taste in architecture for a California setting—is outstanding."

"From a merchant-builder's standpoint, the floor plans are outstanding."

"The developer and architect had a typical problem of placing detached housing on very small lots. Yet they managed to come up with quite a variety of units with very ingenious floor plans."

"Despite a number of site constraints, they worked out a strong water orientation for most of the houses."

"I'm impressed because, for a change, the architect and developer brought a little bit of the East Coast to the West Coast."

*The HFBL awards program is sponsored by the American Institute of Architects in cooperation with HOUSE & HOME. Other winners will be featured in issues to come.



Typical section of Crow Canyon (above) shows townhouses (blue) bordering either side of the fairway. Zero-lot line homes (yellow) are in the center surrounding a neighborhood park. The entire 431-acre site plan is at left.

Tight siting makes every lot a premium lot



There are 795 townhouses and zero-lot-line homes in Crow Canyon, and every one opens onto a golf course fairway or neighborhood park.

Narrow lots are the key to so many prime sites. And this particular narrow-lot scheme works because of the house plans themselves. Not only did architect Morris & Lohrbach solve most of the problems inherent in narrow-lot housing; it created units with a degree of livability seldom found even in more conventional homes.

Specifically: Entrances are private. Front garages screen the houses from the streets and individual landscaped, trellised pathways lead to secluded double-door entries.

There's a lot of natural light inside. Atriums, pathways, patios and sometimes skylights brighten what might be dark problem areas.

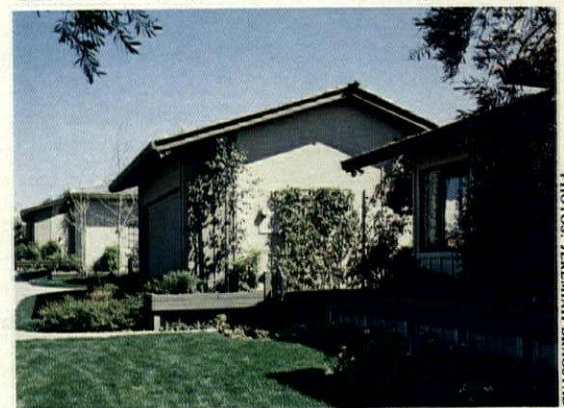
And plenty of indoor/outdoor living space is provided by the atriums, fenced yards and patios.

Located in northern California's booming Contra Costa County, Crow Canyon is Broadmoor Homes' first venture out of southern California. And Dale Moffet, Broadmoor's marketing director for northern California, says the project is selling out faster than it can be built.

—ELISE PLATT



There are 556 townhouses in Crow Canyon . . .



and 239 zero-lot-line houses.

PHOTOS: JEREMIAH BRAGSTAD

To see how they work turn the page. ➡



TIGHT SITING CONTINUED

Landscaped pathway (left) leads to a private entry.

View from entry foyer (below) takes in the outdoors. The atrium at right and sliding glass doors at the rear admit a lot of natural light.

Back patio (right) extends outward from the living room and faces the fairway in rear.



PHOTOS: JEREMIAH BRAGSTAD

The townhouses: long and narrow but still open

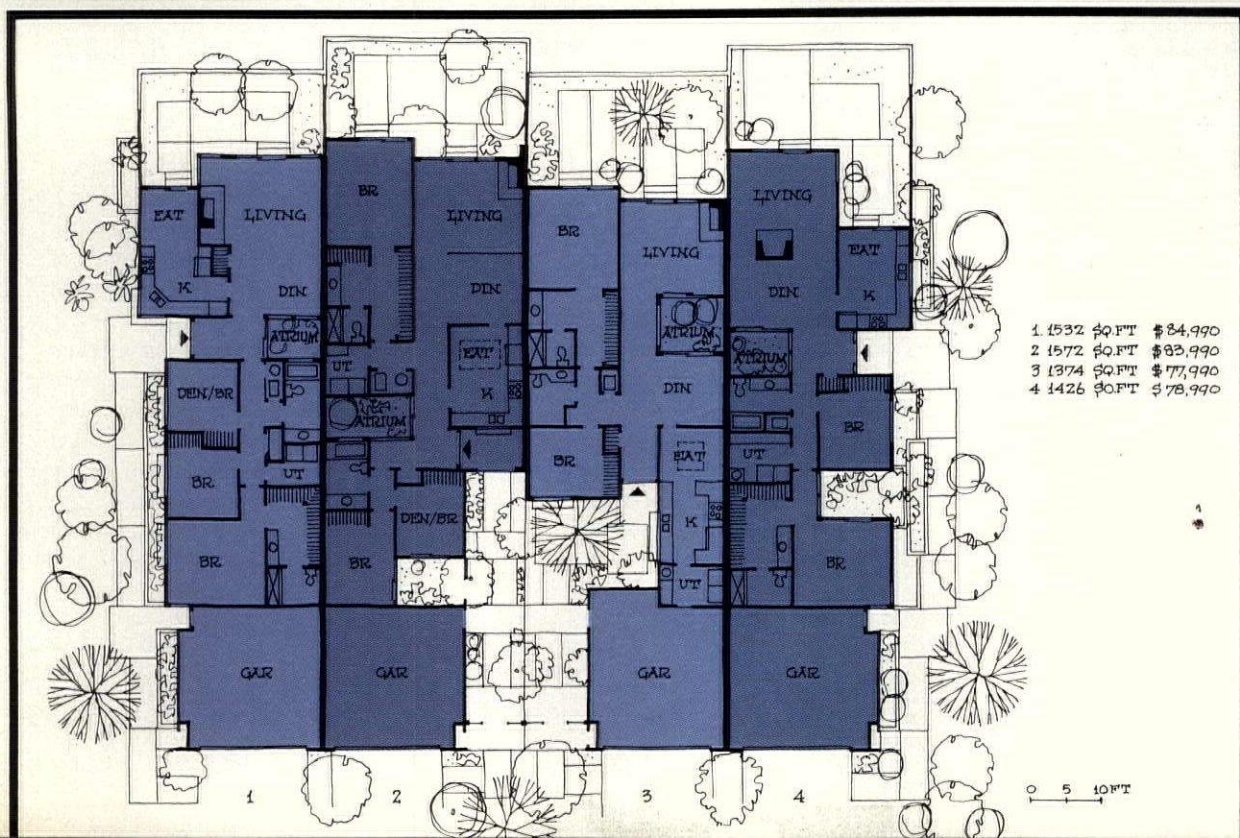
They have 30 ft. frontages; they are built in groups of four, with two end units and two inside units; and even the center two units are unusually light. Unlike typical attached housing, where center units have only rear and front exposures, here, entry paths, atriums and patios are used to provide additional window area.

All plans are oriented to the rear to take full advantage of the golf course view. Family living areas flow naturally to the back yards. And because the entries are set so far back in the units, in many cases the fairways are visible to people coming up the entry walks. What's more, in all

cases, as people step into the units they see the golf course through the sliding glass doors of the living rooms.

The two- and three-bedroom townhouses, ranging in size from 1,274 to 1,573 ft., sell for \$77,990 to \$84,990. The three-bedroom plans are the fastest sellers. Each unit has an eat-in kitchen as well as a formal dining area and a master suite with a separate dressing room.

Buyers are predominantly compact families: empty nesters with teenage children, young professional couples and singles and divorced people.



TIGHT SITING CONTINUED

Side yard (left) serves as a private pathway to the entry door, which is hidden from street view.

Indoor family-living areas (below) open to the outdoors, admitting daylight and permitting a free flow of activity.

Private outdoor-living space, such as this back patio (right), gives these units the feeling of larger single-family homes.



PHOTOS: JEREMIAH BRAGSTAD

The zero-lot-line houses: a new twist to suit the sites

Most zero-lot-line plans use the side yards for outdoor living. Not so the Crow Canyon plans at right: Their outdoor living is oriented to the rear. Here's why:

The lots are relatively narrow.

The houses are wider than the typical zero-lot-line home.

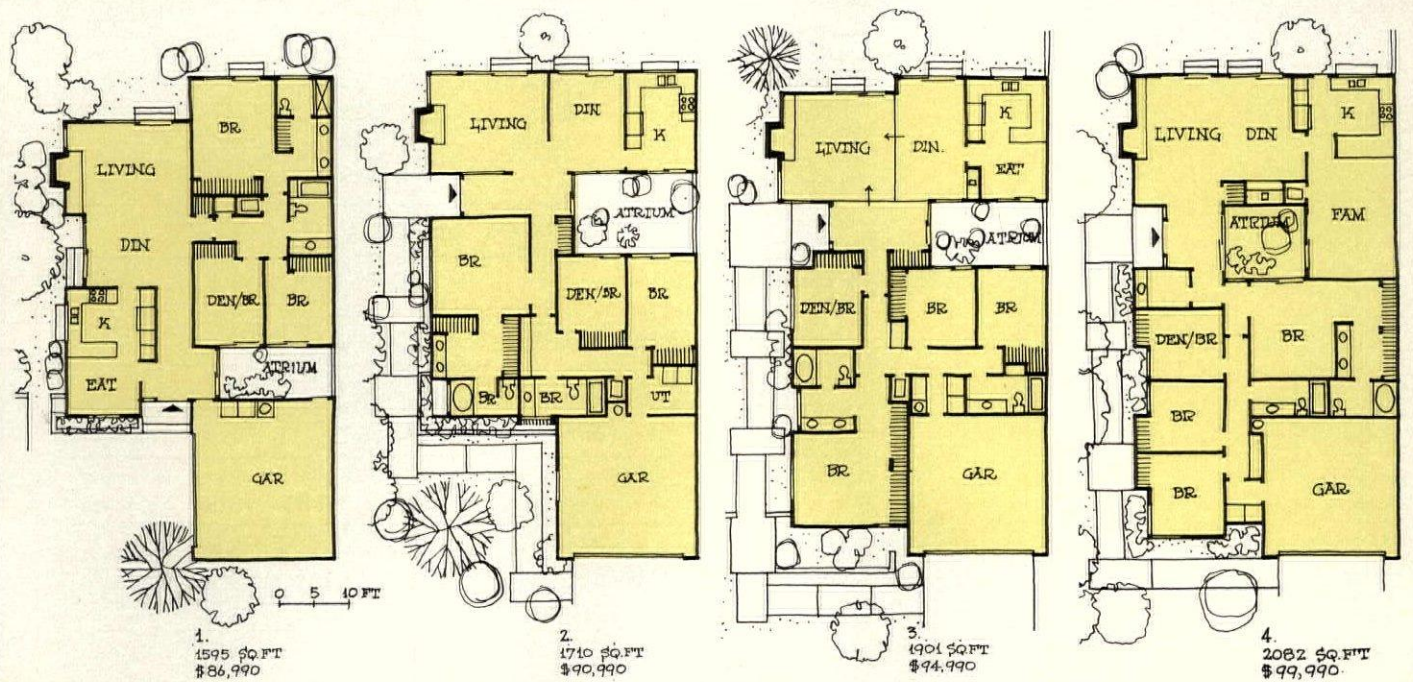
And on each lot, the best view—of a neighborhood park—and the largest available outdoor area is in the rear.

With one exception (Plan 1), the side yards are used for walkways to entries, which are hidden from the street. Nevertheless, most of the rooms in these houses open to patios and

atriums, so there is plenty of outdoor living space.

The atriums are one reason why the wider-than-normal plans work as well as they do. More than just private outdoor spaces, they also bring daylight into the interiors and, in three of the models, help to separate living, dining and kitchen areas from bedrooms.

The four models are priced from \$86,990 to \$99,990. They range in size from 1,595 to 2,082 sq. ft. And because they offer a variety of room arrangements, they appeal to a broad spectrum of buyers—all the way from empty nesters to families with young children.



Housing's public a big year—



To gauge the health of the housing industry, take the pulse

of the public companies. Their current performance is analyzed for you here by Kenneth Campbell, president of Audit Investment Research Inc. and an authority on housing stocks.

This housing boom has been uneven—red hot markets in California, chill winds that blew until recently in Florida and in-between conditions elsewhere.

So the profit reports from housing's public companies for 1976, while generally strong, are mixed. California set records; Texas did very well; Florida fell off, then turned up.

The 49 large homebuilding companies swung from \$73 million in deficit to \$67 million in profit in 1976. The turnaround came on a mere 13.5% gain in sales, indicating that overhead had been held level or even cut a bit to provide significant leveraging benefits. Still, overall profits were only 1.7% of sales (see table below), about half the industry's norm in good times. This points toward much higher profits in 1977 and beyond—if demand continues.

This expectation of higher profits is buttressed by the fact that public

homebuilding companies report sales only after they have delivered units to the buyer. Thus sales and net income lag the activity in model homes and sales offices by three to four months.

Strong market. That demand is exceedingly strong. Backlog is up across the board for major builders and now stands about 50% above a year ago. And since average prices have been rising 10% or more per year, that higher backlog should turn into higher sales and profits.

At right is the record of unit deliveries and backlog for major companies.

For all the good news and brighter prospects, Wall Street is putting more conservative valuations upon the earnings of homebuilders. Part of this decision merely recognizes the lower multiple accorded earnings of more volatile industries; part traces to fear that this upswing in the housing cycle may be nearing a peak. Whatever the reason, stocks of builders with more

SALES—MILLIONS \$				
	1976	1975	% Chng.	
28 Builders over \$25 million	\$3,109.4	\$2,639.7	+17.8%	
16 Builders under \$25 million	233.4	323.5	-27.8	
5 Builders-Industrial subs, full data	572.4	487.7	+17.4	
15 Builders-Industrial subs, sales only ..	870.3	989.4	-12.0	
64 BUILDERS TOTALS	4,785.5	4,440.3	+ 7.8%	
EARNINGS—MILLIONS \$				
28 Builders over \$25 million	\$ 52.4	\$d47.5	Z	
16 Builders under \$25 million	4.9	d12.2	Z	
5 Builders-Industrial subs, full data	10.1	d13.2	Z	
49 BUILDERS TOTALS	\$ 67.4	\$d72.9	Z	
PERFORMANCE MEASURES				
	Net margin 1976	1975	Asset turns	Equity % of assets
28 Builders over \$25 million	1.7%	-1.8%	0.89	26.1%
16 Builders under \$25 million	2.1	-3.8	0.50	25.3
5 Builders-Industrial subs, full data	1.8	-2.7	0.57	27.2
49 BUILDERS TOTAL/AVERAGES	1.7%	-2.1%	0.77	26.3%

Z = Not calculated. Loss in one or both years.

companies: and more to come

DELIVERIES				
Company-Year	1976 Deliveries	% Chng.	Back-log	% Chng.
Centex Corp.-Dec. '76	5,758	+62%	3,011	+78%
Genvill Comm.-Oct. '76	980	-25	512	+194
Dev. Cp. Amer.-Dec. '76	1,171	-25	652	+27
Kaufman & Broad-Nov. '76	2,871 [#]	-5	941 [#]	+71
Lennar Corp.-Nov. '76	1,134	-8	372	+26
Pulte Home-Dec. '76	1,994	+43	724	+47
Ryan Homes-Dec. '76	5,817	+6	2,399	+34
Ryland Group-Dec. '76	1,999 ^H	+46	795	+41
Standard-Pacific-Dec. '76	1,513 ^H	+62	495	+62
Shapell Ind.-Dec. '76	1,759	+12	1,458 ^H	+111
U.S. Home-Feb. '77	8,358 ^H	+22	3,069	+21
Washington Homes-July '76	600	+41	272	+62
TOTALS	33,954	+18%	14,700	+50%

H-All-time high delivery or backlog.
On-site domestic units only; excludes 1,951 foreign units delivered in 1976.

than \$25 million in sales are now priced at 8.5 times earnings. The price-to-earnings ratio was 16.4 only a year ago.

Wall Street's door. All this means that public companies do not have the ready *entrée* to equity markets they once did. No public builder has sold new stock in this business cycle, although Starrett Housing tried a convertible offering in 1976, only to withdraw it. Such market resistance can only create more pressure for the owner-managers to go private by buying their stock back from the public.

Still, the lure of the public markets is strong. A marketable security is an efficient way of strengthening management. The most striking example was U.S. Home's acquisition of Homecraft Corp. and the election of Guy Odom, Homecraft's president, as president of U.S. Home in February 1977. U.S. Home paid 1 million shares with a market value of \$7.5 million for Homecraft, or about 4.4 times Homecraft's \$1.7 million earnings (on 1,282 home deliveries in 1976). U.S. Home also agreed to sell 134,078 shares to Odom for \$7.46 a share, the average trading price before the deal was set.

Multi-market builders: deepening penetration

The big multi-market builders fared well by cultivating existing markets.

U.S. Home now says it is the largest seller in 10 of its 14 local markets. Deliveries rose 66% in Colorado, 14% in Florida and 11% in Arizona. U.S. Home trails market leaders only in Chicago, where its disastrous acquisition of 3-H Building is finally straightening out, and in Washington, where 241 deliveries rank the company well down the list. Despite its leadership in Texas (primarily Houston), U.S. Home's market share there has eroded. The decline is typical of boom conditions in which smaller operators prosper by cutting into the markets of larger competitors. Deliveries in U.S. Home's Texas unit rose 20½% to 2,437 units in the February 1977 year, although comparisons are clouded by the inclusion of Homecraft. U.S. Home's 8,358 deliveries and \$413 million sales are both company records.

The company has worked bank debt down to \$98 million from \$145 million in 1974. It hopes to make some use of the land-financing plan developed by Odom. Under that plan

an S&L provided 25-year financing on land, with no buildout or amortization requirements for the first five years. Amortization begins after five years at 5% a year.

Ryan and Centex. Ryan Homes and Centex Corp. fought for second place in total 1976 deliveries and Ryan won—by 59 units with 5,817 homes delivered. Strongly capitalized and extremely liquid, Ryan scored its strongest gains in Washington, D.C., up 26%, and Pennsylvania (mainly Pittsburgh), up 21%. But the big southern Ohio division gained only 3½% to 1,115 deliveries and northern Ohio sales fell 7% to 907 homes, attributed to delays in winning lot approvals. The Atlanta market remained slow, and the company went into Charlotte, N.C. All Ryan homes in 1976 were built to tighter insulation standards to cut fuel consumption. Late in the year Ryan delivered 54 homes using closed-wall panels, a system Ryan has been experimenting with in recent years. Ryan's first quarter saw earnings nosedive 59% as extremely cold weather slowed deliveries. New orders continued high, however.

Centex almost passed Ryan in deliveries for its 12 months through December (the fiscal year ends March 31). The booming Texas markets pushed calendar-year deliveries to 5,758 units. About 60% of closings flowed out of Fox & Jacobs, which dominates Dallas as few builders have ever ruled a market. The company made 3,000 deliveries in Dallas and another 1,000-1,200 in Houston, which it entered only recently.

Other parts of Centex's far-flung operations reflect the uneven boom: Foster City, south of San Francisco, is hot; Chicago is running about even with last year; a high-rise condo in northern New Jersey is slow, with a new building planned; Miami is strong in both high-rise condos and singles; and Puerto Rico rises and

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Housing's public companies CONTINUED

falls on mortgage money supply.

K & B's climb back. Kaufman and Broad, which popularized multi-market builders in Wall Street with profit gains unbroken until a \$29-million loss in 1974, continues a moderate rebound, stressing foreign homebuilding. Its domestic deliveries of 2,871 units were down 5% but its order backlog is rising. California deliveries were up 4% with both northern and southern California operations strong, although the latter were delayed by zoning snags and a sewer moratorium. Chicago and Detroit were down 4%, and eastern deliveries fell 18% to 836 units as K&B continued to wind down its New England and Long Island single-family operation and its high-rise condo building in Cliffside, N.J.

Canadian deliveries were off 24% to 932 units but operations in Montreal and Toronto were profitable on \$56 million sales. European deliveries soared 65% to 1,019 units, with France providing one of the strongest markets. K&B also builds near Frankfurt in West Germany and near Brussels, Belgium. European sales were \$59 million. All told K&B reported \$283 million housing sales, including a revived mobile-home operation, and total unit deliveries were topped only by record 1973.

Ryland and Pulte. The booming Ryland Group came within a single unit of delivering 2,000 homes in 1976. Ryland builds only to order and options its land, so it again led homebuilders in asset turnover while achieving a 30% return on equity. Management holds out a 10,000-unit year as a goal to focus management energies.

Baltimore, where Ryland's market share slipped from 7.8% to 7.7%, was again the best-performing division. The company's share of the Washington market slipped to 3.5% from 5.4%, and its share in Houston, which is a good profit contributor, rose to 1.8%. Management professed disappointment at results in Dallas and Atlanta. The company went into Philadelphia late in the year.

Pulte Home delivered 1,994 units but trailed a record 2,370 in 1973. About 86% of the deliveries were single-family detached and the remainder attached units.

Pulte's best performance came in

Denver and Colorado Springs, where 1976 volume rose 14% to 891 units. Sales in three smaller regions were up over 75%: the eastern region (Washington-Baltimore-Harrisburg) rose 76% to 498 units and Puerto Rican sales jumped 95% to 291 homes. Although Pulte began in Detroit, its midwestern region of Detroit and Chicago is now among the smallest, delivering only 314 units last year.

California builders: selling with the boom

California's builders are grappling with a buyers' panic triggered by tough governmental regulations that

delay land development and raise house prices.

Shapell Industries had a record year, delivering 1,759 homes at an average \$68,500 price. Just two years earlier Shapell had delivered 2,207 homes at an average \$48,500, so the 1976 results reflect a 41% price increase since 1974.

Shapell ended 1976 with 1,458 orders for new homes on its books. That is a ten-month booking and is the longest backlog reported by a public builder. Shapell also sold 348 multi-family units in the year and has another 405 units under construction, all with HUD financing. To assure a land

BUILDERS OVER \$25 MILLION SALES

Company—Location	Year (Interim)	—Sales—	
		Mil. \$	% Chng.
American Cont. Homes, Cincinnati, Ohio	Dec. '76	\$53.86	+7.7%
Avco Community Devel., San Diego, Calif.	Nov. '76	47.89	-23.5
Campanelli Industries, Braintree, Mass.	9 mo. Oct. '76	27.92	+100.0
Centex Corp., Dallas, Tex.	Mar. '76 9 mo. Dec. '76	383.99# 356.17	+34.6 +32.7
Cenvill Communities, W. Palm Beach, Fla.	Oct. '76	33.76	-6.0
Devel. Corp. Amer., Hollywood, Fla.	Dec. '76	46.12	-14.5
FPA Corp., Pompano Beach, Fla.	June '76	28.91	+20.6
Gulfstream Land & Dev., Plantation, Fla.	Sept. '76	77.13	-44.5
Hallcraft Homes, Phoenix, Ariz.	Apr. '76 9 mo. Jan. '77	27.02# 6.02	-36.3 -73.6
Jetero Corp., Houston, Tex.	Dec. '76	26.81	+6.2
Kaufman & Broad, Los Angeles, Calif.	Nov. '76	356.31	+12.5
Leisure Technology, Lakewood, N.J.	Mar. '76 9 mo. Dec. '76	27.57# 32.92	-24.6 +80.3
Lennar Corp., Miami, Fla.	Nov. '76	55.50	-4.6
McKeon Construction, San Mateo, Calif.	Feb. '77	85.58	+51.8
Meridian Inv. & Dev., New York, N.Y.	Dec. '76	28.40	+11.7
Presley Cos., Newport Beach, Calif.	Jan. '77	109.22	+18.2
Pulte Home Corp., W. Bloomfield, Mich.	Dec. '76	84.63	+57.3
Robino-Ladd, Miami, Fla.	Dec. '76	26.20	-10.1
Rossmoor Corp., Laguna Hills, Calif.	Sept. '76	51.96	+30.5
Ryan Homes, Pittsburgh, Pa.	Dec. '76	228.32	+16.4
Ryland Group, Columbia, Md.	Dec. '76	89.53	+57.6
Shapell Industries, Beverly Hills, Calif.	Dec. '76	133.08	+34.2
Standard-Pacific Corp., Costa Mesa, Calif.	Dec. '76	80.52	+74.3
Starrett Housing, New York, N.Y.	Dec. '76	82.28	+18.5
Titan Group, Paramus, N.J.	Dec. '76	181.03	+58.3
U.S. Home Corp., Clearwater, Fla.	Feb. '77	413.00	+18.5
Washington Homes, Oxon Hill, Md.	July '76	26.61	+50.4
Del E. Webb Corp., Phoenix, Ariz.	Dec. '76	339.76	+11.2
TOTALS		\$3109.4	+17.8%

a—Before extraordinary credits: \$0.15 million for Jetero in FY 1975; \$0.16 million for Meridian, 1976; \$0.31 million, Pulte Home, 1976; \$42.7 million gain on debt restructuring, Robino-Ladd, 1976.
b—After \$4.9 million gains on sale of property and \$1.5 million charges on land writedown, etc., Rossmoor Corp., 1976.

supply, Shapell has entered several suburban joint ventures and, early in 1977, its government multifamily housing group took on a joint venture with Goldrich & Kest Inc. to develop 13.7 acres near Los Angeles' civic center; 1,000 apartments are envisioned.

Always one of the most liquid builders, Shapell expanded its bank lines to \$29 million early in 1977 to provide funds to accelerate deliveries.

Presley's earnings gain. The Presley Companies reported housing sales of about \$110 million, nearly all from California. Like Shapell, Presley has drawn back from out-of-state opera-

tions in Chicago and Washington, D.C. Earnings rebounded strongly.

Standard-Pacific's sales and earnings exploded. They were up 74% and 174% respectively. The company builds in Orange and Ventura Counties and in San Diego and San Jose, and it operates in the Pacific Northwest and Chicago. It has reduced debt by \$8.3 million and declared its first cash dividend.

Avco Community Developers began a turnaround by moving to phase out all non-California operations except Lake Wildwood, a 1,419-acre community near Macon, Ga., that is being converted to pri-

mary-home sales. Avco delivered 641 units, mainly at its Rancho Bernardo and Laguna Niguel communities north of San Diego, the 1976 deliveries falling 33% from 1975 as inventory continued to be liquidated. Although Avco lost \$6.4 million, management believes it is now better prepared to take part in California's boom.

Florida's builders: sunshine breaks through

It's been a long way down for Florida's builders, laboring under a nationally publicized glut of unsold condos, but deliveries have stabilized

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-Earnings-		Earn/ Share	% Gross Margin	-Profit %-		Stock Listed	P/E* Ratio	-Mil. \$-		Equity % of Assets ^x	-Return on-		Asset Turns
Mil. \$	% Chng.			1976	1975			Assets ^x	Equity ^x		Assets ^y	Equity ^y	
d10.27	Z	\$d1.52	0.9%	d	d	OTC	-	130.2	10.4	8.0%	d	d	0.35
d6.43	Z	d1.16	18.9	d	d	PSE	-	141.4	d3.0c	Neg.	d	d	0.32
0.62	+195.2	0.38	-	2.2%	1.5%	OTC	-	-	-	-	-	-	-
10.12#	+85.3	0.70	5.4	2.6	1.9	NYSE	-	432.9	108.9	25.2	2.7	10.1	1.02
15.49	+115.4	1.07	-	4.3	2.7	-	9.6	-	-	-	-	-	-
1.05	+1067.0	0.55	25.6	3.1	0.3	ASE	18.1	36.8	10.3	28.1	2.6	10.8	0.83
2.26	+15.3	0.95	29.4	4.9	3.6	ASE	8.0	64.8	28.6	44.2	3.5	8.4	0.72
d0.71	Z	d0.50	5.6	d	d	ASE	-	80.1	9.2	11.5	d	d	0.34
d2.89	Z	d0.77	20.3	d	d	ASE	-	151.6	37.1	24.5	d	d	0.44
d7.67#	Z	d3.77	1.9	d	d	OTC	-	29.8	d22.6	Neg.	d	d	0.42
d3.38	Z	d1.67	-	d	d	OTC	-	-	-	-	-	-	-
0.81	+252.2	0.52	11.9	3.0	0.9	OTC	7.5	25.7	6.0	23.2	3.1	15.3	1.03
9.15	+643.9	0.54	19.3	2.6	0.4	NYSE	11.8	670.3	133.4c	19.9	1.5	7.1	0.57
d4.51#	Z	d1.28	25.3	d	d	ASE	-	95.1	18.2	19.1	d	d	0.26
d3.73	Z	d1.06	-	d	d	ASE	-	-	-	-	-	-	-
d0.48	Z	d0.14	5.1	d	0.2	NYSE	118.8	129.9	40.1	30.8	d	d	0.42
1.90	Z	0.53	NA	2.2	d	ASE	8.3	88.7	10.5	11.8	1.6	22.0	0.72
d1.54a	Z	d0.74	5.7	d	d	OTC	-	66.6	18.9	28.4	d	d	0.33
3.61	+802.5	1.36	NA	3.3	0.4	ASE	14.8	107.2#	25.4#	23.7	3.2	16.4	0.97
2.35a	+739.3	1.13	17.1	2.8	0.5	ASE	5.3	43.4	17.5	40.3	4.6	15.7	1.67
d10.21a	Z	d5.54a	NA	d	d	OTC	-	41.9	4.8	11.5	d	d	0.26
1.55b	Z	0.50	29.3	3.0	d	ASE	-	86.3	28.6	33.1	2.0	5.9	0.68
11.42	+9.5	1.74	17.0	5.0	5.3	ASE	10.1	101.2	68.4	67.6	12.7	19.4	2.53
4.74	+90.4	1.80	18.4	5.3	4.4	OTC	8.3	28.0	20.2	72.1	22.8	30.0	4.30
9.66	+77.9	3.15	19.5	7.3	5.5	NYSE	5.7	147.0	70.0	47.7	7.7	15.6	1.06
4.88	+174.2	2.29	15.8	6.1	3.9	ASE	4.3	63.4	19.5	30.8	8.1	40.9	1.33
4.21	+41.8	2.57	14.4	5.1	4.3	ASE	6.2	100.7	21.1	20.9	6.1	23.3	1.19
2.41	+106.0	0.46	9.4	1.3	1.0	OTC	5.4	87.6	20.5	23.3	3.6	13.0	2.74
10.60	+112.4	0.95	NA	2.6	1.4	NYSE	7.9	380.0	106.0	27.9	3.2	11.1	1.25
1.19	+271.9	0.91	24.3	4.5	1.8	OTC	4.2	23.5	7.4	31.5	5.1	18.8	1.15
5.09	+21.5	0.61	10.8	1.5	1.4	NYSE	14.6	239.0	78.6	32.9	2.1	7.1	1.42
\$52.35	Z	-	†15.9%	1.7%	-1.8%		18.8	\$2928.1	\$764.3	26.1%	1.4%	6.0%	0.89

c—After valuing preferred at liquidating value.
d—Deficit. Neg.—Negative net worth. NA—Not available.
Z—Not calculated, loss in one or both years. #—Not included in totals.
*—Price/earnings ratio based upon latest 12 months earnings and price at April 1977.
Earnings per share for fiscal year shown.

†—Gross profit margins and price earnings ratios are averages of ratios shown.
All other group averages are weighted averages of totals.
x—Based on year-end assets and equity; totals and averages are for companies with data shown.
y—Based on assets and equity at beginning of year, not shown separately.

Housing's public companies CONTINUED

and orders are turning upward.

Cenvill paced the comeback, climbing out of a market decline that took sales down to two per month at its giant Century Village retirement community in Deerfield Beach. New contracts have risen to more than 200 a month and production is gearing up, even though 1976 deliveries of 980 units were the lowest in five years. Cenvill has taken over management of 5,000-unit Wynmoor Village at Coconut Creek, owned by W.R. Grace Properties and a Starrett Housing subsidiary.

Development Corporation of America has also reported deliveries down but year-end backlog up. Florida house and condo sales contributed a \$3.6 million profit, but DCA continued to lose money in New Jersey (\$754,000), Puerto Rico (\$126,000), Cincinnati (\$181,000), and Houston (\$320,000).

Lennar Corp. took a modest loss on lower volume. Its backlog was recovering at year's end. The company delivered 1,134 units in its 1976 year (November), Miami sales under Lennar's F&R Builders banner rising 9% to 479 units. But other areas were down, by about 33% on Florida's west coast and in Atlanta; about 5% to 357 units in the Midwest (Cincinnati, Detroit, Minneapolis) under Bert L. Smokler and Dreyfus Interstate Development; and by 27% to 224 units in Phoenix under Womack Development and Mastercraft Homes. A new \$43.5 million loan agreement was signed in February 1977.

Specialty builders: tapping the boomlets

The housing business is big enough for many companies to find all the tiny pockets of demand. The best example is Starrett Housing, which leaped to Iran to tap a hot luxury condo market when its New York City development and contracting business softened. Earnings jumped 42% to a record. Early in 1977, the company took on contracts to renovate some aging Manhattan hotels and agreed to acquire H.R.H. Construction, one of New York's largest general contractors.

The Del E. Webb Corp. more than doubled sales at its 51%-owned Sun City community in Arizona, boosting revenues above \$75 million. Develop-

ment and commercial property operations added \$89 million in revenues and \$1.3 million in income for the year, well ahead of 1975. But in January 1977 the company decided to end its second-home projects of Masanutton, near Harrisonburg, Va., and at Val Moritz. The result was a \$6.2-million loss.

Jetero Corp., Houston developer and packager of apartments for sale to partnerships, rebounded in profits and entered 1977 with a \$31½-million

backlog, up 37%.

Washington Homes, the up-and-coming single-family builder in the nation's capital, climbed over the \$25-million mark by delivering a record 600 homes, up 41%.

Among builders of communities for the elderly, Rossmoor Corp. returned to profitability by selling off some California income properties for a \$4.45-million gain. That was balanced by a \$1.8-million write-off of Rossmoor's Coconut Creek, Fla.

BUILDERS UNDER \$25 MILLION SALES

Company—Location	Year (Interim)	—Sales—	
		Mil.\$	% Chng.
Braewood Devel., Tucson, Ariz.	12 mo. Dec. '76	\$13.10	-34.0
Bresler & Reiner, Washington, D.C.	Dec. '76	7.85	-12.4
Christiana Cos., Santa Monica, Calif.	June '76	21.55	+32.7
Covington Bros., Fullerton, Calif.	Dec. '76	18.90	-20.8
Carl M. Freeman Assoc., Silver Spring, Md.	Dec. '76	11.22	-56.4
General Builders, Pompano Beach, Fla.	Dec. '76	2.50	-34.2
Homewood Corp., Columbus, Ohio	Dec. '76	21.54	+24.2
Hunt Bldg. Corp., El Paso, Tex.	Aug. '76	23.70	-65.6
Key Co., Greensboro, N.C.	Oct. '76	10.77	-27.8
Landmark Land, Oklahoma City, Okla.	Dec. '76	15.55	+71.3
McCarthy Co., Anaheim, Calif.	Dec. '76	21.59	-37.2
H. Miller & Sons, Plantation, Fla.	Dec. '76	9.49	+101.5
L. B. Nelson Corp., Menlo Park, Calif.	Dec. '76	18.18	-6.4
Oriole Homes Corp., Margate, Fla.	Dec. '76	15.75	-44.1
Realty Industries, Richmond, Va.	Oct. '76	13.05	+4.2
Seligman & Assoc., Southfield, Mich.	July '76	8.66	-45.0
TOTALS		\$233.4	-27.8%

a—Before credits from tax/loss carryforwards: \$0.35 million, L. B. Nelson; \$0.11 million, Oriole Homes; \$0.83 million, McCarthy Co.
 c—After preferred stock at liquidating value. d—Deficit.
 Z—Not calculated, loss in one or both years.

LAND DEVELOPERS

Company—Location	Year (Interim)	—Sales—	
		Mil.\$	% Chng.
Amrep Corp., New York, N.Y.	9 mo. Jan. '77	\$28.55	-21.3
Deltona Corp., Miami, Fla.	Dec. '76	93.37	+1.8
Diamondhead Corp., New Orleans, La.	Dec. '76	45.54	+10.0
Fairfield Communities, Little Rock, Ark.	9 mo. Nov. '76	20.89	+18.4
General Development, Miami, Fla.	Dec. '76	91.47	-17.5
Horizon Corp., Tucson, Ariz.	9 mo. Feb. '77	20.26	-38.7
Killearn Properties, Tallahassee, Fla.	6 mo. Oct. '76	1.04	-4.3
Land Resources Corp., New York, N.Y.	Sep. '76	36.61	+33.1
Punta Gorda Isles, Punta Gorda, Fla.	Dec. '76	23.56	+8.8
Roland International, Miami, Fla.	Sep. '76	13.63	-9.3
Royal Palm Beach Colony, Miami, Fla.	9 mo. Jan. '77	14.16	+21.3
Sea Pines Co., Hilton Head Is., S.C.	9 mo. Aug. '76	23.58	+3.2
Viking General Corp., Miami, Fla.	Aug. '76	15.05	-29.7
TOTALS		\$427.71	-5.9

community, whose management has been taken over by Cenvill. Sales rebounded 50% at Laguna Hills, Calif., and resumed in Rossmoor's adult community in Silver Spring, Md., which had undergone a three-year sewer moratorium.

Leisure Technology continued to report operating losses as new management took the helm from the late founder, Robert Schertz. A \$45-million secured credit was signed to stabilize financing.

Comeback builders: the hard way

Deeply distressed builders are recovering.

One case in point was McKeon Construction, which turned a profit in the February 1977 year under management that replaced the late founder, George McKeon [H&H, Jan.]. McKeon delivered 1,372 units in the nine months to November 1976, up 3% with higher prices reflecting an upgraded product mix. In-

ventory is down.

Hallcraft Homes, meanwhile, is pinning its hopes on an offer to exchange preferred stock for \$20 million in defaulted debentures. A manufactured housing operation has good potential in overseas contracts if it can obtain financing.

Robino-Ladd completely restructured its debt, reporting a \$42.7-million extraordinary gain. All Florida and Illinois operations were

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-Earnings-		Earn/	% Gross	-Profit %-		Stock	P/E*	-Mil. \$-		Equity %	-% Return on-		Asset
Mil. \$	% Chng.	Share	Margin	1976	1975	Listed	Ratio	Assets ^x	Equity ^x	of Assets ^x	Assets ^y	Equity ^y	Turns
\$0.24 ^b	Z	\$0.08	11.0%	1.8%	d	OTC	7.8	\$15.1	\$d1.6 ^c	Neg.	NC	NC	NC
0.03	-77.1	0.02	NA	0.4	1.2	OTC	50.0	45.9	11.6	25.4	0.1	0.3	0.17
1.32	+780.0	0.49	25.6	6.1	0.9	ASE	5.9	36.2	15.0	41.5	3.1	9.6	0.51
0.89	+4350.0	1.01	17.1	4.7	0.1	OTC	5.0	23.3	6.2	26.6	3.8	17.1	0.81
d0.15	Z	d0.10	7.0	d	d	OTC	-	23.6	9.3	39.4	d	d	0.44
d1.45	Z	d0.94	-0.6	d	d	ASE	-	16.5	4.3	26.3	d	d	0.15
1.20	+50.0	0.98	21.6	5.6	4.6	OTC	8.4	40.7	15.2	37.2	2.9	8.3	0.52
0.46	+31.4	0.34	11.5	1.9	0.5	OTC	5.5	9.6	4.8	49.3	3.2	10.5	1.62
d0.23	Z	d0.28	20.3	d	d	ASE	-	13.9	5.3	38.1	d	d	0.77
0.96	Z	0.12	NA	6.2	d	ASE	15.7	NA	NA	NA	3.9	8.2	0.63
0.77 ^a	Z	0.57 ^a	14.8	3.6	d	PSE	-	4.8	d3.0	Neg.	2.3	NC	0.63
0.41	Z	0.68	NA	4.3	d	ASE	10.7	18.4	10.5	57.2	2.7	4.1	0.61
0.38 ^a	-46.5	0.17	1.4	2.1	3.7	ASE	10.7	39.3	d4.5 ^c	Neg.	1.0	NC	0.48
0.54 ^a	Z	0.38	18.3	3.4	d	ASE	19.1	41.0	17.2	41.9	1.3	3.3	0.38
0.44	+15.8	0.42	14.6	3.4	3.0	OTC	5.4	39.2	5.7	14.6	1.2	8.2	0.35
d0.89	Z	d0.46	9.9	d	d	ASE	-	33.3	5.7	17.2	d	d	0.24
\$4.9	Z		†14.4%	2.1%	d3.8%		†9.4						

*-Price/earnings ratio based upon latest 12 months' earnings and price at April 1977. Earnings per share for fiscal year shown.

†-Gross profit margins and price earnings ratios are averages of ratios shown. All other group averages are weighted averages of totals.

x-Based on year-end assets and equity; totals and averages are for companies with data shown.

y-Based on assets and equity at beginning of year, not shown separately.

-Earnings-		Earn/	% Gross	-Profit %-		Stock	P/E*						
Mil. \$	% Chng.	Share	Margin	1976	1975	Listed	Ratio						
\$d0.81	Z	\$d0.24	NA	d	d	NYSE	-						
d10.39 ^a	Z	d2.76	NA	d	d	NYSE	-						
d3.92	Z	d0.66	65.8	d	d	OTC	-						
0.61	Z	0.46	NA	2.9	d	OTC	5.4						
8.58	-10.8	0.93	58.1	9.4	8.7	NYSE	5.2						
d1.26	Z	d0.28	NA	d	d	NYSE	-						
d0.25 ^b	Z	d0.20	53.2	d	d	OTC	-						
d0.05	Z	d0.01	NA	d	d	OTC	-						
0.41	-39.7	0.22	79.4	1.7	3.1	ASE	13.1						
1.07	+114.0 ^b	0.31	NA	7.8	3.3	OTC	-						
0.40	Z	0.09	NA	2.8	d	OTC	18.1						
d3.52	Z	d1.34	NA	d	d	OTC	-						
d2.97 ^b	Z	d2.19	NA	d	d	ASE	-						
\$d12.10	Z	NC	+64.1	d	d		10.5						

a-After \$7.26 million writedown for Deltona in 1976.

b-Before \$0.17 million gain for Killlearn in FY 1976; \$0.10 million loss from discontinued operations for Viking General in FY 1976.

d-Deficit. NA-Not available.

Z-Not calculated, loss in one or both years.

*-Price/earnings ratio based on latest 12 months' earnings and price at April 1977. Earnings per share for fiscal period shown.

†-Gross profit margin is derived from ratios shown.

All other group averages are weighted averages of totals.

Housing's public companies CONTINUED

swapped to lenders, leaving R-L with Delaware and Puerto Rican developments.

Industrial subsidiaries: smiles amid the tears

Most building subsidiaries of industrial companies have not yet learned to ride the housing rebound to a healthy rise in sales and earnings. The reason: The bold entrepreneurs who founded the companies have moved on, and the button-down vice presidents who replaced them are not equal to the challenge.

Olin-American Inc., wholly owned by Olin Corp., returned to profitable operations on a 25% sales gain. Closings rose 17% to 1,598 units and year-end order backlog was up 50%. Its Yoenas subsidiary in Washington built solar-equipped houses with HUD's aid and offered them for sale. Olin-American also builds in northern California and in Phoenix and Dallas.

Weyerhaeuser Real Estate quadrupled its net to \$11.5 million with gains across the board. Homebuilding contributed \$5.5 million pretax and mortgage banking \$7.4 million. The rest came from joint ventures and interest. The West Coast (Pardee in Los Angeles and Quadrant in Seattle) and Texas (Centennial in Dallas) led the housing contribution.

Singer Housing Co. boosted sales and earnings 30% and 27% respectively, sales touching a record \$199 million. But parent Singer Co. decided homebuilding doesn't fit its long-range plans, and it decided to phase out its involvement over ten years [H&H, March].

Four years of loss. The losses continued for Inland Steel Urban Development (INSTUD), but the company narrowed them to \$3.3 million from \$5.4 million on a modest sales decline.

Inland has now been in the red for four years. Development has caused most of those losses, with single-family and condominium sale profits being outweighed by land write-downs and losses on major contracts. The panelized home manufacturing division, Scholz Homes, boosted sales 50% and cut operating losses substantially; a lower-priced line was introduced.

MGIC Development also cut its losses when real estate sales rose 19%

to \$27½ million. The real estate operation lost \$8.9 million after taxes, down from the \$13.8-million deficit the year before. The results included losses on an REIT-style construction lending business as well as on the MGIC-Janis operations in Miami and LaMonte-Shimberg in Tampa. The company holds \$150 million in real estate for sale, including \$95 million in land.

Amfac's realty operation changed little from 1975; Canyon Sands in Palm Springs, Calif. almost sold out, and so the company could concentrate on its other mainland holdings. They

are the 661-acre Silverado Country Club and Resort in California's Napa Valley and a joint venture south of San Francisco.

City Investing's Wood Brothers Homes delivered 2,113 single-family houses, up 25%, in Denver, Houston, Phoenix, Tucson and Albuquerque. A modest \$2.1 million pretax profit was turned.

Profits in Hawaii. Castle & Cooke's profits ran about level with last year's at Mililani Town, in Hawaii, and losses in California were trimmed by improved sales at The Sea Ranch. A new Southwest Environ-

INDUSTRIAL COMPANIES - FULL REPORT FOR HOUSING & REAL

Company-Location	Subsidiaries
Inland Steel, Chicago, Ill.	Inland Steel Urban Devel. (Scholz Homes-Schult Homes)
MGIC Investment, Milwaukee, Wis.	MGIC Devel.; Criterion (LaMonte-Shimberg); MGIC-Janis; MGIC Financial)
Olin Corp., Greenwich, Conn.	Olin-American: Yoenas Co.; Chesapeake Houses; Morrison Homes; Cavalier Homes; Winchester Homes
Singer Co., New York, N.Y.	Singer Housing: Besco; Mitchell Cos.; Melody Homes; Estes Corp.
Weyerhaeuser Corp., Tacoma, Wash.	Weyerhaeuser Real Estate: Quadrant; Centennial Homes; Scarborough; Babcock
TOTALS	

MAJOR INDUSTRIAL COMPANIES - PARTIAL REPORTS FOR HOUSING

Company-Location	Subsidiaries
Alcoa Corp., Pittsburgh, Pa.	Alcoa Properties
Amfac Inc., Honolulu, Hawaii	Amfac Communities, Inc.; Amfac Communities-Hawaii
Castle & Cooke Inc., Honolulu, Hawaii	Oceanic Properties; Southwest Environments, Inc.
City Investing, New York, N.Y.	Wood Bros. Homes
CNA Financial, Chicago, Ill.	Larwin Group
Dart Industries, Los Angeles, Calif.	Dart Resorts; Tahoe Donner
Dillingham Corp., Honolulu, Hawaii	Dillingham Development Co.; Dillingham Land Corp.; Systech Financial Corp.
Fibreboard Corp., San Francisco, Calif.	Trimont Land Co. (being phased out)
Florida Gas Co., Winter Park, Fla.	Florida Land Co.
IC Industries, Chicago, Ill.	Seay & Thomas; Philipsborn Equities; Illinois Center; LaSalle Properties
ITT-Levitt, New York, N.Y.	Levitt & Sons (Levitt Corp.; Levitt Land)
Kaiser-Aetna, San Francisco, Calif.	Being divided to Kaiser Cement & Gypsum and Aetna Life & Casualty
Loews Corp., New York, N.Y.	Loews-Snyder (being phased out)
Philip Morris, New York, N.Y.	Mission Viejo
Transamerica Corp., San Francisco, Calif.	Transamerica Development (being phased out)
Urban Investment & Devel., Chicago, Ill.	Owned by Aetna Life & Casualty
TOTALS	

ments Inc. was formed to take over southern California developments; staffers from the former Barclay Hollander homebuilding operation are moving in there.

Kaiser Aluminum and Aetna Life & Casualty agreed to dissolve the Kaiser Aetna real estate partnership, formed in 1969 [H&H, April]. The partnership lost \$173.5 million pretax in 1976, including write-downs. The Urban Investment & Development Co., Aetna's shopping center developer in Chicago, ran its earnings up 15% to \$7.1 million.

Dillingham's condominium sales in

South Lake Tahoe, Calif., picked up, and inventory should be gone by the end of 1977; nearly \$20 million in condo inventory in Hawaii will take until 1979 to sell, however.

Systech Financial Corp. ended its sales of real estate limited partnerships and decided to concentrate on property management. Trimont Land Co., being phased out by Fibreboard Corp., also found better condo sales at Northstar-at-Tahoe.

Larwin and Levitt. Two deeply troubled subsidiaries took new hope. The Larwin Group, owned by CNA Financial, in turn controlled by Loews

Corp., earned \$7 million before contingent interest by delivering 861 homes, nearly all in California, and selling another \$46 million in land and other assets. The group's image with consumers went unhurt by corporate financing troubles, which ultimately led to restructuring \$100 million in debt. About \$62.5 million has been repaid.

Levitt & Sons, the ITT subsidiary being groomed for resale under court supervision, consolidated operations and turned its first profit since 1971 [H&H, April]. Levitt Corp., the home-

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ESTATE SUBSIDIARIES

Year (Interim)	-Sales-		-Earnings-		-Profit %-		-Mil.\$-		Equity % of Assets	-% Return on-		Asset Turns
	Mil.\$	% Chng.	Mil.\$	% Chng.	1976	1975	Assets	Equity		Assets	Equity	
Dec. '76	\$90.36	-5.8	\$d3.35	Z	d	d	\$113.5	\$14.1	12.4	d	d	0.78
Dec. '76	27.45e	+18.7	d8.15f	Z	d	d	246.8f	5.2f	2.1	d	d	0.10
Dec. '76	77.59	+25.0	2.09	Z	2.7	d	79.3	20.3	25.6	2.6	11.5	0.96
Dec. '76	199.00	+29.6	8.00	+27.0	4.0	4.1	172.8	64.7	37.4	4.8	13.7	1.21
Dec. '76	178.03	+16.3	11.47	+326.4	6.4	1.8	350.0	157.7	45.1	3.0	8.0	0.47
	\$572.43	+17.4%	\$10.06	Z	1.8%	d2.7%	\$962.4	\$262.0	27.2%	1.0%	4.0%	0.57

& REAL ESTATE SUBSIDIARIES

Year (Interim)	-Sales-		-Earnings-			
	Mil.\$	% Chng.	Mil.\$	% Chng.		
Dec. '76	32.80	-7.1	d16.00a	Z		
Dec. '76	17.77	+0.6	5.54c	0.0%		
Dec. '76	45.54	-9.2	8.25c	+213.7		
Dec. '76	90.30	+32.6	2.10c	Z		
Dec. '76	92.20	+27.5	7.00g	Z		
Dec. '76	10.00	0.0	d15.30b	Z		
Dec. '76	34.00	-12.8	10.20c	+24.4		
Dec. '76	7.56	-19.1	d3.73a	Z		
Dec. '76	1.87	+103.3	d0.56c	Z		
Dec. '76	42.69	+4.6	15.00b	+207.4		
Dec. '76	55.40	E-47.0	2.10	Z		
Dec. '76	212.44	-20.3	d173.52b	Z		
Dec. '76	43.48	+22.2	4.15a	Z		
Dec. '76	94.76	+34.2	16.33c	+177.7		
Dec. '76	NA	NA	d4.55c	Z		
Dec. '76	89.50	-56.7	7.10a	+15.1		
	\$870.31	-12.1%	NC	NC		

a-Net income after taxes.
b-New income before taxes.
c-Operating income before corporate overhead & taxes.
d-Deficit.
e-Real estate sales only. (MGIC).
f-Includes loss on financing business (MGIC).
g-Income before contingent interest (CNA-Larwin).
NA-Not available.
Z-Not calculated, loss in one or both years.

Housing's public companies CONTINUED

building arm, earned \$2.1 million on \$55.4 million in sales from 1,034 deliveries. Asset management and disposition activities earned \$2 million pretax and generated \$23.4 million in upstream cash for the parent. Sales in France are being discontinued.

Manufactured homes: industrialization plods on

Modular fever has long since subsided, leaving a manufactured-housing industry evolving slowly into an operation that will provide lower-priced housing. One measure of industrialization's progress is its adoption in-house by such giants as Ryan Homes, Ryland and Fox & Jacobs. Another measure is its success inside some major industrial companies.

The independents are dominated by National Homes, a giant whose panel-package and mortgage-banking profits have been eaten up by on-site construction and installment land-sales losses in recent years. Last year's loss narrowed to \$2.7 million from \$15.5 million. Sales rose 22% to \$120 million and unit deliveries of panels and mobiles scored their first year-to-year gain since 1972. Panel units delivered were 10,162, providing \$4.2 million in pretax profit. National's revolving credit was extended until 1980.

Lindal Cedar Homes, the West Coast marketer of vacation homes, continued its recovery under new management.

Nationwide Homes of Martinsville, Va. expected to report its first earnings decline in its March 1977 year.

Boise: 'Not impressive.' Boise Cascade's manufactured-housing operations sold 8,584 units in 1976, up 20% but well below the 12,261 record of 1971. Dollar sales were not disclosed but we estimate \$110 million volume; the division has an unbroken profit record "but its 1976 performance was not impressive," says the company. Kingsberry panelized homes, produced at six eastern plants, accounted for 68% of the living units produced by Boise but only about half of the sales. Sectionalized homes under the Boise Cascade name were produced at six western plants. The results were described as "disappointing."

The Evans Products Company's

Capp Homes and Ridge Homes, marketers of precut single-family houses, increased volume 6% to 3,061 units. Profits more than doubled, extending a recovery. Evans now finances only about 33% of its homes, down from 80% in 1974.

Miles Homes, the do-it-yourself operation of Insilco, boosted sales about 2% to approximately \$27 million (exact sales aren't disclosed) by delivering 1,600 homes. A fifth distribution center was opened in Atlanta. Wylains's Continental Homes of

MOBILE HOME MANUFACTURERS

Company—Location	Year (Interim)	—Sales— Mil. \$ % Chng.	
Champion Home Builders (Mobile Div.), Dryden, Mich.	Feb. '77	\$136.96	+2.5
City Investing (Guerdon), New York, N.Y.	Dec. '76	101.40	+19.2
Commodore Corp., Omaha, Neb.	9 mo. Mar. '77	15.43	+27.5
Conchemco (Homes Group), Lenaxa, Kan.	Dec. '76	44.00	+10.0
Conner Homes, Newport, N.C.	Aug. '76	27.74	+71.9
DeRose Industries, Indianapolis, Ind.	Dec. '76	16.48	+13.4
Fleetwood Enterprises, Riverside, Calif.	39 wks. Jan. '77	388.14	+55.0
Golden West Mobile Homes, Santa Ana, Calif.	9 mo. Feb. '77	49.46	+48.4
Kit Manufacturing, Long Beach, Calif.	Oct. '76	44.36	+38.6
Lanchart Industries, Wichita Falls, Tex.	Sep. '76	27.12	+11.4
Liberty Homes, Goshen, Ind.	Dec. '76	41.54	+84.3
Mark IV Homes, Taylor, Pa.	9 mo. Nov. '76	13.93	+41.6
Moduline Intl., Chehallis, Wash.	Mar. '77	40.99	-9.5
Monarch Industries, Goshen, Ind.	June '76	13.03	-13.5
Nobility Homes, Ocala, Fla.	Oct. '76	13.57	+72.4
Oakwood Homes, Greensboro, N.C.	9 mo. Mar. '77	20.82	+27.6
Redman Industries, Dallas, Tex.	9 mo. Dec. '76	104.52	+20.4
Shelter Resources, Lyndhurst, Ohio	Dec. '76	62.42	+66.8
Skyline Corp., Elkhart, Ind.	9 mo. Feb. '77	225.90	+45.0
Tidwell Industries, Haleyville, Ala.	Dec. '76	36.35	+20.2
Town & Country, Wichita Falls, Tex.	Oct. '76	6.92	+1.6
Vindale Corp., Brookville, Ohio	9 mo. Nov. '76	11.09	+36.7
Vintage Enterprises, Atlanta, Ga.	39 wks. Dec. '76	25.99	+15.6
Zimmer Homes, Pompano Beach, Fla.	Dec. '76	45.14	+28.5
TOTALS/AVERAGES		\$1513.00	+32.6%

MANUFACTURED HOUSING

Company—Location Independents	Year (Interim)	—Sales— Mil. \$ % Chng.	
Hodgson Houses, New York, N.Y.	9 mo. Sept. '76	\$9.99	+18.2
Lindal Cedar Homes, Seattle, Wash.	Dec. '76	12.68	+29.0
National Homes, Lafayette, Ind.	Dec. '76	120.53	+21.6
Nationwide Homes, Martinsville, Va.	Mar. '76 9 mo. Dec. '76	14.94# 12.08	+27.6 +5.1
TOTALS		\$155.28	+20.5%
Industrial Companies			
Boise Cascade Co. (Kingsberry), Boise, Idaho	Dec. '76	E110.0	+15.0
Evans Products (Capp & Ridge Homes), Portland, Ore.	Dec. '76	80.31	+2.2
Insilco (Miles), Meriden, Conn.	Dec. '76	E27.10	+1.5
UGI Corp. (Capital), Valley Forge, Pa.	Dec. '76	6.30	+10.5
Jim Walter (Walter Homes), Tampa, Fla.	Aug. '76	139.00	+20.7
Wylain Co. (Continental Homes), Dallas, Tex.	Dec. '76	31.42	+3.6
TOTALS		\$394.13	+13.7%

Virginia and New England increased deliveries of manufactured units 21% and added two-story models to its panelized line. Continental Homes of Indiana (formerly Davis Homes) remained Indiana's largest on-your-lot builder, although sales declined. Wy-

lain's total housing volume rose 4% but profits dipped 9%.

Jim Walter's homebuilding unit increased sales and revenues 21% to \$139 million. Some \$101 million of that came from delivery of 8,015 home packages, or 14% more than in

1975. The average selling price rose 7% to \$12,600. All Walter units are built on owner's lots; 32% are shell homes with virtually unfinished interiors; 36% are substantially finished inside; and the remainder are in various intermediate stages.

—Earnings— Mil. \$ % Chng.		Earn/ Share	% Gross Margin	—Profit %— 1976 1975		Stock Listed	P/E* Ratio
\$d5.13b	Z	d0.11	NA	d	d	ASE	—
1.20b	Z	1.80	NA	1.2	d	NYSE	7.9
d0.17a	Z	d0.07	NA	d	d	OTC	—
d0.53	Z	1.89	NA	d	d	ASE	4.6
1.16	+480.0	0.77	NA	4.2	1.2	OTC	4.2
d1.19	Z	d0.82	5.8	d	d	ASE	—
9.08	+62.1	0.80	NA	2.3	2.2	NYSE	8.9
2.28	+93.2	1.56	NA	4.6	3.5	ASE	5.9
0.47a	Z	0.32	10.6	1.1	d	ASE	7.1
0.36a	Z	0.40	NA	1.3	d	OTC	6.5
1.73	Z	0.38	15.1	4.2	d	OTC	6.9
0.43a	Z	0.36	NA	3.1	d	OTC	12.5
0.62	-2.8	0.35	NA	1.5	1.4	OTC	8.6
d1.44	Z	d1.48	5.9	d	d	OTC	—
0.00	Z	Nil	5.4	0.0	d	OTC	—
1.07	+13.8	1.19	NA	5.1	5.8	ASE	6.2
d0.19	Z	d0.02	NA	d	d	NYSE	—
1.14a	Z	0.51	NA	1.8	d	ASE	—
6.34	+112.8	0.57	NA	2.8	1.9	NYSE	15.1
0.11a	Z	0.07	11.1	0.3	d	ASE	26.9
d0.61a	Z	d0.05	11.7	d	d	ASE	—
d0.29	Z	d0.08	NA	d	d	OTC	—
d0.63	Z	d0.33	18.2	d	d	ASE	—
0.89	+45.9	0.72	10.6	0.2	0.2	ASE	7.6
\$16.30	Z		†10.5%	1.1%	d		9.2

a—Before extraordinary credits: \$3.08 million for Commodore in fiscal 1977; \$0.36 million for Kit in FY 1976; \$0.15 million for Lanchart in FY 1976; \$0.45 million for Mark IV in fiscal 1976; \$5.17 loss from discontinued operations for Shelter Resources in 1976; \$0.11 million for Tidwell in 1976; \$0.29 million loss from discontinued operations for Town & Country in 1976.
b—Operating income. d—Deficit. NA—Not available.
Z—Not calculated, loss in one or both years.
*—Price/earnings ratio based on latest 12 months earnings and price at April 1977. Earnings per share for fiscal period shown.
†—Gross profit margin is derived from ratios shown.
All other group averages are weighted averages of totals.

—Earnings— Mil. \$ % Chng.		Earn/ Share	% Gross Margin	—Profit %— 1976 1975		Stock Listed	P/E* Ratio	—Mil. \$— Assets Equity		% Equity of Assets	—% Return on— Assets Equity		Asset Turns
\$d0.11	Z	d0.10	NA	d	1.1	OTC	—	—	—	—	—	—	—
0.32a	Z	0.54	26.8	2.5	d	OTC	5.1	6.9	1.2	17.5	4.2	45.7	1.65
d2.73	Z	d0.40	18.4	d	d	NYSE	—	138.1	31.5	22.8	d	d	0.83
1.54#	+32.8	1.59	28.9	10.3	9.9	—	—	11.9	9.5	79.4	15.3	19.8	1.49
1.15	+0.5	0.93	—	9.5	10.5	ASE	8.4	—	—	—	—	—	—
d1.37	Z		†24.7%	d	d		6.8	\$156.9	\$42.2	26.9%	9.8	32.8	1.32

NE	NE
7.01c	+107.4
E3.90a	+8.3
d0.10a	2
40.84c	+53.7
2.91c	-9.3

a—Net income after taxes.
b—Net income before taxes.
c—Operating income before corporate overhead and taxes.
d—Deficit.
Z—Not calculated, loss in one or both years.

E—Estimated. NE—No estimate.
*—Price/earnings ratio based upon latest 12 months earnings and price at April 1977.
Earnings per share for fiscal year shown.
†—Gross profit margin is derived from ratios shown. All other group averages are weighted averages of totals.

A builder uses a professional attorney," says Maryland broker Roger Dreeban. "He uses civil engineers, architects and land planners, all professionals. But everything these professionals do is meaningless if the house doesn't sell. So why doesn't the builder need a professional for the most important facet of his work?"

Dreeban heads the new-home sales division of Lewis & Silverman, one of the Washington-area brokers that specialize in new-home sales. In California, Walker & Lee handles sales for several housing giants. And most cities have brokers who sell new homes, although a survey by the National Association of Realtors shows that new homes are a very small part of most brokers' business.*

The largest brokers do more than sell. They have specialist teams that could be duplicated by only the largest homebuilders.

"We are a sales and marketing company, and we want to be involved in a project from the start," says Larry Silverman, senior partner of Lewis & Silverman.

The start, with many firms, is land acquisition.

"Some of the best land buys are influenced by brokerage firms," says sales consultant Dave Stone of Scotts Valley, Calif., who once headed a brokerage firm that had a large new-home sales department. "When a broker knows of tracts coming onto the market, he doesn't present them to a builder who is not going to give him a crack at the sales."

In San Diego, Tom Swanson, regional director of sales for the new-homes division of Walker & Lee, the big Anaheim-based real estate company, is on the scene before land is acquired.

"The typical small builder calls us in before he buys land from anyone," says Swanson. "We look at it together and define the project. Then we look for such things as what premiums he can get on certain lots, how long it will take to get a project onto the market, and what the competition will be."

Sometimes Swanson has to persuade a builder not to buy. The builder may like an expensive parcel suitable only for luxury homes when what he builds best is moderate-priced housing.

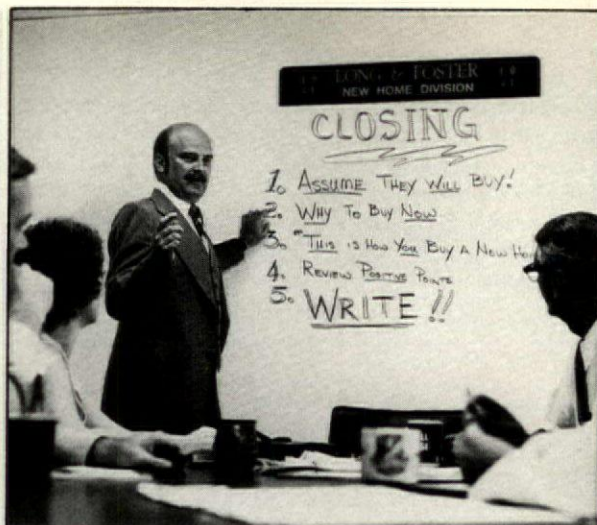
But land planning is only one service brokers can offer. There are several others.

Market research. Most brokerages are geared to market research. They know the turnover rates at any time, and which price ranges and plans are selling.

"Our builders have us help put their package together for the lender," says Swanson. "They

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*A majority—64.9%—of the Realtors surveyed said new homes were only 0-10% of their business; 12.9% said 11-20%; 11% said 21-30%; 3.3% said 31-40%; 4.4% said 41-50%; and only 3.5% said new homes accounted for over 50%.



USING BROKERS TO SELL NEW HOMES

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Do brokers bring a professional touch to an area sorely in need of professionalism? Or are they a necessary evil, a last resort for builders too small to afford an in-house staff and too busy to handle their own sales? The answer, as you will see below, depends on many things. Sometimes it's wise to hand over the whole sales operation to a broker, sometimes it's better to do it in-house and sometimes a combination makes the most sense. That is HOUSE & HOME's conclusion after talking to brokerage firms that specialize in new-home sales, sales consultants who work with both builders and brokers, and finally to builders themselves—those who use brokers and those who don't.—N.G.

Wf so-called new-home sales professionals really understood the differences between general brokerage and new-home sales (see page 85)," says builder Mike Rose. "they would probably do a super job. The trouble is that nine out of ten don't."

Rose began as a broker, became marketing vice president for California's Larwin Group of builders, and is now president of his own building company, KRB Inc. in Montpelier, Md. He understands both sides.

"People don't say 'we love your house, we'll buy' " he says. "They're concerned. They want to be reinforced. So they object. And a broker who has 5,000 other houses takes the easiest way."

Rose speaks from experience. A Larwin project wasn't selling and no one knew why. So Rose shopped it.

After touring the model, he told the salesperson, who worked for a broker, that the house wasn't bad but he didn't know if he liked the living room. He went on to say that he knew the price was right because houses on the bay, where this one was located, cost so much and houses on the ocean cost so much more.

"You're wrong," the salesperson said. "You can get a house on the ocean for much less. In fact we have one listed that has a little bigger living room. Come with me . . ."

Such incidents explain builders' nightmares about brokers, even though such conflicts of interest do not arise in the larger brokerages that sell new homes. Walker & Lee, Long & Foster and Lewis & Silverman keep new-home and resale departments completely separate. Still, there are other reasons why builders feel they can get a better job in-house. Here are some.

Salesmen's attitude. S. W. Barrow, vice president of Kettler Bros., developers of Montgomery Village, Md., believes that any builder trying to build a reputation should hire and train his own salesmen the moment he can afford it.

"Our salespeople represent us, but they also represent the customer because they know they're going to have to live with him for a long time," says Barrow. "Further, our people are career- and company-oriented. They know they can be promoted within the company and they benefit from our profit-sharing plan. So their stake in what they're doing is bigger and better than it would be if they worked for a broker who placed them with builder A for a year, builder B the next year, and so on," he says.

And Spence Stauffer, marketing director of Miller & Smith in McLean, Va. agrees.

"Building organizations are small, and a salesperson knows he's a vital member," he says. "If he doesn't succeed, the whole company doesn't succeed. There isn't the feeling of 'This is a bad subdivision and I can't make any money here.' His loyalty is to improving not only the project he's on now—but all future projects—because he knows he'll be the one selling them."

Training. Do brokers really understand how to sell new homes and do they train their salespeople accordingly?

"Most of the brokerage people I see in my seminars don't sell the features and benefits of new homes," says consultant Carol Ann Cardella of Middletown, Ohio. "They think that selling new construction means talking about how you build something."

And Barrow agrees: "Brokerage people don't sell a product. They negotiate a deal between the buyer and the seller."

Even where brokers understand the distinction between selling new and resale homes, and when they train their people to sell the features and benefits of a product, Stauffer sees duplication of effort.

"You get to where the salesperson has to work closely with the builder if he's really going to sell the benefits of the product," he says. "And so the builder ends up doing the same work as if he'd hired his own salespeople."

Stauffer also feels that an in-house salesperson can be better trained in the company's paperwork and internal procedures—"the things that get houses built on time and without errors." He adds:

"If a salesperson is familiar with our whole organization, its paper flow and the way to make things happen, we have fewer errors, quicker responses and better control of our business."

Operating procedures. These include not only the paperwork but the hours the sales office is open and what information the salespeople will report.

"Brokerage agencies have operating policies," says builder William Berry, president of William L. Berry & Co., Chevy Chase, Md. "Perhaps they're closed one day a week. Now a salesperson needs a day off, but why not send somebody else when he's not there? The public buys houses seven days a week."

Nor does the public limit buying time to 12 noon to 5 p.m., says Rose; his sales office is open from 10 a.m. to 7 p.m. seven days a week. "Many brokers operate for the convenience of the salesperson, not the customer," he complains.

Berry expects his salespeople to make sure the road signs are always up—which means going out with hammer and nails and replacing them as they get torn down. He also wants his salespeople to water the plants in the models, replace light bulbs and station themselves strategically to discourage stealing from the models. He explains:

"If you're an employer and you want a salesperson to do those things, you simply say, 'Here is your job description. This is standard operating policy.' But if you want a salesperson who works for someone else to do them, it's a big deal."

And Rose warns:

"Most brokers do not give the builder who

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wouldn't think of going to the lender without our advice."

Marketing administration. Such services as mortgage processing, coordination with title companies and settlements can mean extra personnel and expense if the builder handles them.

"Using a broker frees us from too much close contact with the buyer and we have time to build the house," says Nate Simon, general manager of Southern Engineering, a Washington, D.C. homebuilder.

Large brokers also help the builder choose advertising and public relations agencies, interior designers and sales-office designers.

"Most advertising agencies know how to lay out a good ad," says Silverman. "But they don't necessarily know what to say. We know what's going to get the prospective buyer to look at the houses. Most in-house salespeople don't."

Long & Foster, a Fairfax, Va. broker that specializes in new homes, even prepares and runs display ads itself.

Buyers' services. Many brokers help buyers sell their old homes and finance new ones—a particularly important consideration for builders aiming for the move-up market. Here are several such programs.

1. Guaranteed-purchase plans, which eliminate the need for contingency sales. The broker guarantees in writing to sell the buyer's old home in a set time for a fixed price. If he doesn't, he buys it himself.

2. Equity-purchases that eliminate waiting for a buyer. The broker buys the home immediately, usually at a discount.

3. Bridge loans for the owner who buys a new house before selling his old home.

Resale brokers can also help builders in the transferee market. The resale brokers usually control this market because transferees are referred to them by brokers or relocation services back home. The transferees are met at the airport of their new city by a broker. They are shown the housing choices and returned to the airport—often without ever seeing a new home.

But all of these services are secondary to the basic function of choosing, training and supervising sales personnel. Can a broker really do this better than a builder?

"Most brokers in new-home sales can do a better job than a typical builder simply because they specialize in it," says Ed Havlik, a consultant who is also president of Residential Marketing Services in Hinsdale, Ill.

In fact, the consensus, even among those who prefer an in-house sales force, is that most builders are simply not qualified—by temperament or training—to choose, train and supervise sales personnel. There's also the question of management time: Most builders could spend it better elsewhere.

Brokers claim several advantages.

Ability to attract salesmen. A large broker can offer continuity in their jobs. A builder—particularly a small one—has gaps between selling out one project and having another ready.

"If you make a career of selling new homes, you can't be bothered about what you're going to do six months from now," says Ken Murphy, director of marketing for Long & Foster. "Uncertainty destroys your effectiveness."

Further, the broker works with a reservoir of talent; so he can match salespeople to appropriate projects.

"When people narrow their choices to two or three new-home communities, they go back to the salesperson they would most like as a neighbor," says Marianne Garman of Long & Foster. "That's why we spend so much time matching salesperson to personality of the buyer."

Builders can approve or reject salespeople sent to them by a broker. When the builder does approve, a salesperson often becomes identified with a builder and moves from project to project just as though he were an employee.

Training. Few builders could afford a training program comparable to Walker & Lee's [H&H, July '75], which is conducted by full-time professional trainers with such advanced equipment as videotape cameras. For that matter, few brokers are large enough to afford a course of this type. Most rely on weekly meetings and seminars and periodic visits from such outside sales trainers as Jim Mills, Dave Stone and Dick Russell. But since they are sales professionals, they can do a better job of training than most builders.

Supervision. Here brokers perform what they consider the vital role of buffer between builder and salesperson. As Garman puts it: "There's a natural conflict when a production-oriented builder deals with a marketing-oriented salesperson."

"When we tell our salespeople to do something, they know we're not telling them to do anything we haven't done ourselves. It lends a lot of credibility."

Walker & Lee's Swanson likes to keep builders and salespeople apart altogether. "When a builder talks to a salesperson," he says, "there's bound to be a negative response somewhere. Builders want to know why sales aren't so good, why they aren't getting better traffic and why people don't like the houses or the decorating. That sets the salesperson thinking there's something wrong."

And, adds Dreeban, "If a salesperson starts to think negatively, he's in trouble. A salesperson can only sell if he thinks positively."

Sometimes there must be negotiation between salesperson and builder. Again, the brokers feel they can do it better; they can offer a broader view than an in-house salesperson.

"We can talk to the builder on a different level," says Dreeban. "Maybe it's the tail end.

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lists 50 homes the same consideration, the same presentation, the same information they give a homeowner who lists one house."

He points out that the same techniques brokers use to solicit listings—such as using a reverse telephone directory to call people who live in a certain area—should be used for new-home prospecting.

Cost. Builders who prefer an in-house sales staff also feel it's cheaper—by about half.

And while they agree that hiring a broker can save up-front cash, Rose, for one, isn't impressed that this is important.

"The first thing a builder must determine is

what his cash requirements will be," he says. "If the two people necessary to his business are someone to build the house and someone to sell it, why should the builder hire his own construction superintendent to build it but turn over the selling to an outside service?"

"If you followed the brokers' argument, you would hire a general contractor to build a house and a broker to sell it. The builder's job would be to push papers between them."

Consultant Jim Mills points out that if a builder sells 50 homes a year at an average \$50,000, he will pay a broker \$75,000 if his commission is 3%. "But you can get a damn good salesperson for \$30,000 or \$40,000," he says.

SIX DIFFERENCES BETWEEN SELLING NEW AND RESALE HOMES

1. Customer vs. product. The resale agent is not wedded to his merchandise; he works on a variety of listings. If customers dislike one neighborhood, he can show homes in another. If the first offerings are unacceptable, he has more.

But a builder's salesman is married to the builder's products. He is seldom free to show or sell competitive properties. His philosophy: You have to sell what you have to sell.

2. Negotiation vs. price. A resale agent must learn to negotiate prices and terms. Homes are usually listed in a negotiable price range, and offers at less than the asking prices are presented to the owners.

But new-home prices are usually set by the builder; they cannot be negotiated.

3. Agent vs. customer control. The resale agent wins a measure of control over the buyer through counseling sessions, limited offerings, driving buyers in his own car and determining what will be seen and in what order. He even controls the time available for inspection.

The salesperson assigned to a subdivision seldom has the same degree of control. Prospects come and go in their own cars. They inspect at their leisure, often without a sales representative. They are more independent and less involved with any sales agent or product.

So different sales methods are required. The new-home salesperson has to learn how to gain psychological control with involvement tools and cultivate relaxed relationships on which to build "be-back" business. The resale agent has more control, more time and usually more offerings with which to work.

4. Discovering vs. demonstrating. Successful resale agents have learned that they cannot argue with a prospect's criticism of a pre-owned home. Further, there are few if any warranties given with an older home, and the used-home buyer knows and understands this.

A new home, by contrast, has new appliances and materials worthy of demonstration. The salesperson uses these to reinforce buyer interest. He must know everything about his builder's merchandise, including manufacturers' warranties, because the new-home buyer expects this.

In sum, whereas a resale specialist *discovers* a used home with his prospect, a new-home specialist *demonstrates* his products.

5. Reality vs. dreams. Existing homes are part of an environment that has been influenced by many factors. Sometimes these are positive, other times negative. New homes, on the other hand, are usually part of a new way of life in a new environment. Hence the difference between selling *reality* and a *dream*.

6. Buyers vs. lookers. Shoppers do sometimes call brokers, but most people who take the aggressive action of picking up a telephone to call an agent are definitely ready to buy a home. They have already decided to buy and usually do within a short time. The average sale is made within the first week of contact.

But a high percentage of new-home buyers start as lookers who have not decided to buy. They may begin with a Sunday drive to a model complex—an impulsive action without specific objective.

The difference might be likened to window shopping versus going to an old-fashioned delicatessen where everything is behind the counter and must be ordered. A resale broker depends upon specific requests, while a new-home salesperson has a supermarket of products open for free and uninvolved inspection.

Adapted from *How to sell new homes and condominiums*, by Dave Stone; HOUSE & HOME PRESS.



CON

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of the project. Or maybe it's something important that was left out. We can negotiate with the builder where his salesperson can't."

And Swanson says:

"If a change is really justifiable, we direct our salespeople to go ahead and get a check and make out the contract. When I present them to the builder, he may accept them or turn them down. But it's better to do it that way than to have the salesperson ask and get turned down. That just creates another negative attitude about the builder and his product, and that's no way to sell houses."

There are other benefits to using outside salespeople: They can sell the builder better than he can sell himself.

"We can talk about Southern Engineering and tell prospects what wonderful builders they are," says Silverman. "But if Southern were to say that about itself, it would go in one ear and out the other. Self-praise is meaningless."

Another dividend, according to Garman, is that an outside salesperson is much more likely to offer suggestions. "A salesperson who works directly for a builder is afraid of saying 'You're wrong' because the builder might say 'You're fired,'" she says.

Conversely, a salesperson might try to impress the builder by doing something that's really against his interests. Roger Dreeban uses the example of an icemaker: If the builder asks the salesperson whether he should put in refrigerators with icemakers, the salesperson might say, "No, I can sell without them. This is terrific value," just to impress the builder.

But what does all of this cost?

Fees vary widely.

They range from flat fees or a percentage that may be as low as 1½% to the general brokerage fee, which is as high as 8% in some areas.

Builder and broker usually negotiate a fee based on the number of units to be sold and the broker's confidence in the builder's ability actually to produce those units.

"Once you've arrived at an agreeable sales commission with a broker, you know what your costs are going to be," says Southern Engineering's Simon. "With your own sales staff, your costs can skyrocket in bad times because you still have to pay your salesman a draw."

Consultant Bill Veio of Rocky Mountain Research Corp. in Denver finds scant difference in cost between brokers and in-house sales staffs.

"We have studied builders who produce 500 to 1,000 homes a year or 20 or 30 a year, and the economics are surprising," he says. "Even a big builder can use a broker for about the same cost as an in-house staff."

And Silverman points out: "We're the only contractor the builder uses who gets paid only if the house is sold—and then only at the time of settlement. The roof man, the carpenter, plumbers and electricians all get paid up front. We're the only ones who don't."

PRO

BUILDERS AND

They must, of course, if a builder is too small to support a sales staff.

And there are other times when it's the only way to go.

In Clifton Park, N.Y., Rosen-Michaels sold through a broker for years because it was building 20 to 40 houses a year in each of three or four subdivisions.

"It required a lot of salespeople and none could make a living by selling our houses exclusively," says General Manager Joe Derkowski.

The company is now starting three large subdivisions and has hired its own sales staff. But it is also co-opting with a broker.

In the Washington area, builder William Berry is using a Lewis & Silverman salesman on his latest subdivision.

"In this business 80% of the volume is done by 25% of the people," says Berry. "So the determining factor is how to get a top man for the job. I didn't have one on my staff."

But what can a builder do if brokerages in his area have no new-home departments?

"The next best thing is to choose one key person in the brokerage and make him the account executive who will take over all communication with the builder," says sales consultant Dave Stone.

Stone points out that brokers are used to thinking one home at a time, and so they're not going to give a builder with 50 homes 50 times as much attention.

"But I insist that the builder receive the attention of management that his production requires," he says. "And that usually means that somebody has to be married to him."

There is another way to avoid hassles: Build incentives into the commissions

The broker profits on each home he sells, but the builder with 100 homes makes money on only the last 20 or 25. So Stone suggests, say, a 3% sales commission for the broker on the first 50 homes, 4½% on the rest and a bonus if the project is sold out by target date. He explains:

"Tying the size of the broker's profit to the speed with which he sells makes his interest the same as the builders: to sell out fast."

New-home commissions should not be treated the same as those on resales

A broker has three commissions in mind: for listing, for sales commission and for the company. A typical split: 25% for listing, 25% for selling, 50% for the company.

"But," says Stone, "there should be no listing commission with a major builder; perhaps just an occasional finder's or referral fee."

Stone favors four commissions: for the company, for procuring a buyer, for writing contracts and for servicing buyers after sale.

Usually at least two of these commissions go to the on-site salesperson, but if he should leave

BROKERS CAN WORK TOGETHER

before the project is sold out, his replacement will have incentive to do a good job of servicing the old contracts.

Which services should be provided by the broker, which by the builder—and what are they worth?

Here are some considerations:

How many salespeople do you need? What do you have to pay to get a pro? How many homes will you build in a year? If it's 100, your fees should be lower than if it's 25.

And who's to pay for marketing? Advertising? For models, for signs, for telephones?

"Often the best way is to pay the broker a smaller commission and have the builder pay all the marketing expenses," says Stone. "That way he keeps control of the expenses and the broker has no risk; he gets a net fee on each transaction."

Another advantage to this: The builder is free to spend as much as he needs to generate traffic.

In Illinois, Ed Havlik works differently. His Residential Marketing Services sets up a marketing budget with the builder based on the time they expect sellout to take. Havlik then hires salespeople and interior designers. He supervises the project for the builder's account.

"The developer pays the costs of the marketing program," says Havlik. "We earn a commission on each sale. And if we sell out faster than the programmed time, we earn a bonus."

How about co-operative arrangements?

A builder with his own sales force may co-op with outside brokers. Bill Veio says that usually works well:

"You look at broker sales as strictly marginal revenue. They cost you more, but they're sales you wouldn't have gotten any other way."

And in Middletown, Ohio, Carol Ann Cardella won't work with a builder unless he will co-op. She offers a 3% finder's fee to any broker who introduces a prospect who then buys a home. The builders' salespeople still receive their usual commission.

"The builders don't want to pay brokers that fee," she says. "But the builders are spending twice as much on advertising. And they're forgetting all those thousands of transferees the broker has."

The finder's fee is paid for the referral alone, which may mean simply making a telephone appointment. There is a system for registering the brokers who introduce prospects and for keeping them informed of any future calls or visits by their prospects. And the brokers are not allowed to demonstrate models; this must be done by the on-site salesperson. But because each stands to gain from a sale, they team up and work together rather than each trying to outdo the other in impressing the prospect.

In Albany, Rosen-Michaels uses a similar

system. "It makes it very very easy for someone who's not used to selling new houses to sell a new house," says Derkowski.

One suggests one refinement: co-oping only with "preferred" or "designated" brokers.

There are many things a builder can do to get a good job from a broker

"The first and most important," says consultant Jim Mills, "is to have specific performance standards."

He mentions treatment of prospects, conduct of the sale, the number of calls that should be made, what follow-up should be done, upkeep of models and the reporting of defects.

Mills also suggests setting reasonable objectives. "Most builders don't set any objectives at all," he says. "They just say 'We're going to build them. You sell them.'"

Builder William Berry insists that his salesmen know both the competition and Berry's product as well as the concept behind it.

"When he's talking to prospects," Berry explains, "we want him to be able to relate to the things they've already seen—the other projects in the area—and to do it in such a way that he'll be able to sell the pluses in our homes because he knows what specific pluses we put into them and why."

Berry spends time in the models and he meets with salespeople to discuss his observations.

Southern Engineering's Simon does the same thing.

"We have people from our office visit the job every weekend," he says. "It's not just an arm's length proposition with us."

Rose of KRB has a list of information he expects a salesperson to report: How many people come through the models a week? How many leave name and telephone number? How much follow-up does the salesperson do? Does he know why prospects are buying? Why they're not buying? If they're not buying, does he know from whom they are buying? Are there features people particularly like? Are there some they want but don't see? What can the builder do to change or improve his product?

"We have to assess where the buyers are coming from," he says. "Only 20 or 25% of the traffic comes from advertising, so the salespeople have to generate the rest."

Rose points out that this can be done not only by telephoning prospects and asking for referrals, but by such simple means as posting the open-house sign and nailing up road signs.

"The bottom line is that the builder and the broker and the rest of the development team should be able to work together," says Rose. "They should see that when they buy a piece of land and build a house on it with the idea that Jane Doe will buy it, Jane Doe really does buy it. It's got to be a group effort."

Here's how plywood siding works.

Save up to \$2000 a house with Sturd-I-Wall.

COST COMPARISON CHART

Materials	Sturd-I-Wall	Aluminum siding over fiberboard sheathing	Hardboard siding over fiberboard sheathing	Brick veneer over fiberboard sheathing
5/8" T1-11 plywood siding	\$504			
1/2" fiberboard		\$ 168	\$ 168	\$ 168
Aluminum lap siding		\$ 336		
7/16" hardboard siding			\$ 431	
Standard bricks				\$ 830
Two coats finish	\$ 53		\$ 53	
Total Materials	\$557	\$ 504	\$ 652	\$ 998
Labor				
Siding	\$290	\$ 340	\$ 260	
Sheathing		\$ 160	\$ 160	\$ 160
Bricks				\$1970
Finishing (2 coats, brush)	\$130		\$ 130	
Total Labor	\$420	\$ 500	\$ 550	\$2130
TOTAL COST	\$977	\$1004	\$1202	\$3128

Footnotes:

1. Bare costs, based on 1977 Building Construction Cost Data, copyright 1976, R.S. Means Co., Inc.
2. Costs based on 1,000 square feet of net wall area.
3. Material costs include 5% waste.
4. Materials include nails, mortar and ties (brick).
5. Wall framing and interior finish not included.

APA Sturd-I-Wall construction

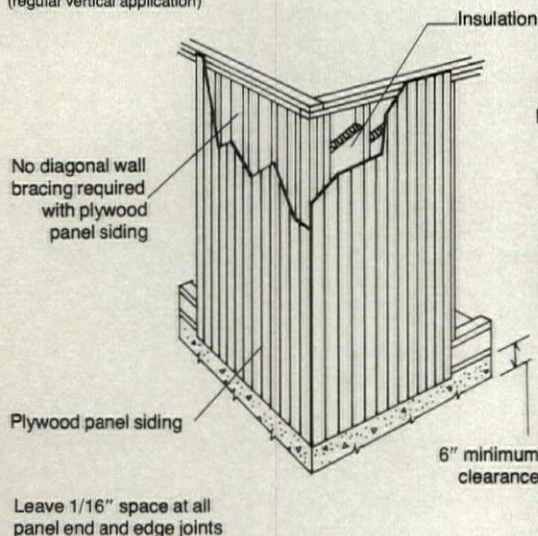
Panels are normally installed vertically, but may be placed horizontally. 303 plywood siding bearing the designation "303 - 24 o.c." may be applied vertically directly to studs 24" on center. 303 - 16 o.c. may be used vertically over studs spaced 16" on center. All panels shown in the table may be used on studs 24" o.c. when applied horizontally.

All edges should be backed with framing or blocking. Use hot-dip galvanized, aluminum, or other nonstaining, non-corrosive nails. No corner bracing is needed with plywood panels.

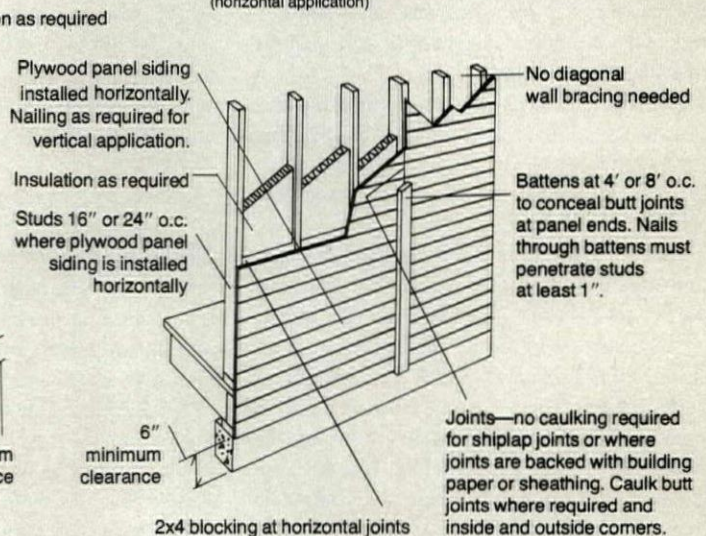
With any type of panel sheathing, building paper may be omitted. It may also be omitted in Sturd-I-Wall construction if joints are shiplapped or battened. Building paper is required for unbattened square butt joints in Sturd-I-Wall construction.

If siding is applied directly to the studs, horizontal joints in multi-story buildings should allow for framing shrinkage, especially if green lumber joists are used.

Plywood panel siding
(regular vertical application)



Plywood panel siding
(horizontal application)



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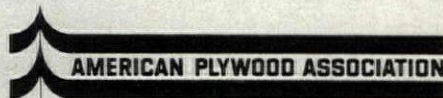
American Plywood Association, Dept. H-067, 1119 A Street, Tacoma, WA 98401.

Name _____ Firm _____

Address _____ City _____

State _____ Zip _____ Phone () _____

To get your free package of plywood siding information, write American Plywood Association, Department H-067, 1119 A Street, Tacoma, WA 98401.



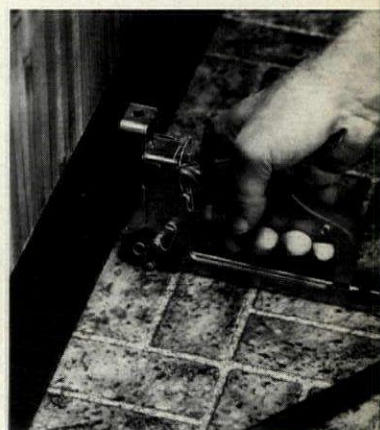
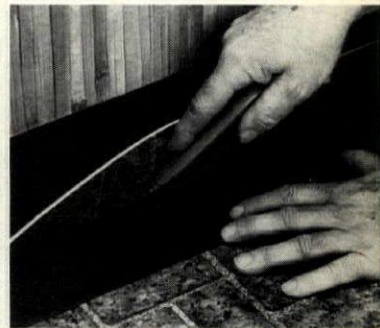
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Doors/windows	103
Doors/windows	104





Time-saving installation method starts with positioning the material in the room (*left*). Flooring is then trimmed (*below*) and stapled at 3" intervals (*bottom*). Quarter-round molding shown is used to hide staples.



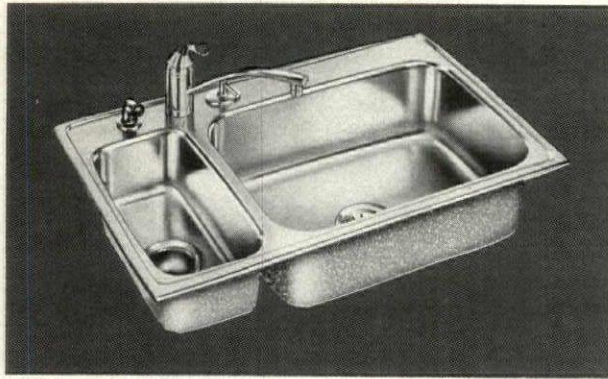
Easy-to-care-for flooring is also easy to install

“Premier Sundial” no-wax cushioned vinyl flooring can be stapled down at room borders when the subfloor is wood (*photos above*). When it’s concrete, all that’s needed is a narrow band of cement at the edges of the room. In either case, this installation method—called the “Interflex” system—is faster than conventional techniques, which require spreading adhesive over the entire subfloor.

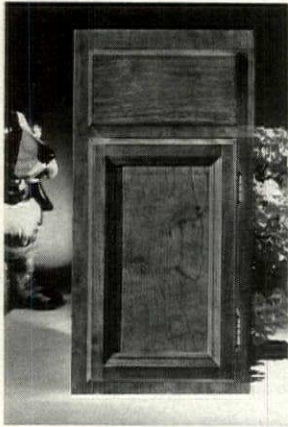
Less subfloor preparation is another benefit. The flooring, which has a dense core of 100-mil-thick vinyl cushioning, bridges all but major defects in the subfloor. The need for sanding or patching is eliminated in many cases. Further, the manufacturer says, “Premier Sundial” can be installed over another resilient floor, even one with an embossed surface.

To assure a tight, smooth fit, the flooring features an elastic “tension back” that contracts slightly after installation. In combination with the installation technique, this flexible backing helps prevent buckling and cracking—problems that can occur with resilient floors bonded to wood subfloors that expand and contract with changes in humidity.

“Premier Sundial” with low-maintenance “Mirabond” surface comes in 6 ft. and 12 ft. widths. It is available in two patterns—a brick reproduction, “Manchester Brick” (*shown at left*), and a Mediterranean tile design—in a choice of nine colors. Armstrong, Lancaster, PA. *Circle 254 on reader service card*



Double-bowl sink (above) provides an extra-large compartment for pots and a small one for food preparation and disposal. Faucet with swing spout is included. Elkay, Broadview, IL. *Circle 200 on reader service card*

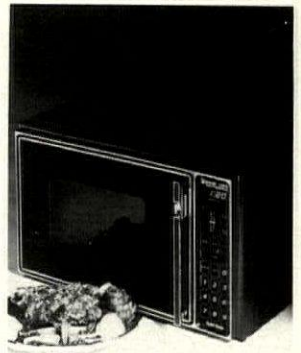


All-wood cabinet line, "Leesburg" (left), includes breadboxes, oven and pantry cabinets and a space-saving corner unit. Finish is cherry. Boise Cascade, Berryville, VA. *Circle 201 on reader service card*

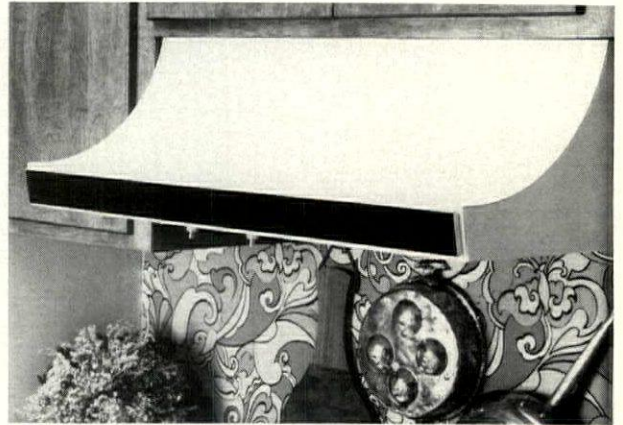


Contemporary-style cabinets, "Sun Beech" (above), are built of Formica MCP (melamine component panel). Counter work surfaces are high-pressure laminate; hardware is touch open. Formica, Cincinnati, OH. *Circle 202 on reader service card*

Countertop microwave oven (right) features easy-to-operate solid-state controls. Model can defrost, cook and keep food warm. Magic Chef, Cleveland, TN. *Circle 203 on reader service card*



Undercabinet range hood, "Flair 100" (below), comes with easy-to-clean Magic Lung™ blower and fluorescent lighting. Vent-A-Hood, Richardson, TX. *Circle 204 on reader service card*



Traditional kitchen cabinets, "Devon" (above), have a hand-wiped cherry finish. Solid oak doors feature deep-coved, raised-panel styling. Hardware is brushed brass. Triangle Pacific, Dallas, TX. *Circle 205 on reader service card*



“Whirlaway” disposer line (left) includes three stainless steel models. Units have 360° swivel impellers and corrosion-free, structurally reinforced polyester drain housing. Anaheim, Anaheim, CA. Circle 206 on reader service card



Compact refrigerator (above) weighs only 60 lbs. and has a 2.3 cu. ft. capacity. Brown unit with woodgrain door and chrome trim is UL-listed and operates on 115-120v. Sharp, Paramus, NJ. Circle 207 on reader service card



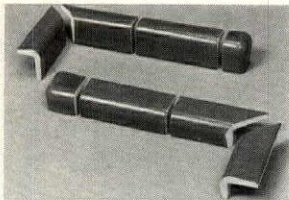
“Micro Shelf” range (above) has a built-in shelf designed to hold a microwave oven. Unit with eye-level control panel also features a self-cleaning oven. Whirlpool, Benton Harbor, MI. Circle 209 on reader service card



Pantry shelving system, “Dor-wall” (above), can be installed on any hollow core or solid door or against any wall. Plastic-coated eight-shelf units come 12”, 18” or 24” wide and are 77” high. Schulte, Cincinnati, OH. Circle 208 on reader service card



Customized range hood (above) is from the “Design Magic” series. Line includes straight and concave styles for wall, peninsula and island applications. A choice of trim to blend with any decor is offered. Home Metal, Plano, TX. Circle 210 on reader service card



Ceramic tile counter trim (above) can be used in thin-set or conventional mortar installations. Trim offered in several colors is contoured to prevent dripping. American Olean, Lansdale, PA. *Circle 211 on reader service card*

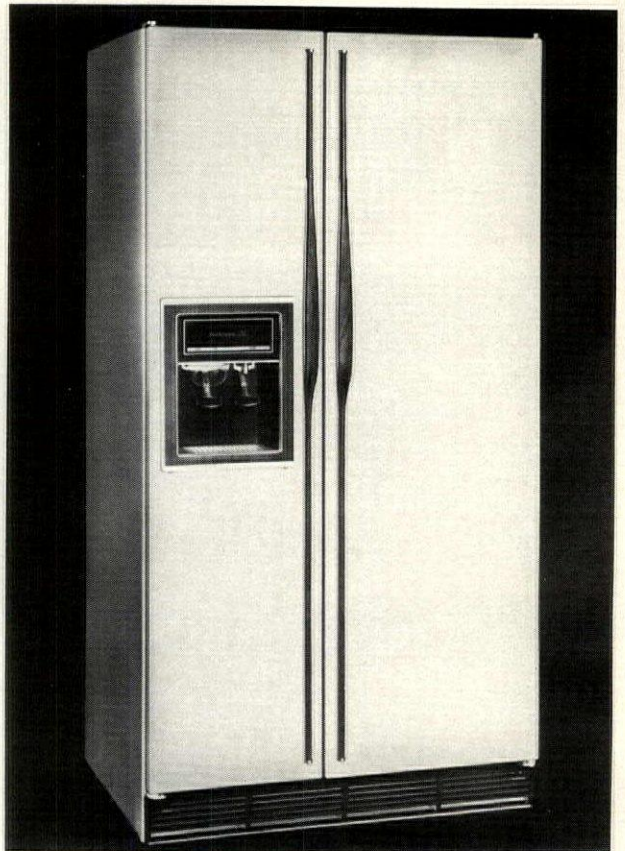
Modular cabinet system, "Waverly" (below), has all-wood construction with oven-cured oak finish. Shelves are adjustable; drawers have self-closing hinges. Excel, Lakewood, NJ. *Circle 213 on reader service card*



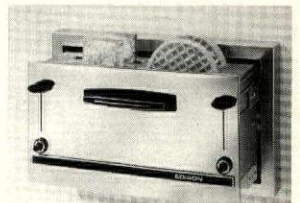
Self-cleaning range (above) comes with full-width (30") black glass doors. Glass-ceramic cooktop has two large and two small cooking areas. Hotpoint, Louisville, KY. *Circle 212 on reader service card*



High-pressure laminate in an abstract pattern (above) is part of the "Ironstone" line. Textured material is impervious to ordinary household solvents. G.E. Textolite, Oakbrook, IL. *Circle 214 on reader service card*

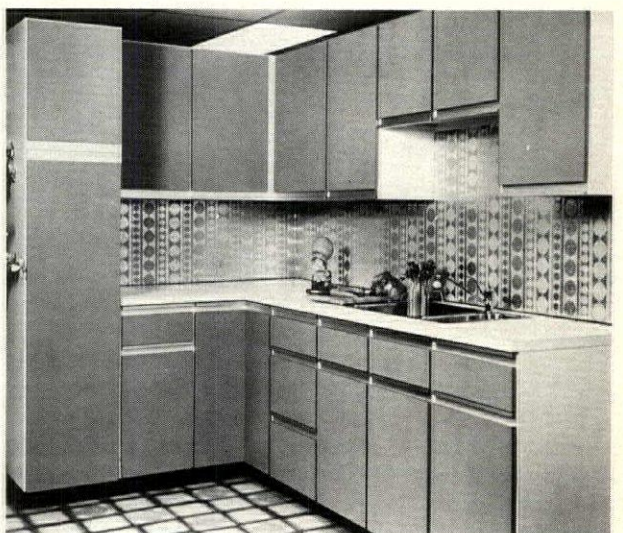


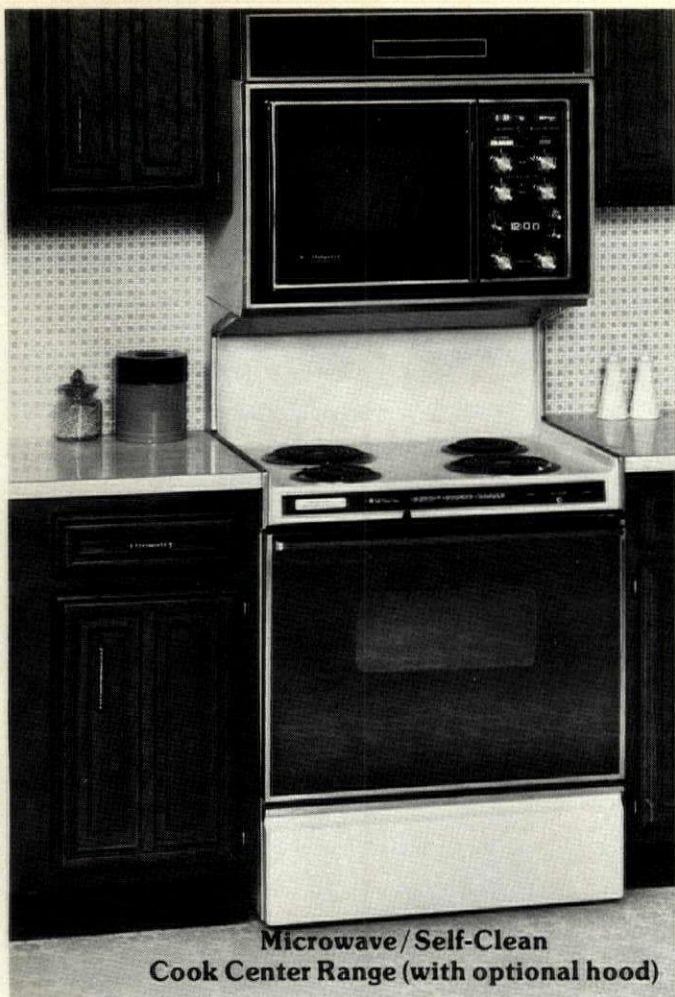
Refrigerator with 25 cu. ft. capacity (above) features ice and water dispenser in the door. Side-by-side unit with 9.6 cu. ft. freezer has a porcelain enamel interior. Sears, Chicago. *Circle 215 on reader service card*



European-style cabinets, "Contempra 75" (below), are constructed of Formica MCP. Durable cabinets are offered in a wide range of sizes and finishes. Gleason, Avoca, PA. *Circle 216 on reader service card*

Built-in toaster (above) fits between standard wall studs. Four-compartment chrome-finished unit operates only when fully extended from wall housing. Edison, Chattanooga, TN. *Circle 217 on reader service card*





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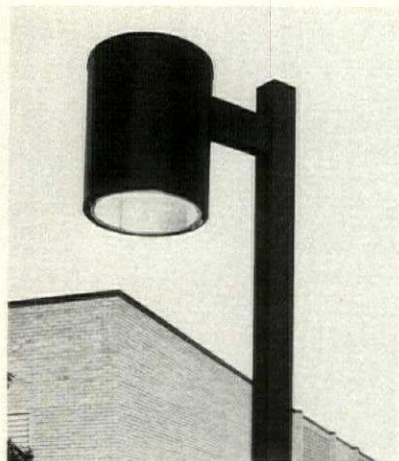


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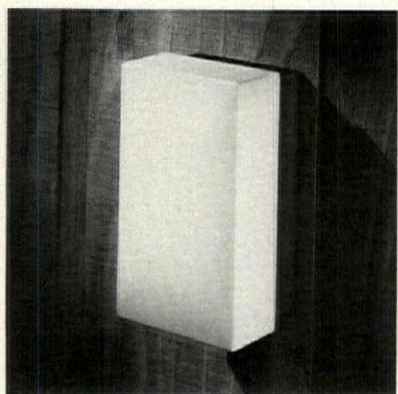


Hotpoint

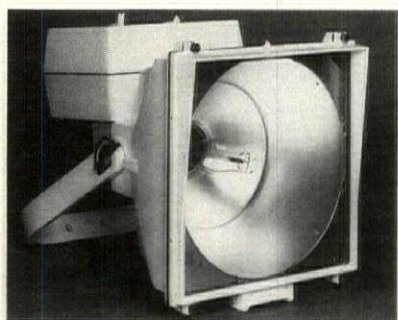
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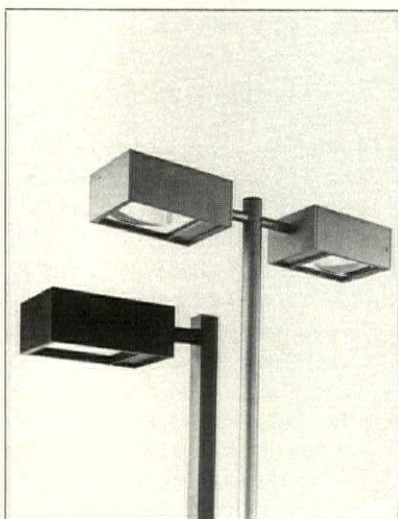
Low-level area light, "The Dearborn" (above), is a contemporary-style pole-mount fixture. Top cover of the bronzed-finished aluminum unit is removable, providing easy access to ballast. White-way/Spaulding, Cincinnati, OH. Circle 236 on reader service card



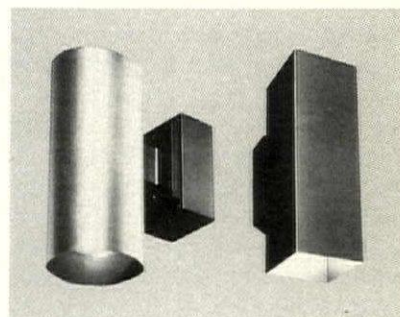
Unbreakable fluorescent fixture (above) has shatterproof Lexan diffuser. Tamper-proof surface-mounted unit is finished in black; gasket is sealed to prevent dirt or moisture seepage. NuTone, Scovill, Cincinnati, OH. Circle 237 on reader service card



"Marinelite" luminaire (above) resists damage from moisture. Corrosion-resistant housing is die-cast copper-free aluminum; hardware is stainless steel. Fixture for area lighting applications accepts incandescent as well as mercury vapor, metal halide and high-pressure sodium lamps. Hubbell, Christiansburg, VA. Circle 238 on reader service card



Miniature track lighting, "LyteTrim" (above), is an easy-to-install system for use on furniture. Fluorescent lights, 25w spotlights or 7w bulbs can be snapped into the 1/4"-high track. Lightolier, Jersey City, NJ. Circle 239 on reader service card



Wall-mounted HID downlights (above) are constructed of extruded aluminum. Fixtures, which have 120v ballast, are offered for use with 75w to 175w lamps. Downlights come with open or closed tops in cylindrical and square styles and in a choice of finishes including black and white. Markstone, Chicago. Circle 241 on reader service card

Luminaire with all-aluminum housing, "Formlite" (above), has lens of impact-resistant tempered glass. Fixture offered in three sizes features a door assembly with internal hinge for easy access. Finish is electrostatically applied matte black acrylic enamel. ITT Landmark, Southaven, MS. Circle 240 on reader service card

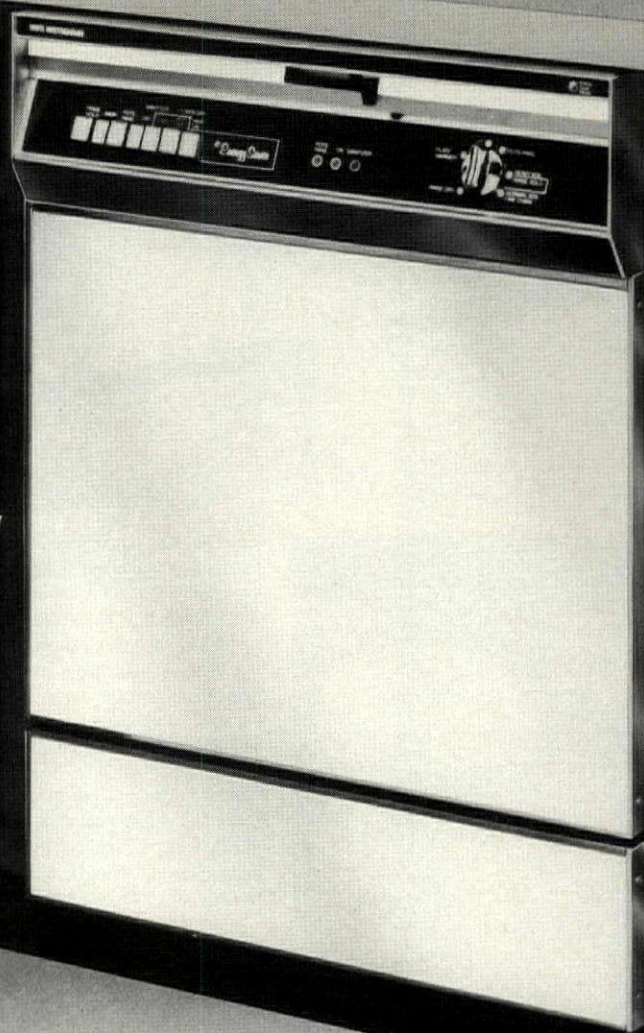
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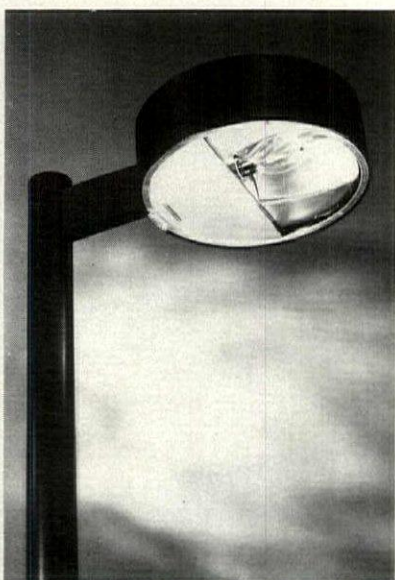
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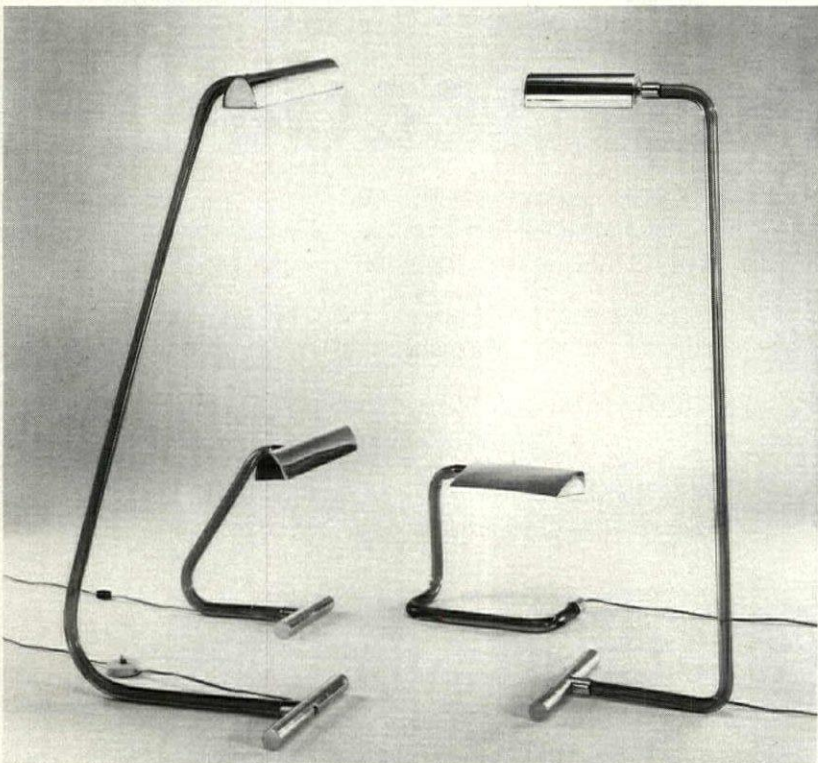


Emergency lighting assembly (above) fits into a standard fluorescent troffer. In case of a power failure, a battery-powered lamp that provides illumination for up to 90 minutes automatically switches on. Keene, Wilmington, MA. *Circle 230 on reader service card*

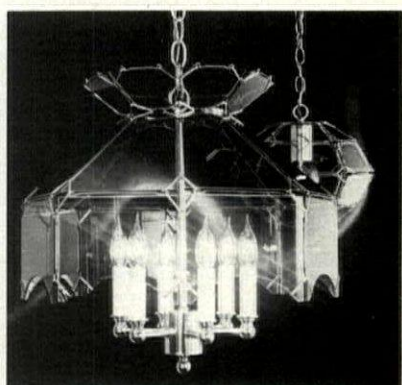


Outdoor light (left) features self-contained lighting assembly that is easily changed to accommodate ballasts for mercury, high-pressure sodium or metal halide lamps. Square and circular models are offered. McGraw-Edison, Racine, WI. *Circle 231 on reader service card*

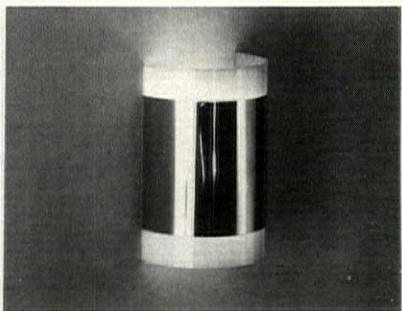
Contemporary-style lamps from the "Invisible Stem" collection (below) come in floor and desk models. Stems are bronze-tinted acrylic; shades and bases are polished brass. Lamps are 11", 14" or 42" high. George Kovacs, New York City. *Circle 232 on reader service card*



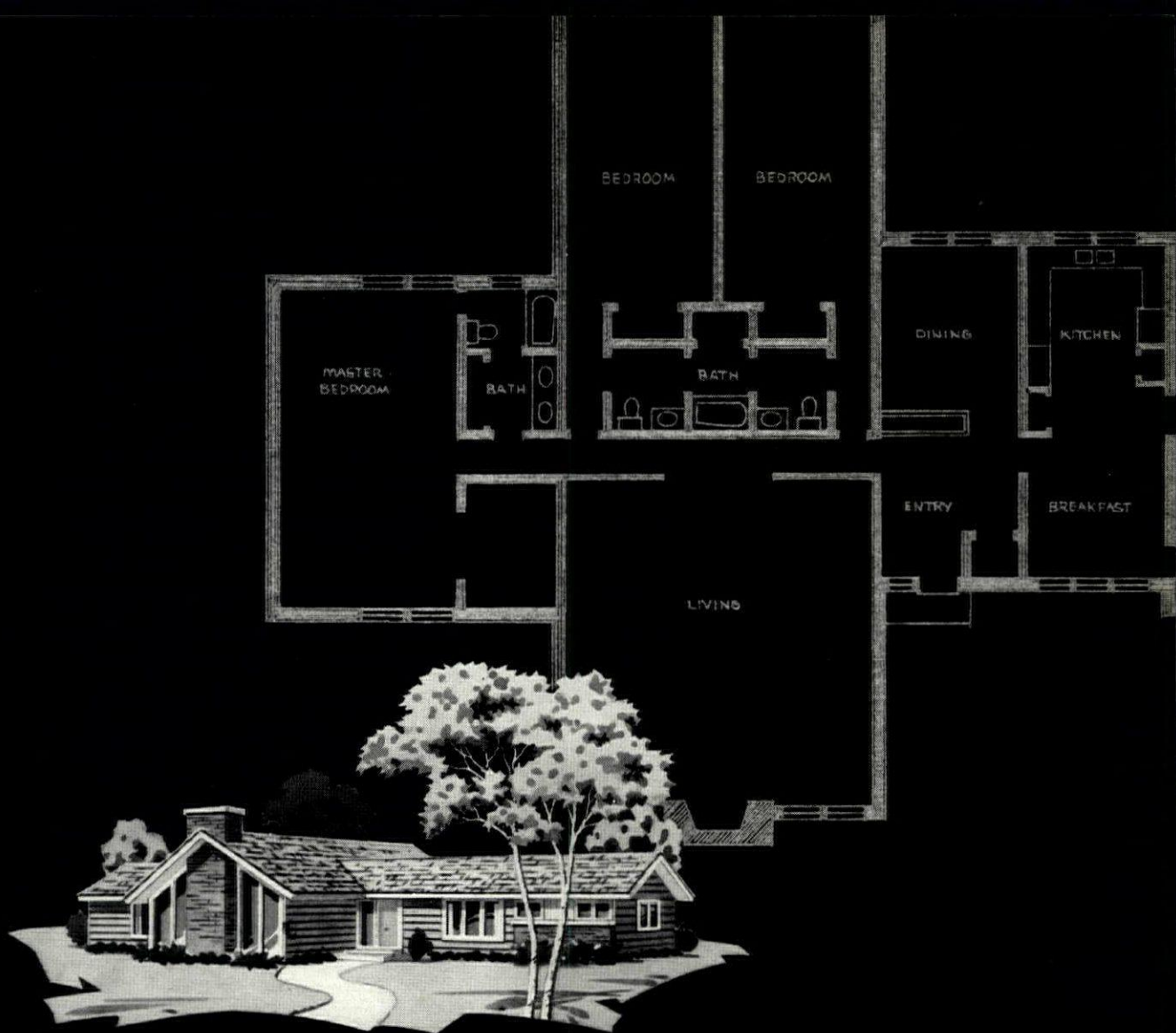
Below-eye-level luminaire (above) can be used as seating. Indoor/outdoor unit is part of the "Chesspiece" line, which also includes luminaires with signage panels. Black-painted unit shown has 18" diameter. Moldcast, Pine Brook, NJ. *Circle 233 on reader service card*



"Glassique" lighting fixtures (above) come in traditional and contemporary styles. Each fixture features individual smoke or clear glass panels connected by thin strips of brass. Nine models are available. Progress, Philadelphia, PA. *Circle 234 on reader service card*



Indoor wall bracket (above) has translucent white diffuser with steel central band in polished chrome, polished brass or metallic red. Part of the "Holiday" series, bracket has universal crossbar for mounting to standard recessed box. Rectangular models are also offered. Habitat, New York City. *Circle 235 on reader service card*



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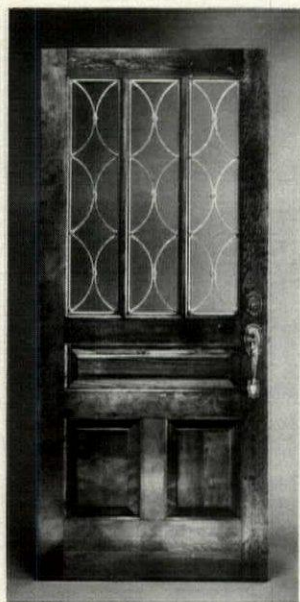
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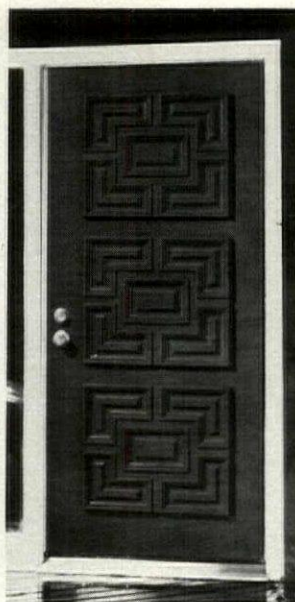
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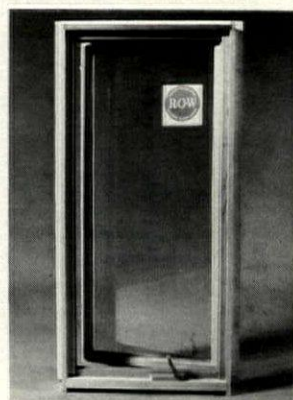
Wood entry door, "Valley Forge" (above), is constructed of Ponderosa pine. Part of the "American" series, the door features a handcarved, leaded-glass look. Ideal, Waco, TX. Circle 223 on reader service card



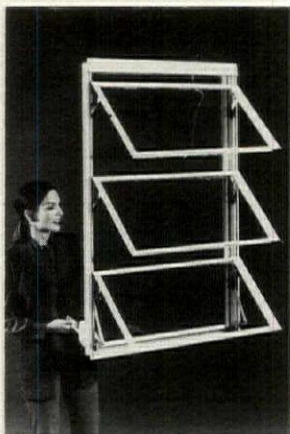
Insulated steel entry door in a contemporary design (above) has the look of hand-carved wood. A magnetic weatherstripping system seals the door. Therma-Tru, Lake Shore, Toledo, OH. Circle 224 on reader service card



"Bowindow" (above) measures only 5'11" wide. Designed for small areas, the factory-finished wood unit has insulating glass. Burton, Cobleskill, NY. Circle 227 on reader service card



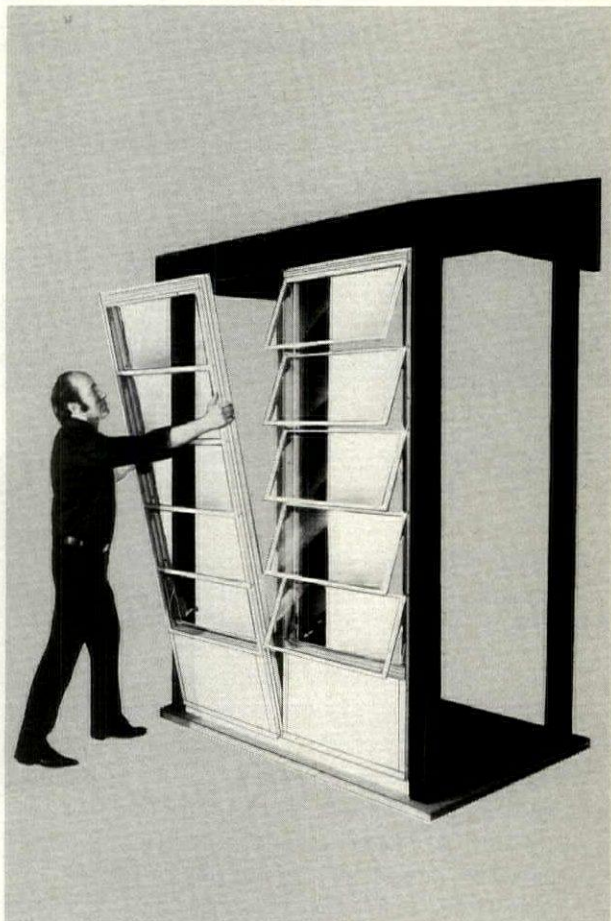
"Royal" casement window (right) is fully weatherstripped. Roto operator opens, closes and automatically locks the unit. Insulating glass is optional. R.O.W., Ferndale, MI. Circle 228 on reader service card



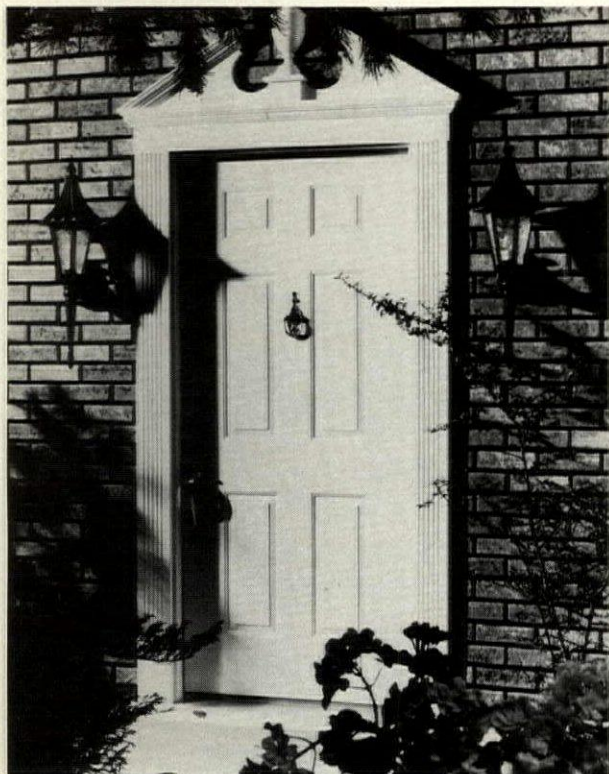
Awning windows (left) have a baked-on weatherproof white finish. Completely weatherstripped window is equipped with a fiber glass screen. V.E. Anderson, Owensboro, KY. Circle 225 on reader service card



Safeguard™ garage door (below) features a weather-tight joint designed to minimize the risk of pinching fingers between the door panels. Frantz, Sterling, IL. Circle 226 on reader service card

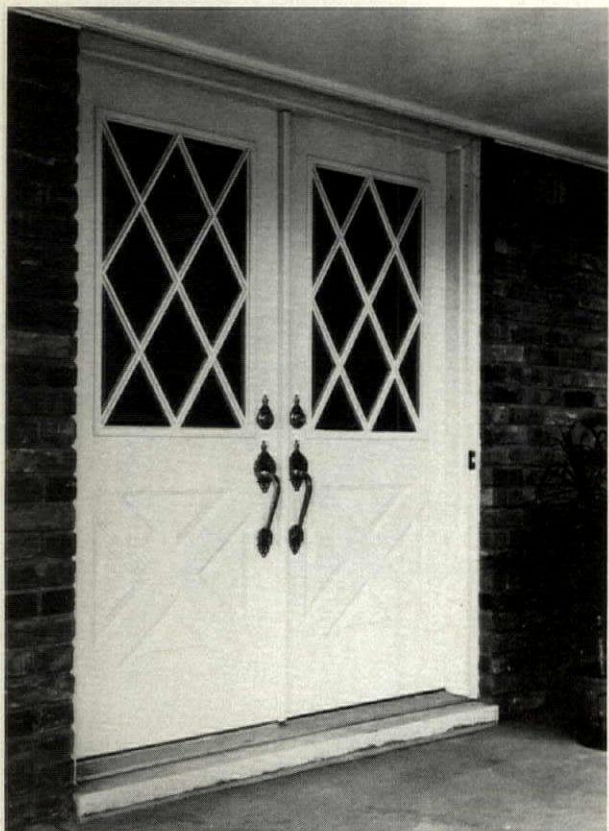


One-piece window section, "Roomaker" (above), can be used to enclose any area. Fully weatherstripped unit has a foam-insulated knee-wall panel, finished inside and out. Continental Aluminum, McHenry, IL. Circle 229 on reader service card



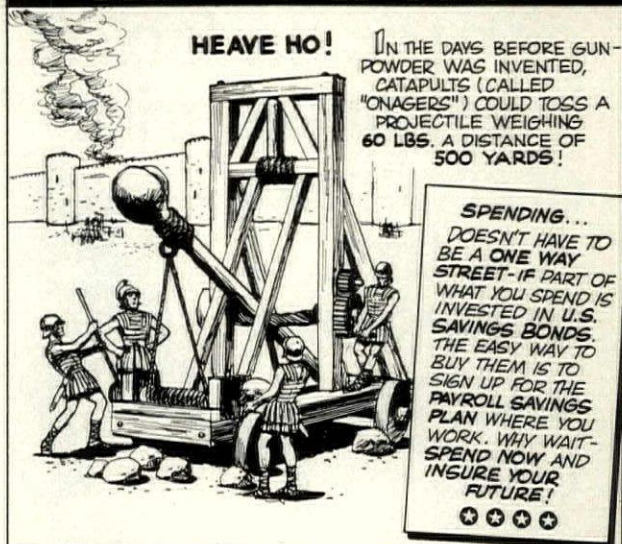
Insulated steel door, "Royal" (above), features decorative faces stamped of Armco, pre-painted 24-gauge steel. Shown in a six-panel design, the door needs no externally applied trim. Steelcraft, Cincinnati, OH. Circle 221 on reader service card

Embossed steel entry door (below) with a solid foam insulating core comes with diamond or rectangular window lights. The "Cross-buck" style door is embossed on both sides. Stanley, Birmingham, MI. Circle 222 on reader service card



DOORS/WINDOWS

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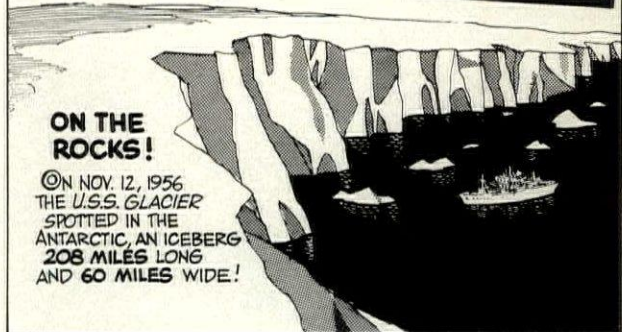
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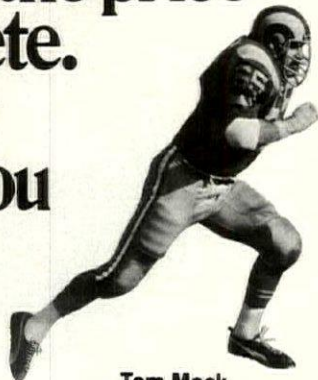


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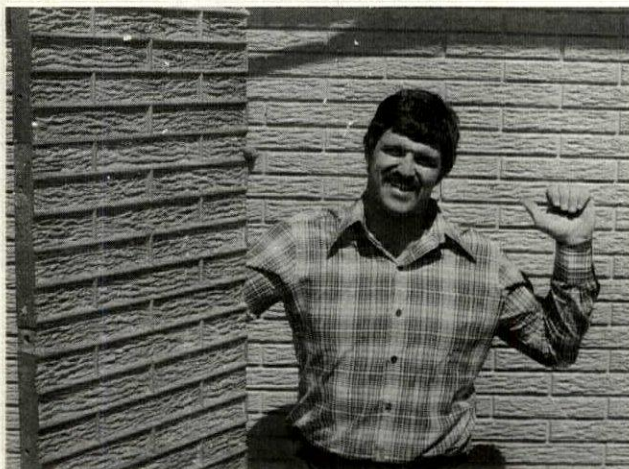
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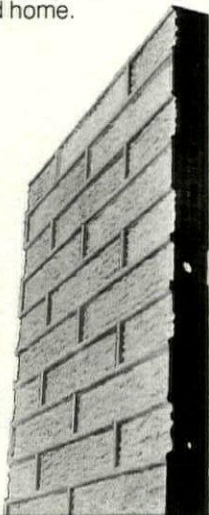
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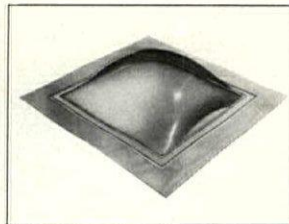
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DOORS/WINDOWS



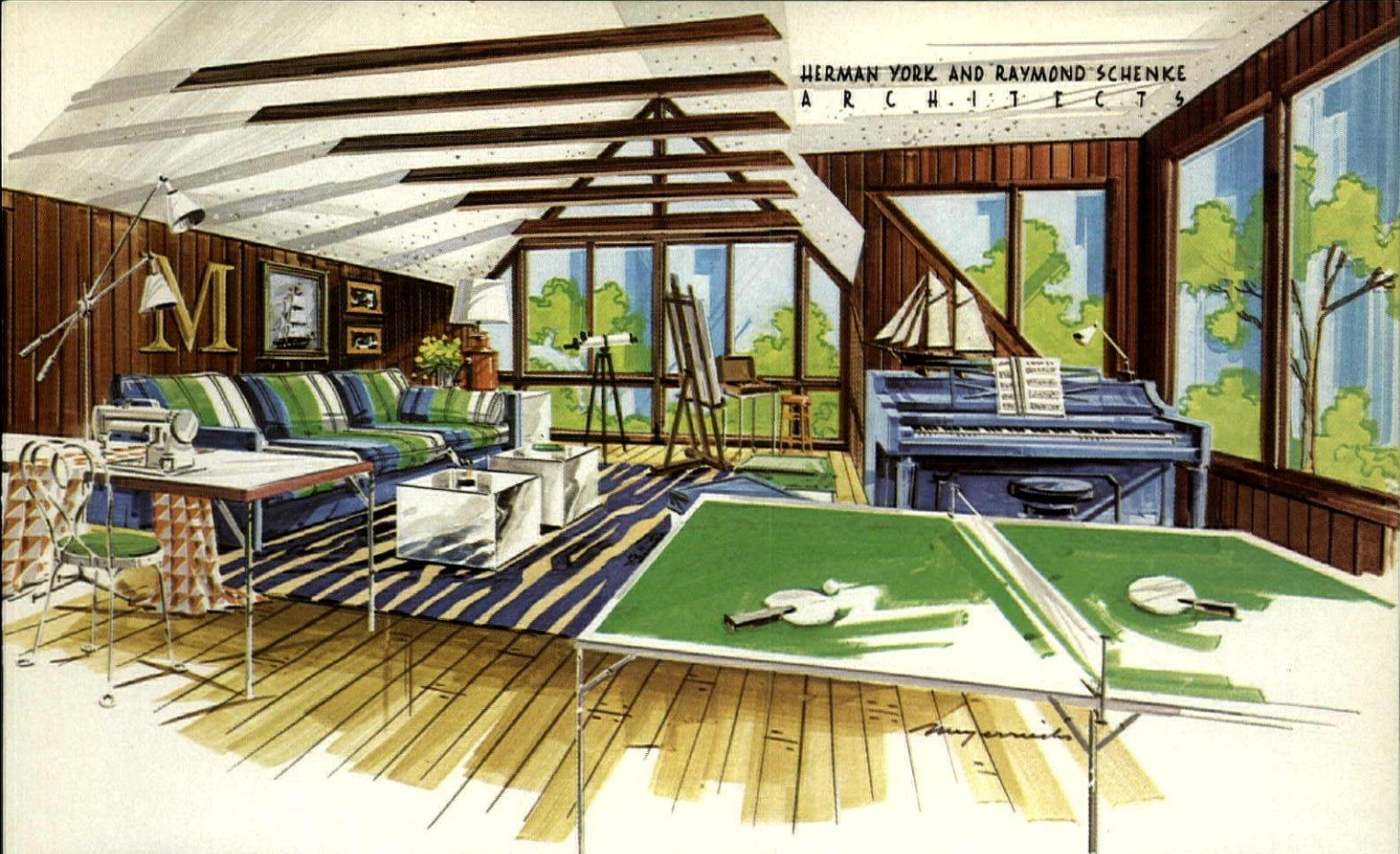
Double-insulating skylight (left) is fabricated of high-impact PVC. The inner dome is sealed to the outer dome with 2" of insulating air space between. Easy-to-install unit comes square or rectangular. APC, Hawthorne, NJ. *Circle 218 on reader service card*



Sliding storm windows (above) are part of a line which also includes double-hung, picture and basement window styles. Units come in a choice of finishes. Season-All, Indiana, PA. *Circle 219 on reader service card*

Insulating patio door system (below) features a thermal-barrier head and sill. Fully weatherstripped wood doors have 5/8" tempered, insulating glass. Louisiana-Pacific, Barberton, OH. *Circle 220 on reader service card*





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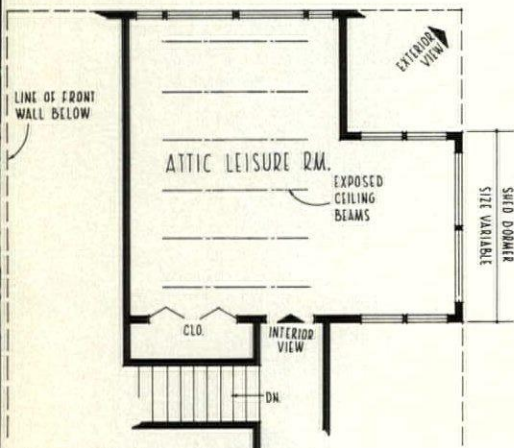
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