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THE MONTH IN BUILDING

VOLUME

PERMITS (January) ...\$ 174,924,551	
Residential	98,637,479
Non-residential	52,639,054
Additions	23,648,018
December, 1937	150,573,355
January, 1937	99,072,795
Permits from Dept. of Labor	

CONTRACTS (February) ...\$ 119,038,000	
Residential	40,023,000
Non-residential	48,533,000
Heavy engineering	30,482,000
January, 1938	195,472,000
February, 1937	188,591,000
Contracts from F. W. Dodge Corp.	

Permits issued during January, 1938 continued the contraseasonal rise begun in the preceding month, amounted to \$174,924,551. Comparison with other months in 1937 indicates the following increases: 16 per cent over December; 65 per cent over November; 77 per cent over January. These increases are attributable in large measure to activity in New York City where a January rush for permits was occasioned by changes in the city's building code. Volume of residential permits advanced 56 per cent during the month, offset smaller decreases in the other two classifications.

Contracts awarded, for building and engineering work during February totaled \$119,038,000, were 39 per cent below the figure for January, 1938, 37 per cent below that for February, 1937. Largest individual decrease during the month, 70 per cent, occurred in the heavy engineering category. Residential contracts registered the only advance, about 11 per cent, over January.

USHA'S FIRSTS. A little more than half a year after its legal creation the United States Housing Authority was able last month to announce the approval of its first five-low-rent housing projects by itself and by the President. This means merely that these projects conform with Government standards as to cost, income, accommodations, and general character. Still necessary before dirt can fly is completion of the architectural plans, for whose expense the USHA will advance 3 per cent of the projects' costs. A valuable sign-post to future USHA activities are the following salient facts about the first handful:

Total cost of the five projects is \$18,700,000. The project in Austin, Tex. involves a Federal loan of \$643,000; New Orleans' project, one of \$8,411,000; Syracuse's project, one of \$3,930,000; Charleston's project, one of \$1,017,000; and Youngstown's project, one of \$2,835,000. Total Federal loans: \$16,836,000.

Shelter rentals (i.e. without heat, refrigeration, stoves) range from \$2.70 to \$4.25 per room per month.

Local authorities have met their 10 per cent down-payments in the majority of cases by the agreement to issue their own housing bonds. Top interest on these bonds will be 3½ per cent.

Annual subsidies of at least 20 per cent of the annual Federal contributions are required from the local authorities by law. These subsidies have generally taken the form of complete tax exemption. These subsidies will average 55 per cent of the annual Federal contributions, an extraordinarily high figure.

Average cost of dwelling facilities (cost of the building alone) ranges from \$2,500

per dwelling unit to a high of \$4,000. Other costs (demolition, grading, site improvements, utilities, etc.) average about \$800 per unit.

Also brought to the attention of Washington by these projects were some of the most outlandish names in the geography of slums: "The Monkey's Nest" in Youngstown; "Bed Bug Row," "The Buzzards," "The Yellow Dog," and "The Lizards" in New Orleans.

LIFE COMPANIES. Good cross-section of life insurance company policy and preference as to real estate mortgage loans is the survey of 121 leading life companies recently conducted by NAREB's Brokers Division. Results indicate that the average mortgage is for ten years amortized at 5 per cent on half the property value of a single-family dwelling.

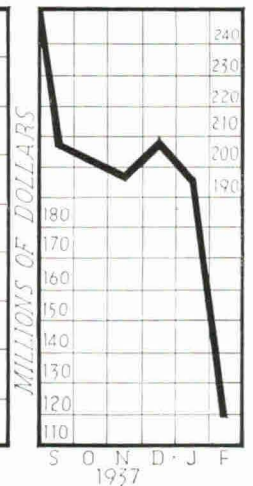
While practically all of the 121 reporting companies loan on detached urban houses, 73 also consider mortgages on commercial buildings, 60 on large apartments but only 29 on office buildings. Subdividers have difficulty in getting a life insurance company to take a mortgage on one of their improved developments; only two of the surveyed companies expressed their willingness to do so. Farmers fare better with 56 of the firms making loans to them.

For single-family dwellings half the companies declared the maximum percentage of loan to property value to be 50 per cent: a third lent as much as 60 per cent. On apartment and business buildings the 50 per cent category was still more dominant. Amortization of these loans is required by three out of five companies, and, of those requiring it, 55 per cent work on an annual

PERMITS



CONTRACTS



5 per cent basis. About half the remaining companies require less amortization; the balance requires more (10-12 per cent.)

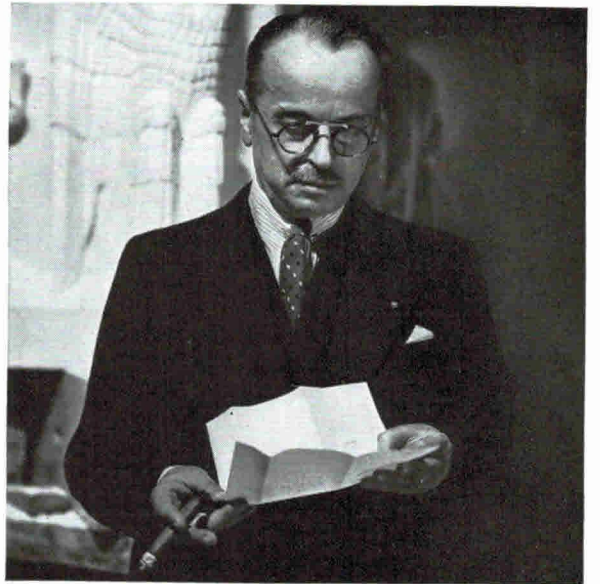
As to term of mortgages, three-quarters of the companies included in the report set ten years as the maximum for single-family units. Loans of twenty years' duration are made by seventeen of the firms, while a similar number set the limit as low as five years.

STATUS. Elsewhere in this issue (p. 333) appear the results of a country-wide survey conducted last month by THE FORUM. Its basic purposes were to determine the effect of the 90 per cent mortgage, and—more importantly—to supply some clue to the current health and hopes of building.

The answer was a mixed one. In the East there are good orders on the books. Elsewhere there are high hopes but not too much else—and Building's hopes have had to be seriously qualified and revised over the last year. On the credit side of the ledger there stands most impressively the record of new mortgages selected for appraisal by the FHA, a record which runs well above that of last year at the same time. On the debit side stand the reluctance of lenders and the inhibiting effects of foreclosure laws.

The answer to the effects of the new legislation still hangs in the air. That it does is important. Because should this latest effort at stimulation fail, there remains only one more outside of the natural laws of recovery. That final shot-in-the-arm is a direct subsidy to private builders. It has been tried in England for the past seven years, has met with considerable success. It is being talked about in Washington.

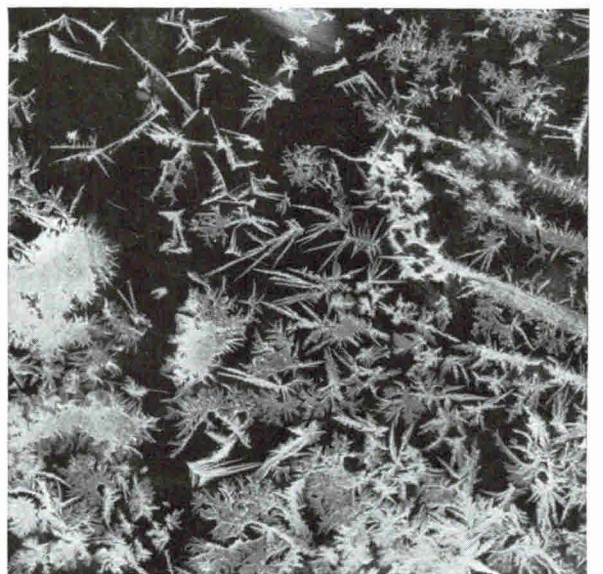
(Continued on page 4)



MAN OF THE MONTH . . . Still on the gold standard (page 10) *John D. Beiner*



BUILDING OF THE MONTH . . . Cinemarchitecture makes Box Office (page 270) *Hedrick-Blessing*



PRODUCT OF THE MONTH . . . White Snow and the 7 drafts (page 20)

NOTES ON THE CINEMA . . . NOT AN OPINION

— BUT PART OF THE PROBLEM

THE SHOWMAN* CLIENT

is not interested in architecture architecturally.

unless most of the people are responsive to it when he uses it.

AND SO THE ARCHITECT

has a free hand (some of the time).

if he becomes a showman.

can design as he sees fit (the second job).

if people respond to what he thought was fitting.

can contribute to a motion picture theater.

if he can extend the appreciation limit of his client

can be architecturally inventive.

if it results in handling more people more easily or causes more people to respond to the talent of the showman.

*SHOWMAN, here, is defined as one who exhibits films whether he or his patrons like them or not, and who has an amazing problem not encountered in any other business. He must merchandise a product that purchasers can generally see before or after he makes it available, for almost any price they choose to pay. His competition is not his opposition—but that intangible combination, the patience of the customer (in waiting for the second, third, or fourth run) and his theater-going habits.

IF THE ARCHITECT IS A PROFESSIONAL NECESSITY

he must have a knowledge of the economics of theater real estate.

how far into maximum traffic areas the location must penetrate for convenience, visibility, parking, etc. This greatly affects the total investment.

he must have sufficient knowledge to determine the number of seats.

what percentage of the population to be received by the theater can reasonably be expected to patronize the theater. Average, incomes, the location of other theaters, etc., must be studied.

he must understand operating expenses.

the cost of the building should be determined by the difference between a reasonable anticipated gross income minus total operating expenses. The latter has amazing variations for theaters of the same seating capacity.

he must understand theater policies.

because variations in terms of income groups, playing time, etc., produce policies which establish the architectural requirements.

he must study possible progress, or invent changes, in the exhibiting business.

a new device, a newly accepted entertainment form may render even a new project obsolete overnight.

Above all the architect must like the business of exhibiting motion pictures and appreciate the fact that for many the motion picture answers all of their entertainment requirements.

THE ESQUIRE* THEATER, CHICAGO, ILL.

PEREIRA & PEREIRA, THEATER CONSULTANTS

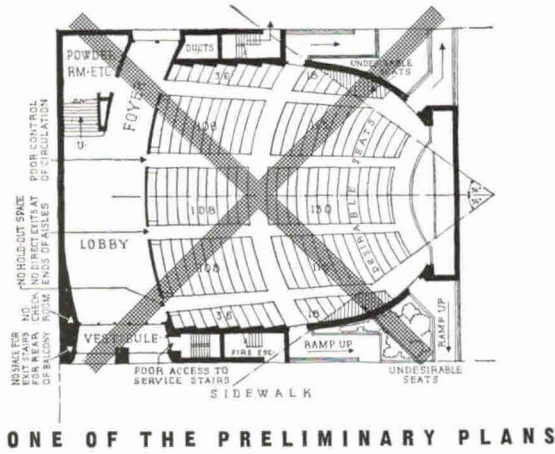
OFFICES W. L. PEREIRA, ARCHITECT

THE SITE: Selected because of its proximity to a rather large group of people not served with a quality theater. An extremely valuable piece of land 100 x 120 ft. in Chicago's Gold Coast.

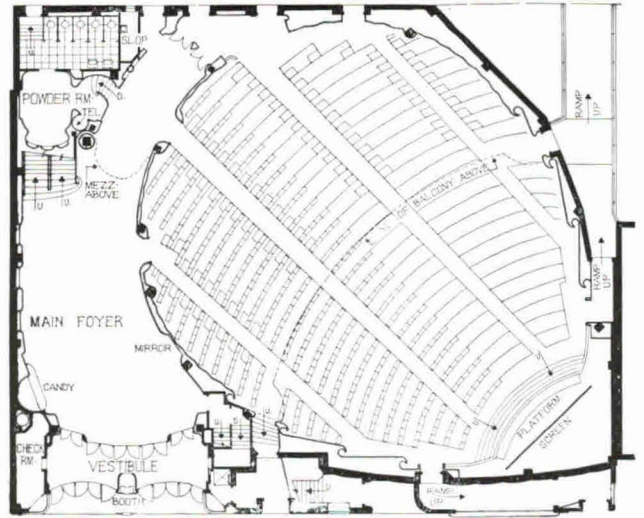
- THE REQUIREMENTS:**
1. Because of high land cost maximum seating had to be obtained to handle week-end crowds (when approximately 50 per cent of the week's business is done).
 2. The patrons in the area surrounding the location possess better than average tastes and incomes. Capable of supporting the theater if they liked it.
 3. Essential that patrons have ample room to move about despite small lot for required seating capacity.
 4. Lounge and rest room facilities must be well located and in careful taste.
 5. Local ordinance requires that area immediately outside auditorium walls be open to the sky. Demand met by one street and an alley with courts on both sides of auditorium leading to the street or alley.
 6. Maximum comfort in winter and summer.
 7. Ingenious display facilities.
 8. Art Gallery.
 9. 36 in. seat spacing.
 10. Perfect sight-line.
 11. No seats beyond distortion limits.

RESULTS HEREWITH: For \$235,000 exclusive of theater equipment or 35 cents per cubic foot.

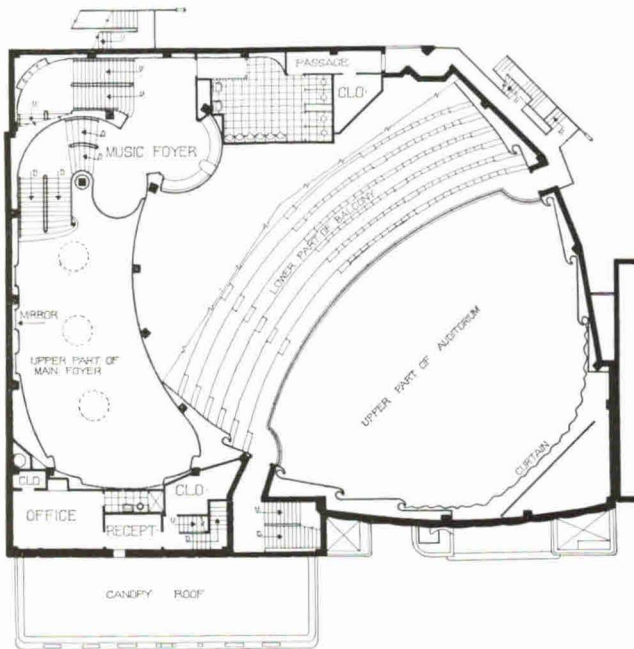
* The name ESQUIRE is being used by permission of the copyright owners, the publishers of ESQUIRE, THE MAGAZINE FOR MEN.



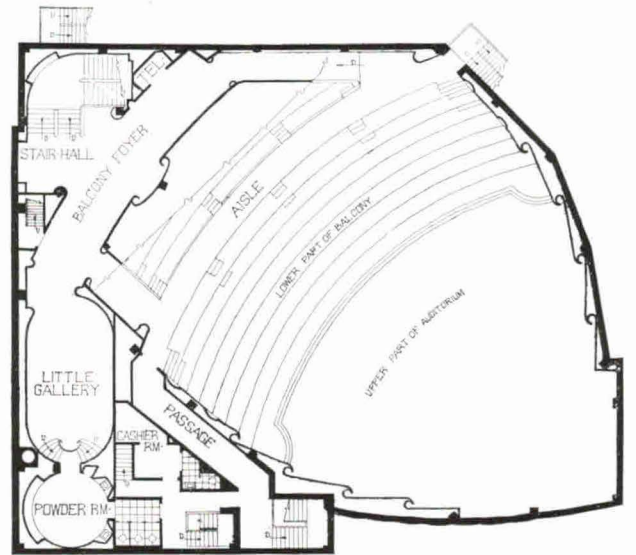
ONE OF THE PRELIMINARY PLANS



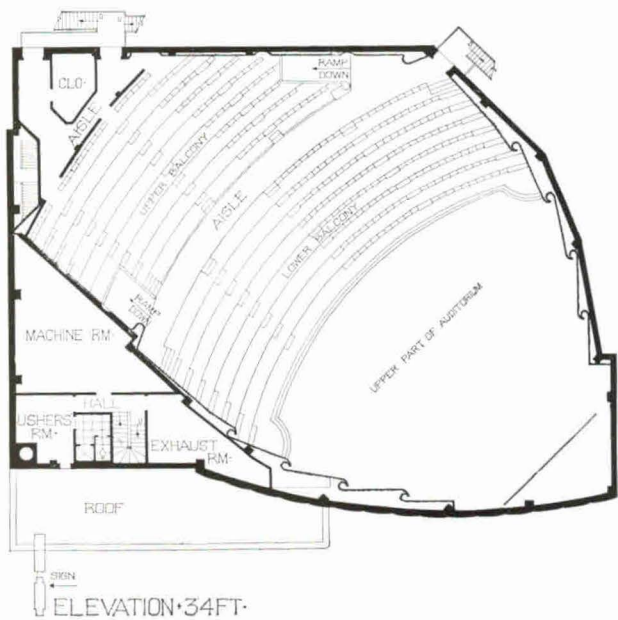
THE FINAL PLAN



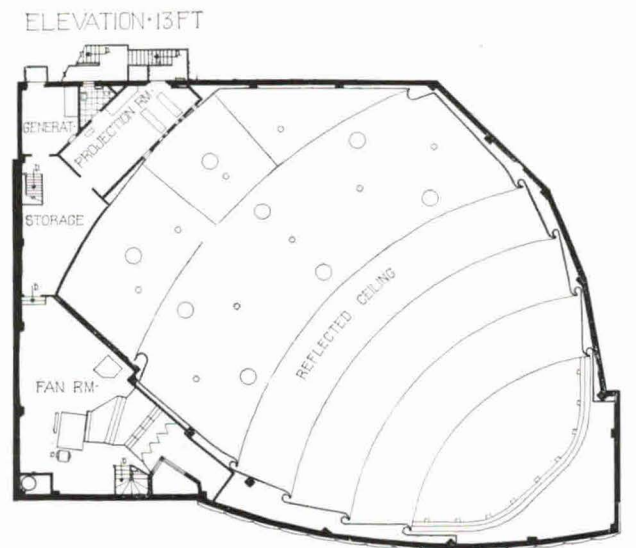
ELEVATION 13 FT



ELEVATION 23 FT



ELEVATION 34 FT



ELEVATION 44 FT

ESQUIRE

THE ESQUIRE HOUR
FRANK MORGAN &
"BEG, BORROW & STEAL"

ESQUIRE



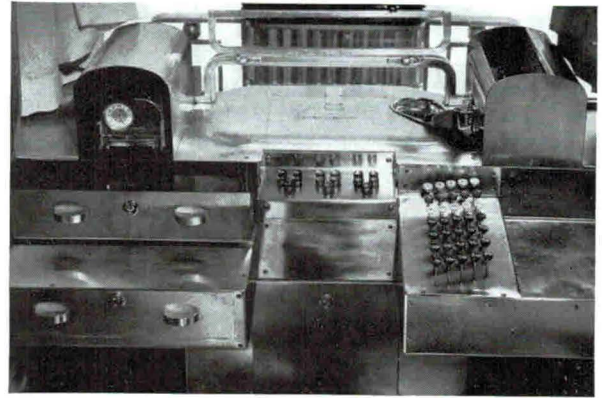


All photos, Hedrich

THE MAIN FACADE



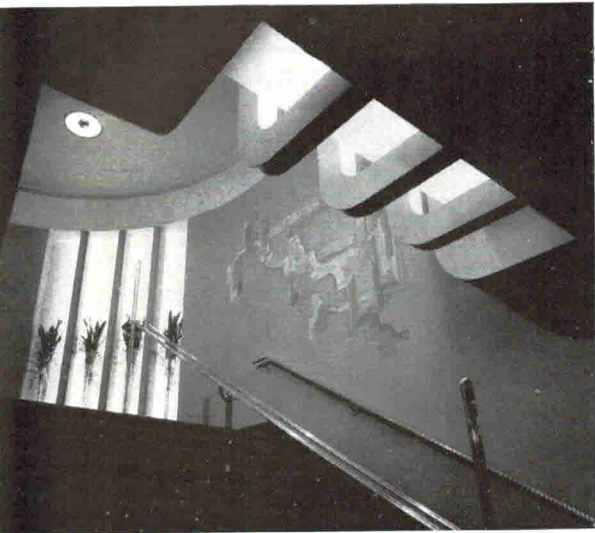
THE ARCHITECTS designed a tree because they wanted a tree and put a diorama of the auditorium beneath it.



TICKET OFFICE from the inside: many units combined for efficiency and neatness.



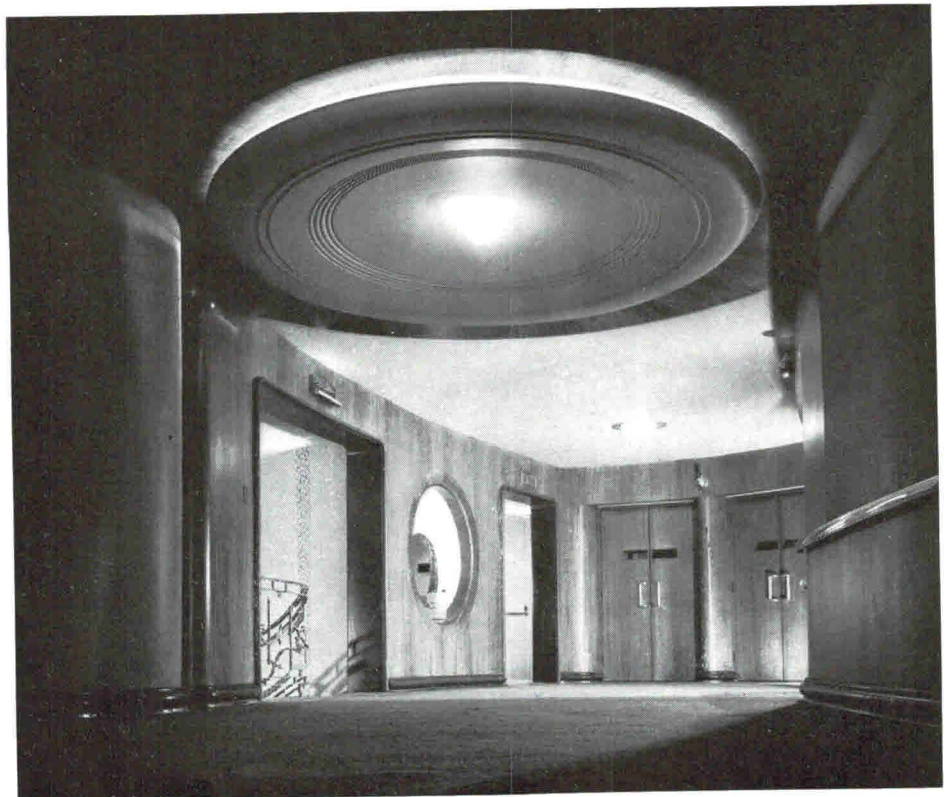
THE VESTIBULE: only there to control air pressure within the theater and to take the weather.



ON THE WAY UP to the balcony from the music foyer. Smoke blue carpet, salmon walls, white ceiling.

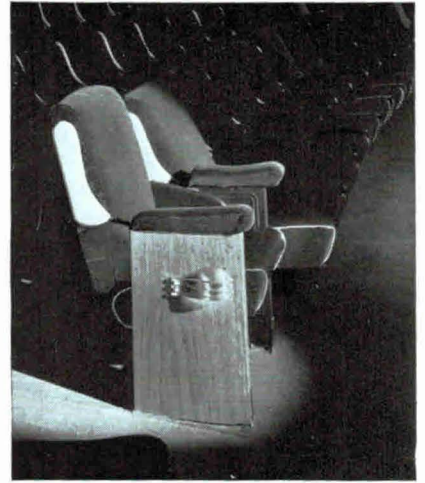


THE FOYER. The choice is easy between the main floor and the balcony. The cantilevered projection is for important display or musicians. Cedar carpet, mahogany veneer, copper-colored walls, peach-colored acoustical plaster ceiling.

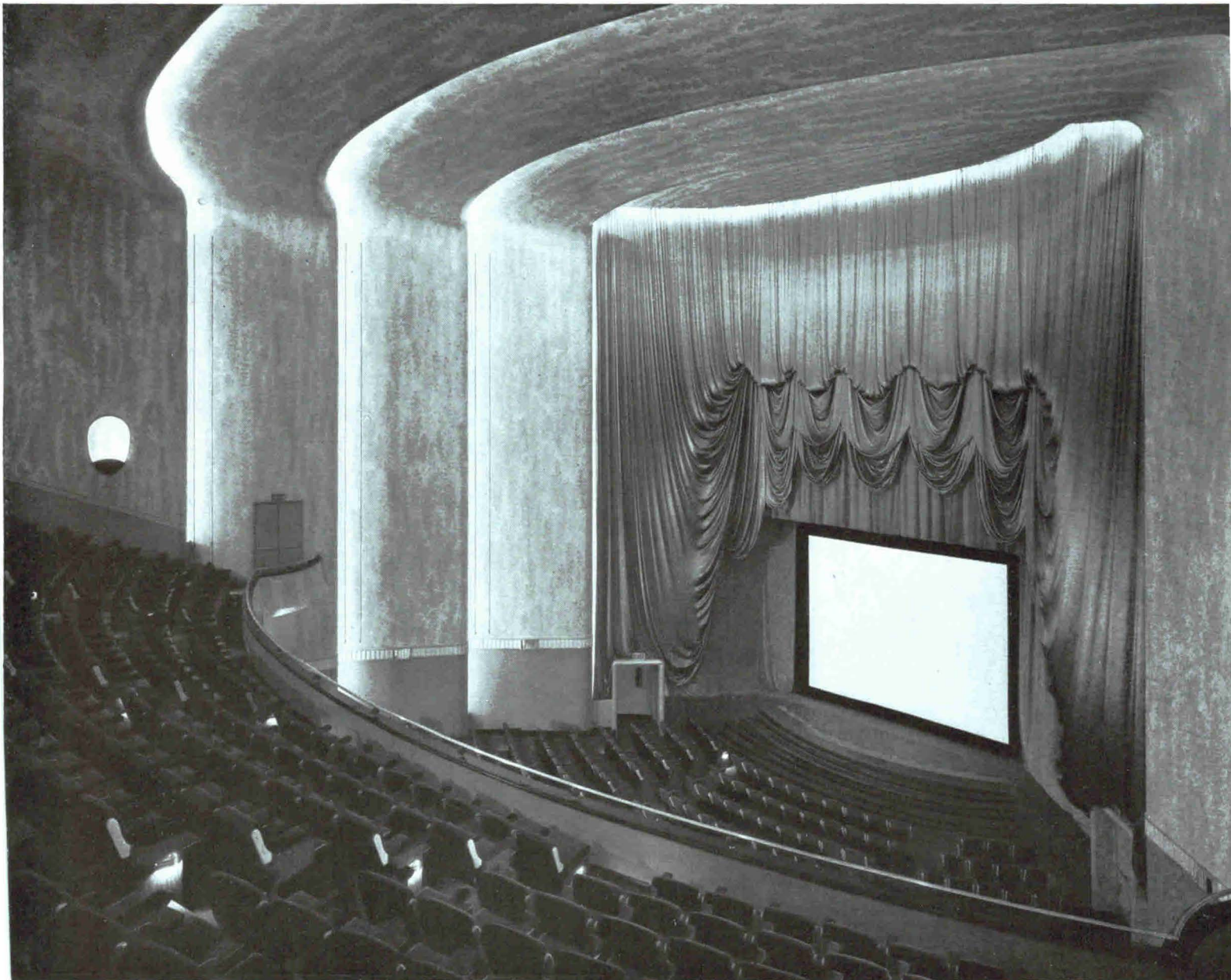


THE FOYER. To the second and third aisles or the ladies' lounge.

AUDITORIUM walls and ceiling in turquoise blue, textured with all-over stencil because acoustical treatment is located at odd points due to balcony shape and desire to reproduce wide frequency range in sound. Lack of other decorative treatment eliminates scale comparisons with picture. Proscenium is forgotten, since patrons are within it. "Waterfall" curtain is cedar-colored silk.



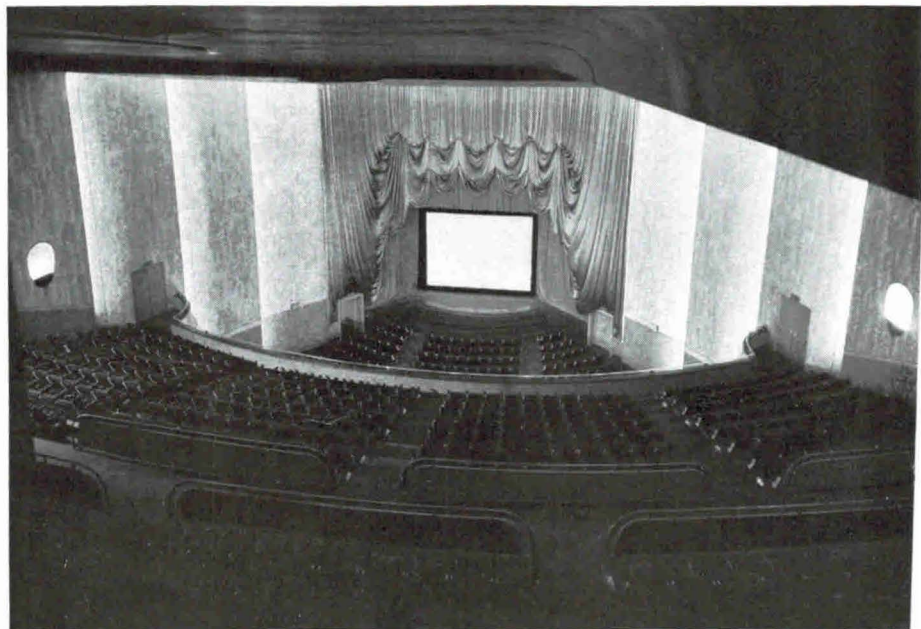
SEATS that push back easily so that there's room to pass

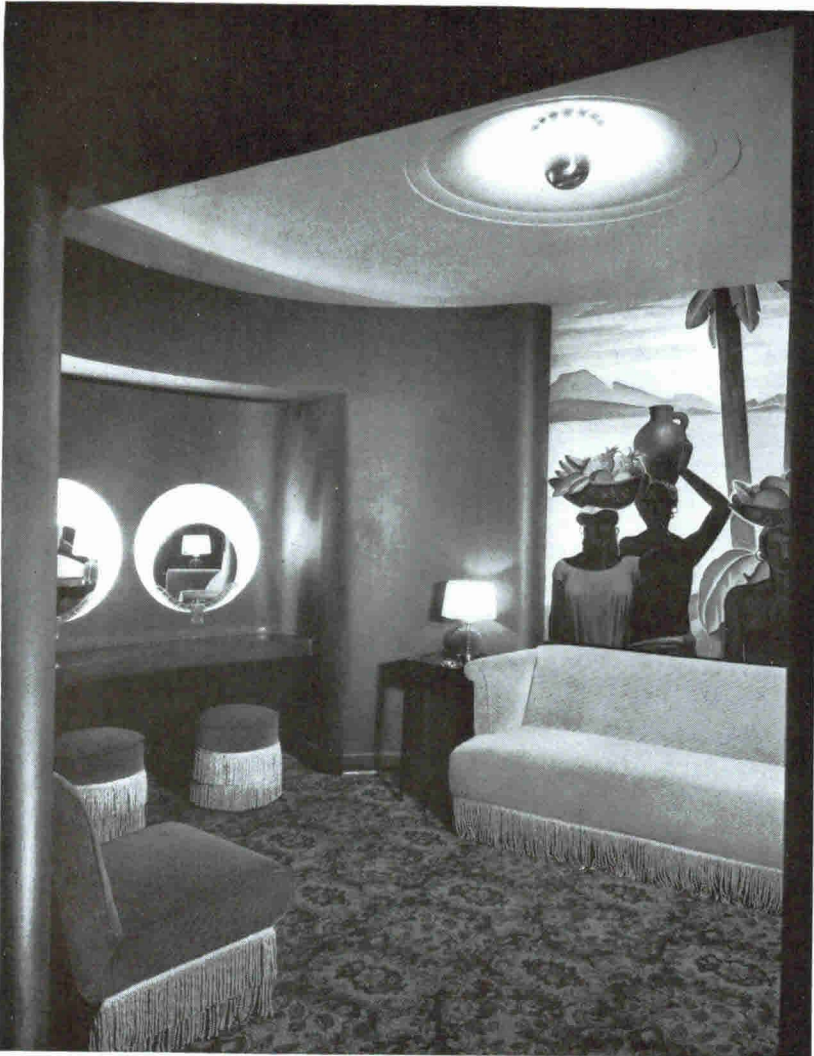




THE BALCONY SOFFIT is sloped for sound purposes, and the walls below are a series of angles to break up sound reflection.

FROM THE BOOTH porthole which, as shown on the balcony plan, is at one side of the balcony. The fact that the balcony is unsymmetrical is unimportant.





MEN'S ROOM: larger because the smoking room is omitted. So are intermissions in the motion picture theater.

THE LADIES' LOUNGE: slate-colored walls, beige ceiling, brown to white carpet, furniture fawn and copper.



LITTLE GALLERY: for art exhibits, matinee tea, conversation in privacy.



CONSTRUCTION OUTLINE

FOUNDATIONS: Reinforced concrete. Waterproofing—Waterproofing Co. of America. **STRUCTURE:** Exterior walls—select matched Rainbow granite, Cold Spring Granite Co.; face and special radial brick, smooth gray manganese brick, Claycraft Co.; Granidur coping and belt course; common brick back-up and secondary walls. Interior partitions—clay tile, National Fireproofing Corp. Glass block—Owens-Illinois Glass Co.; Structural steel—Bethlehem Steel Co.; reinforced concrete floor slabs; plaster walls; suspended metal lath and plaster ceilings. **ROOF:** Poured gypsum on gypsum board, Lathrop-Hoge Gypsum Construction Co.; 1 in. Celotex insulation, Celotex Co.; 3-ply composition roof, Johns-Manville Co. **SHEET METAL WORK:** Flashing—galvanized iron. **INSULATION:** Foyer ceiling and rear of auditorium—Kalite, U. S. Gypsum Co. Stage walls—1 in. Spray-O-Flake, Spray-O-Flake Co. Balcony walls—Acoustone, U. S. Gypsum Co. **FLOOR COVERINGS:** All public spaces—Lok-weave broadloom and Looptuft Lok-weave, Bigelow-Sanford Carpet Co.; Ozite padding on floors, Clinton Carpet Co.; rubber padding on stairs; linoleum in projection room; corrugated rubber mats in vestibules by B. F. Good-

rich Co.; ceramic tile in lavatories, Robertson Art Tile Co.; terrazzo borders in vestibules. **TRIM:** Interior—Honduras mahogany flush panel doors and trim; hollow metal flush panel doors and frames, Variety Fire Door Co. Entrance doors and frames, display cases and miscellaneous trim—aluminum. Exterior—Alumilite, Aluminum Corp. of America, Johnson-Meier Co. fabricators. **HARDWARE:** Concealed closers and floor hinges—Oscar C. Rixson Co. Door closers—Norton Door Closer Co. Lock sets—Reading Hardware Corp. Butts—Lawrence Bros. Panic devices—Von Duprin, Vonnegut Hardware Co. Door holding devices—Glynn-Johnson Co. Push and pull bars—special design of aluminum with plastic inserts. **PAINTING:** Interior and exterior—Great Western Paint Co. Wall fabrics—Maharam Fabric Co. Wall veneers—Smith Veneer Co. **ELECTRICAL INSTALLATION:** Wiring system—3 phase, 4 wire. Main switch—I.T.E. circuit breaker. Exit system—Philco batteries, Philco Radio & Television Corp. Flood lights and dimmers—Major Equipment Co. Lighting fixtures—Belson Mfg. Co. Special lighting fixtures—L. A. Pereira & Co. Street lights—Revere Electric Co. Wire and cable—Habirshaw Cable & Wire Corp. Conduit—National

Electric Products Co. Starters—Cutler Hammer Co. Receptacles and switches—Harvey Hubbell Co. Intercommunicating phone system—S. H. Couch Co. **PLUMBING:** Fixtures—Weil-McLain Co. Drinking fountains—Halsey Taylor. Faucets—Chicago Faucet Co. Bilge pump—Weil Pump Co. **HEATING AND AIR CONDITIONING:** Overhead plaque distribution with floor returns; air distribution in lobby through Anemostats, Anemostat Corp. of America. Two pipe low pressure steam system, Kewanee boilers, Trane coils, Weil-McLain radiators, Enterprise oil burner; condensation pump, Chicago Pump Co.; temperature control system—electric, Minneapolis-Honeywell Co. Refrigeration—Westinghouse multiple unit compressors; fans—Clarage Fan Co.; air filters—Wilson & Co. **SPECIAL EQUIPMENT:** Ticket and change machine—Johnson Fare Box Co. Projection equipment—Motiograph Co. Copper oxide rectifiers and projection lamps—Brenkert Light Projection Co. Sound equipment—R. C. A. Mfg. Co., Inc. Sound system for lobbies and public spaces—Webster Electric Co. Seats—push back type, Kroehler Co. Lobby furniture—Davidson, Ltd.

HOME BUILDING CENTER

NEW YORK WORLD'S FAIR 1939

This exclusive presentation of the Home Building Center of the 1939 New York World's Fair has been authorized by the Fair's President, Mr. Grover A. Whalen, and has been worked out with the cooperation of Mr. Stephen F. Voorhees, Chairman of the Board of Design, and the following Fair executives responsible for the Shelter Section: Mr. Robert D. Kohn of the Board of Design; Mr. Maurice Mermey, Director of Exhibits and Concessions; Mr. C. Stanley Taylor, Director of Shelter Exhibits; Mr. Otto Teegen, Coordinating Architect for the Demonstration Homes and Domestic Utilities Building. The plans and designs for the twenty-one houses will be given further, extensive study before construction.

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Grover A. Whalen, President of the New York World's Fair 1939, has just announced final plans for the Home Building Center, including the Town of Tomorrow. On or about April 30, 1939, when the Fair is opened, it will include the most comprehensive home show ever held.

The Home Building Center is to consist of (1) the Town of Tomorrow, a community of 21 houses and the Domestic Utilities Building, (2) a Home Building Products Exhibition Building, (3) a Home Furnishings and Decoration Building, (4) a Community Arts Building. Immediately adjacent to (1) will be an electric farm, showing the application of technical developments to the farm.

The Town of Tomorrow will have a number of special features. A separate admission fee will be charged to restrict attendance to those genuinely interested in home building or modernization. These visitors will be given a general directory with a plan and a list of participating manufacturers, and supplementary directories will be available at each demonstration house and in the Domestic Utilities Building. An unusual feature of the houses will be that one ground floor room in each will contain an exhibit of the "hidden" materials which have been used in that particular house. Full-size sections and models will be shown, and will be supplemented by cutout sections of walls, roofs, and floors. The Domestic Utilities Building, which forms part of the Town of Tomorrow, is illustrated and described on page 286.

For manufacturers' participation it has been necessary to establish a special schedule of charges. The square foot rental system which obtains in the Fair-built buildings has been replaced by a unit charge. For instance, a manufacturer of roofing materials may install his material

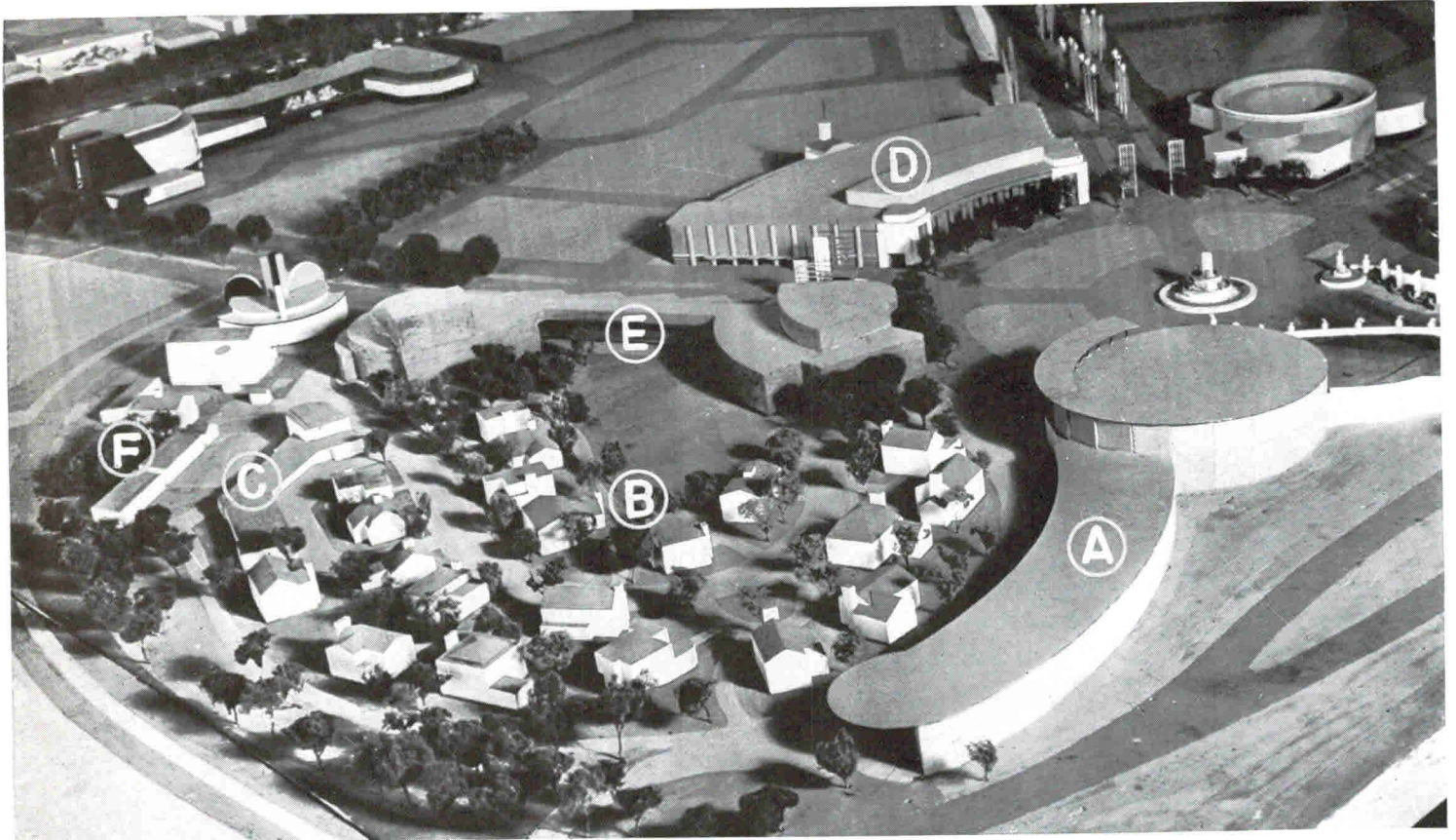
on any one of the demonstration houses by payment of a fixed price of \$2,500, of which 10 per cent will be allowed toward the cost of application. All materials will be delivered by participants to the Fair grounds. Construction will be carried out by a special department of the Construction Division of the Fair. In most instances the allowance made for labor will cover installation costs; where it is inadequate the manufacturer will be billed for the excess labor required.

Units of participation have been carefully developed to include natural divisions of materials, equipment, and special structural systems. A complete price guide for participation is available on application to the Home Building Center of the World's Fair. Arrangements for special types of participation can also be made through communication with this division of the Fair. Manufacturers interested in participation are urged to make early inquiry because a large proportion of the available units have already been scheduled.

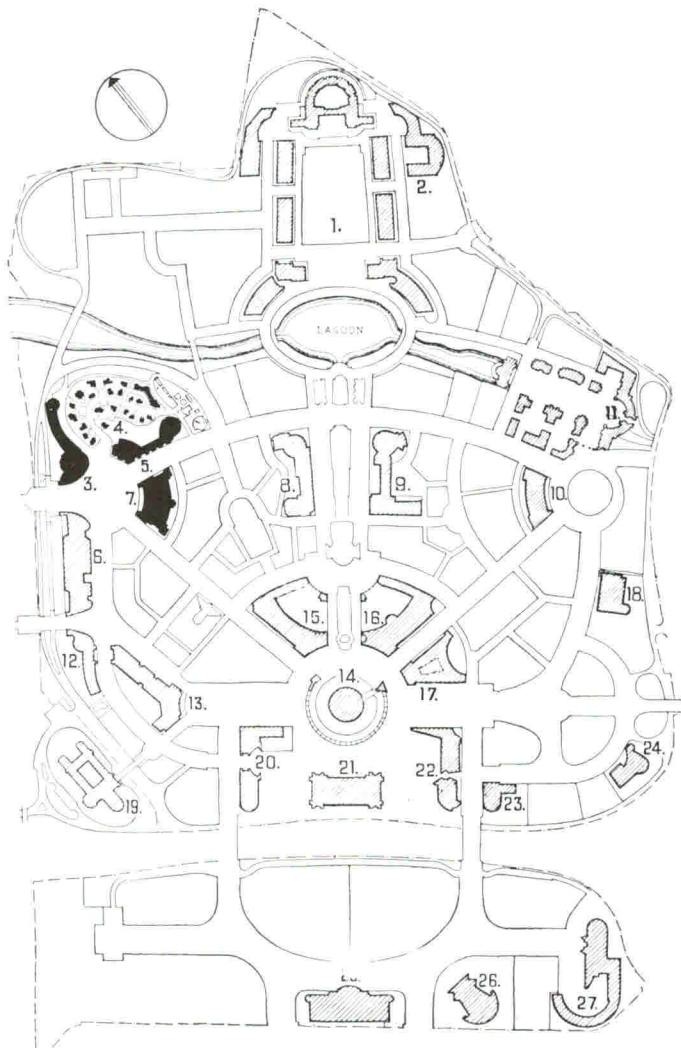
The history of the Home Building Center, now approaching final form, dates back to the spring of 1937, when preliminary plans were discussed with manufacturers and tentative sketches were prepared. By fall of that year work had progressed to a point where the Town of Tomorrow could be announced. Five months later all architectural appointments had been made and the project began to take definite shape. The results of a year's planning by the architects, Fair executives, Board of Design, and interested manufacturers—a preview of the Home Building Center—appear on the following pages.

C. STANLEY TAYLOR
Director of Shelter Exhibits

SHELTER ADVISORY COMMITTEE: Lewis H. Brown, chairman, Cornelius F. Kelley, Charles G. Meyer, Percy S. Straus, Gerard Swope, Clarence M. Woolley, Floyd A. Carlisle.



A. Home Building Products Building. **B.** "The Town of Tomorrow," 21 demonstration homes. **C.** Domestic Utilities Building, a series of fully equipped modern basements. **D.** Furniture and Decorations Building. **E.** Community Arts Building. **F.** The Electric Farm group.



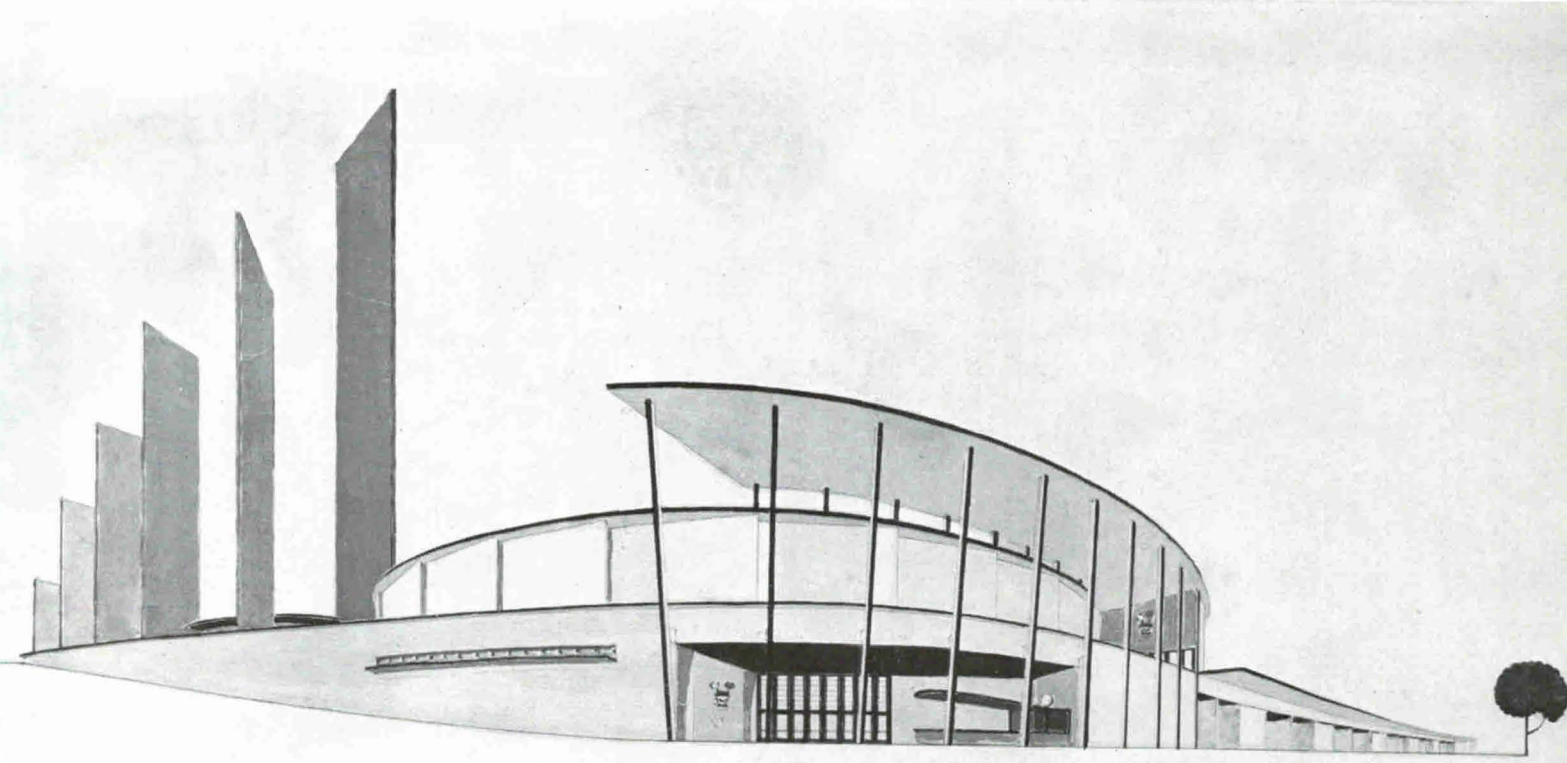
PLOT PLAN

SCALE IN FEET
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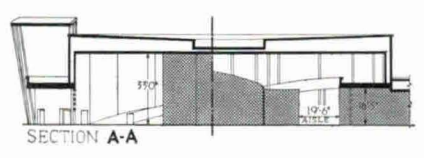
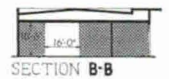
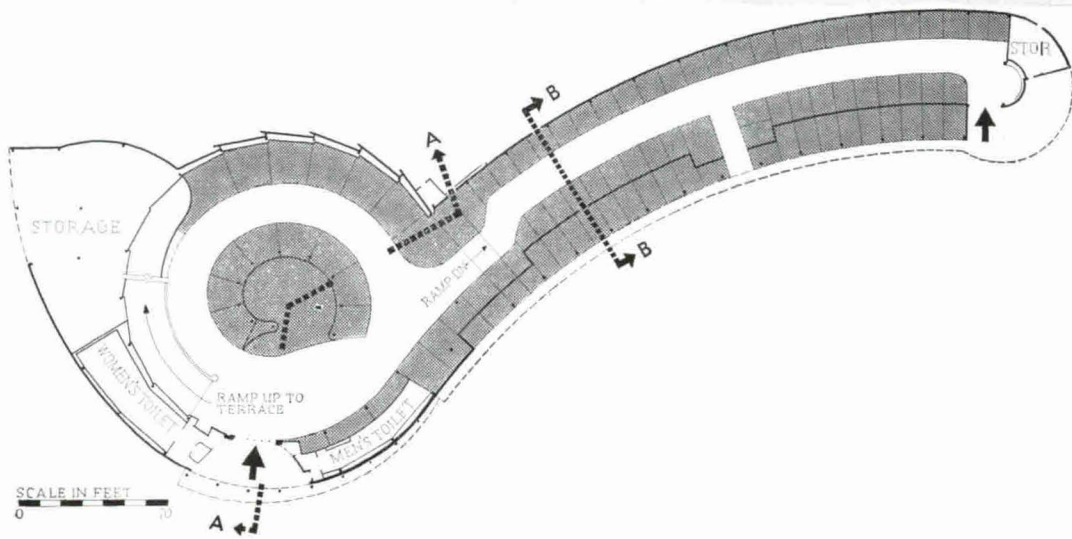
GENERAL PLAN

- 1, Federal Government 2, Pan American Wing 3, Building Materials 4, Town of Tomorrow 5, Community Arts 6, Textiles 7, Shelter 8, Food 9, Fisheries 10, Food 11, State Government Exhibits 12, Cosmetics 13, Communications 14, Theme Building 15, Medical and Health 16, Consumers 17, Mining and Metallurgy 18, Chemicals and Plastics 19, Administration 20, Business Administration 21, New York City 22, Distribution 23, Electrical Production 24, Sports 25, Motor 26, Aviation 27, Marine.

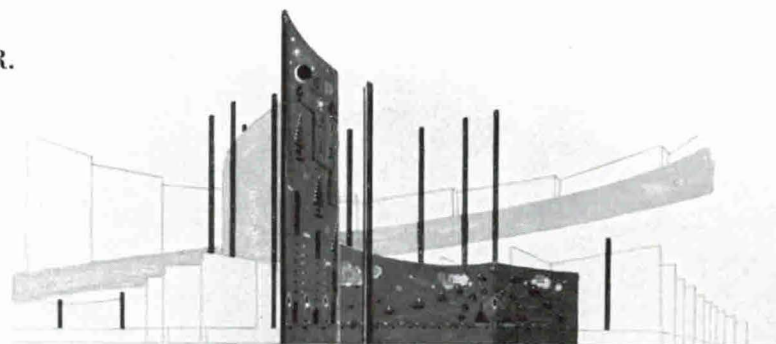
It is planned that the key exhibit in the Home Building Products Building—largest in the Home Building Center—shall include photographs, plans, and models, showing the entire field of modern residential design, from low cost projects up to the most luxurious types of houses and apartment buildings. The bulk of the space will be reserved primarily for manufacturers who are participating in the demonstration houses, and who wish to install booths in which their complete lines of products can be shown.



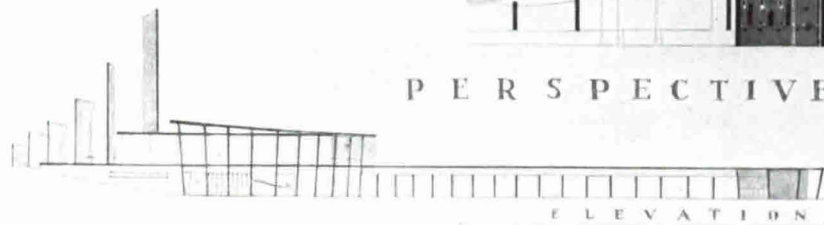
P E R S P E C T I V E V I E W F R O M P L A Z A I I I

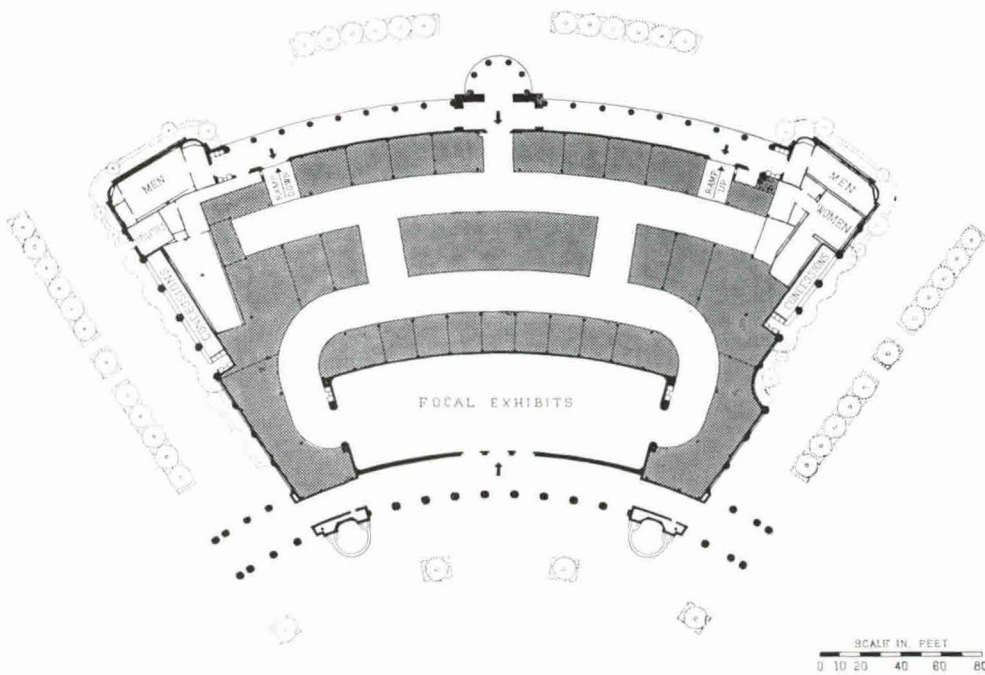
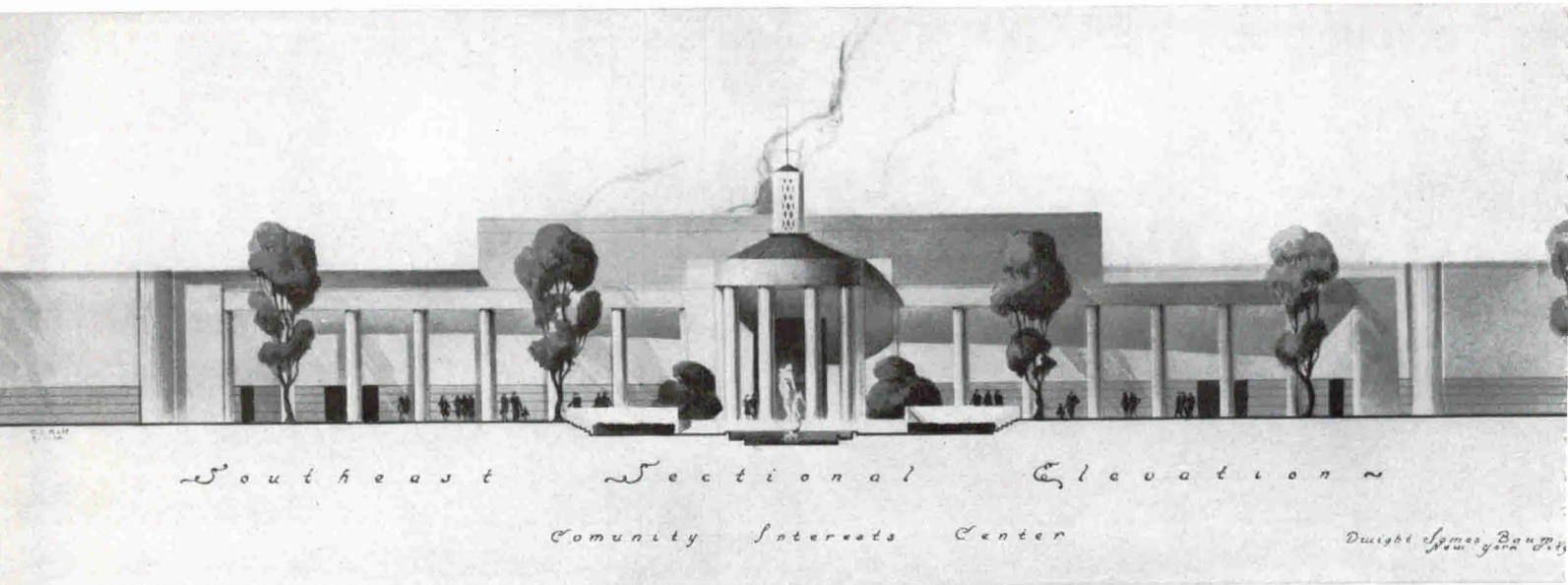


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 JEAN LABATUT; J. C. B. MOORE;
 STAMO PAPADAKI



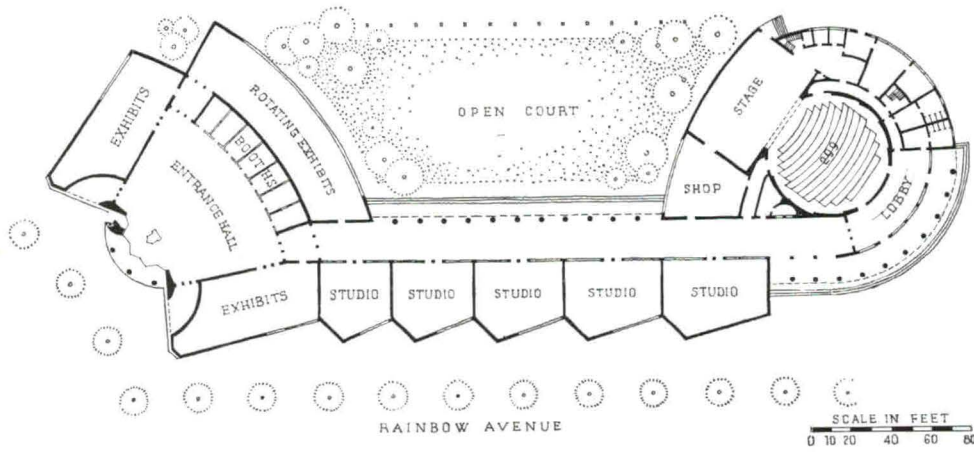
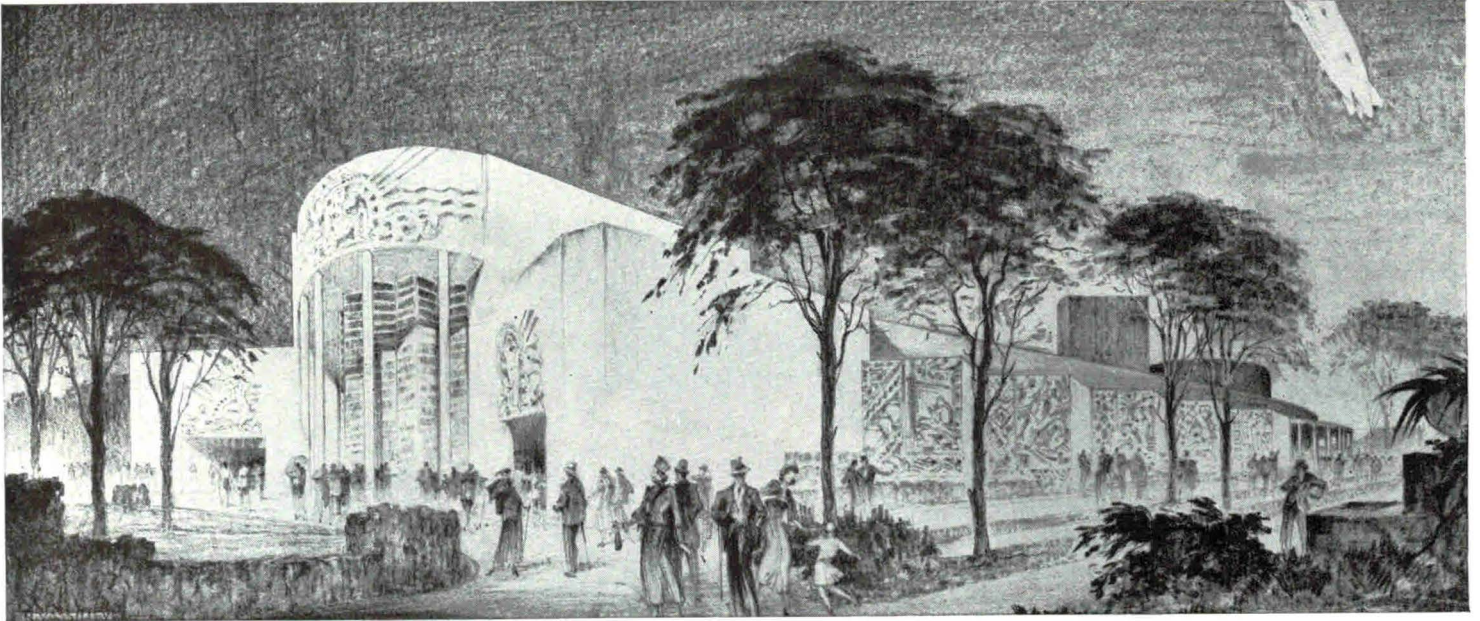
P E R S P E C T I V E O F I N T E R I O R





DWIGHT JAMES BAUM, ARCHITECT

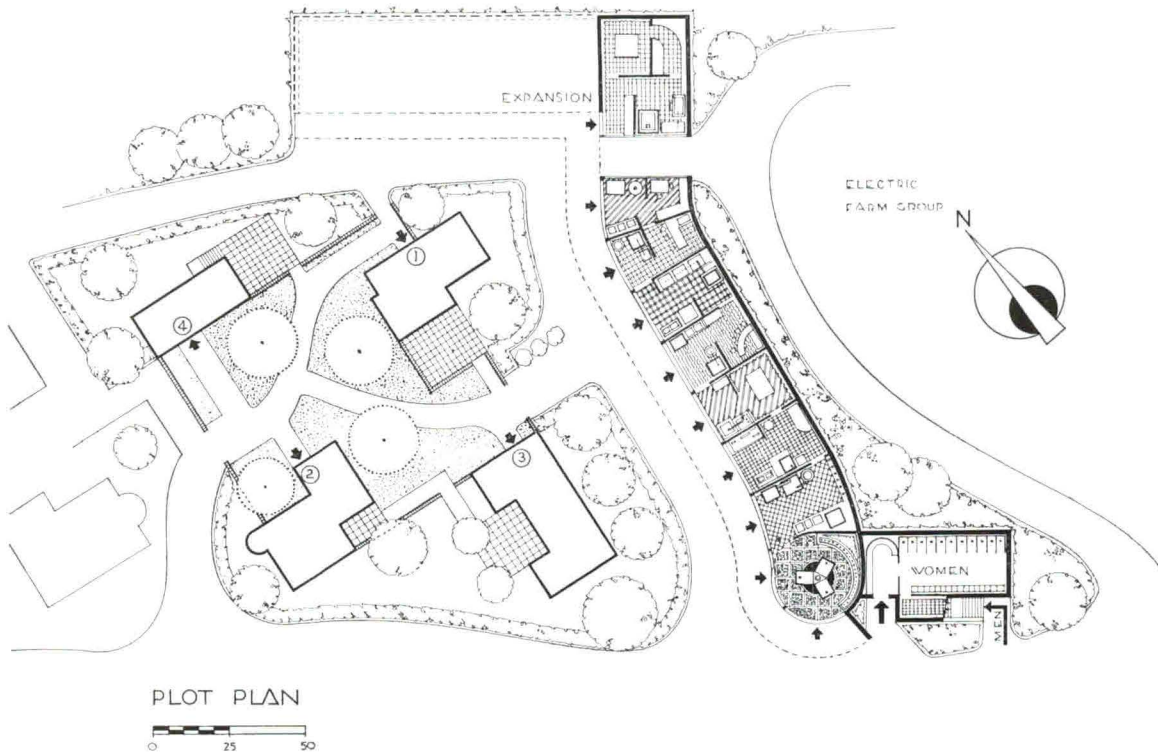
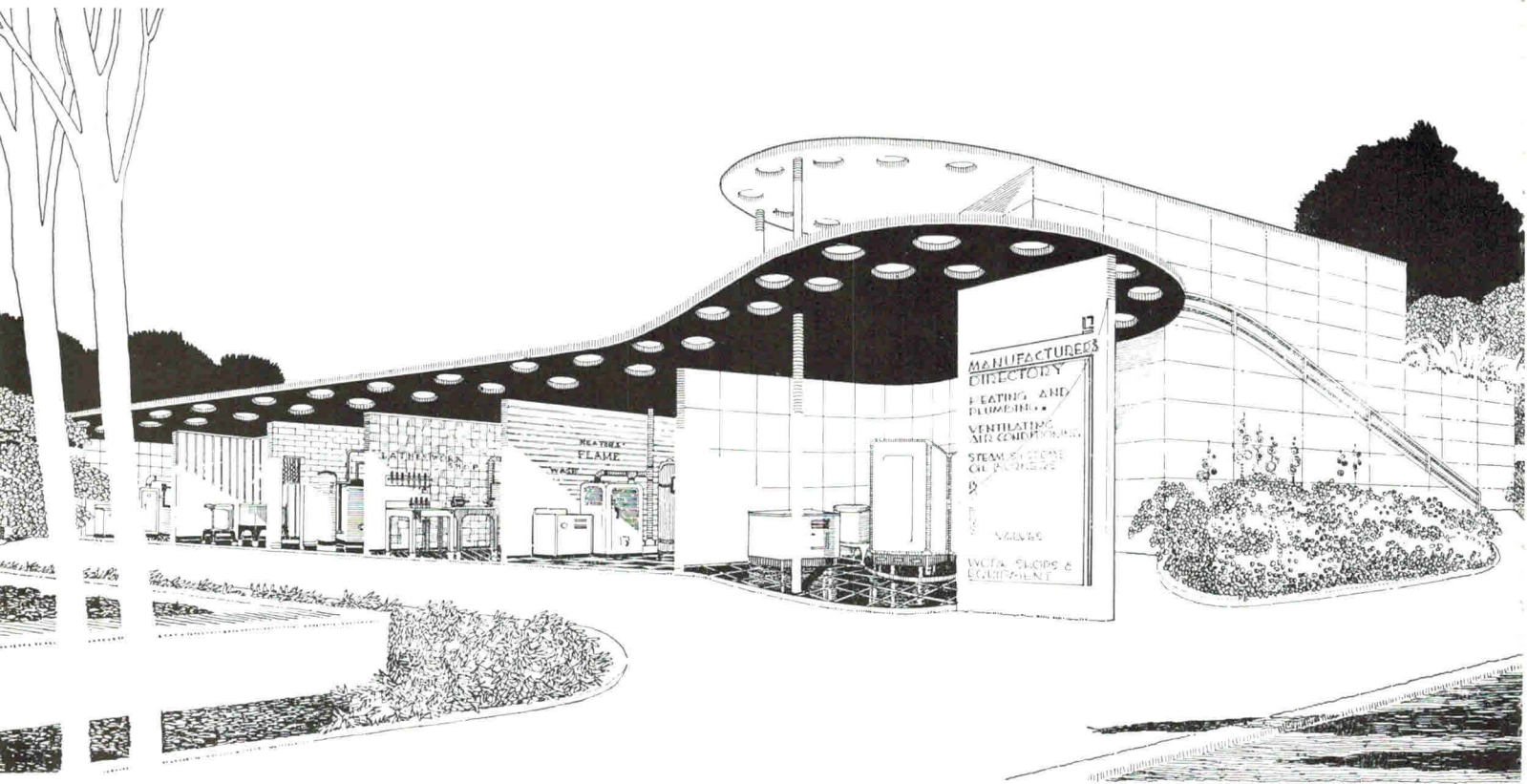
The Home Furnishings and Decoration Building will house a dual exhibit: the so-called "theme" display of home furnishings, decoration, and household utilities, and booths rented by various manufacturers for the showing of specific lines of furniture, fabrics, accessories, etc. One of the largest structures in the Home Building Center, it indicates the extent of the efforts to provide a complete house exhibit.



ARCHITECTS:
 FREDERICK L. ACKERMAN; JOSHUA LOWENFISH;
 JOHN V. VAN PELT

The Community Arts Center is planned as a model of what a reasonably large community might build to bring together all of those arts and crafts in which amateur participation is practicable. Little space in the building will be sold. It is planned to show the various studios in use, thus providing a concrete demonstration of methods and techniques. Two galleries will contain changing displays of machine-produced articles of everyday use. The theater is to be a working unit in which plays can be produced. Other exhibits provided for will include a model of a well-planned community, and models by the various museums of the city.

DOMESTIC UTILITIES BUILDING



ARCHITECTS:
HENRY S. CHURCHILL, A. LAWRENCE KOCHER;
LANDEFELD & HATCH

Between the electric farm group and the four lowest-priced houses is the Domestic Utilities Building, a series of open booths which will contain modern basements and utility rooms, each furnished with actively operating equipment. Emphasis will be varied, as in the programs of the adjoining houses, with laundries, workshops, recreation rooms, and heating plants as the features of the exhibits.

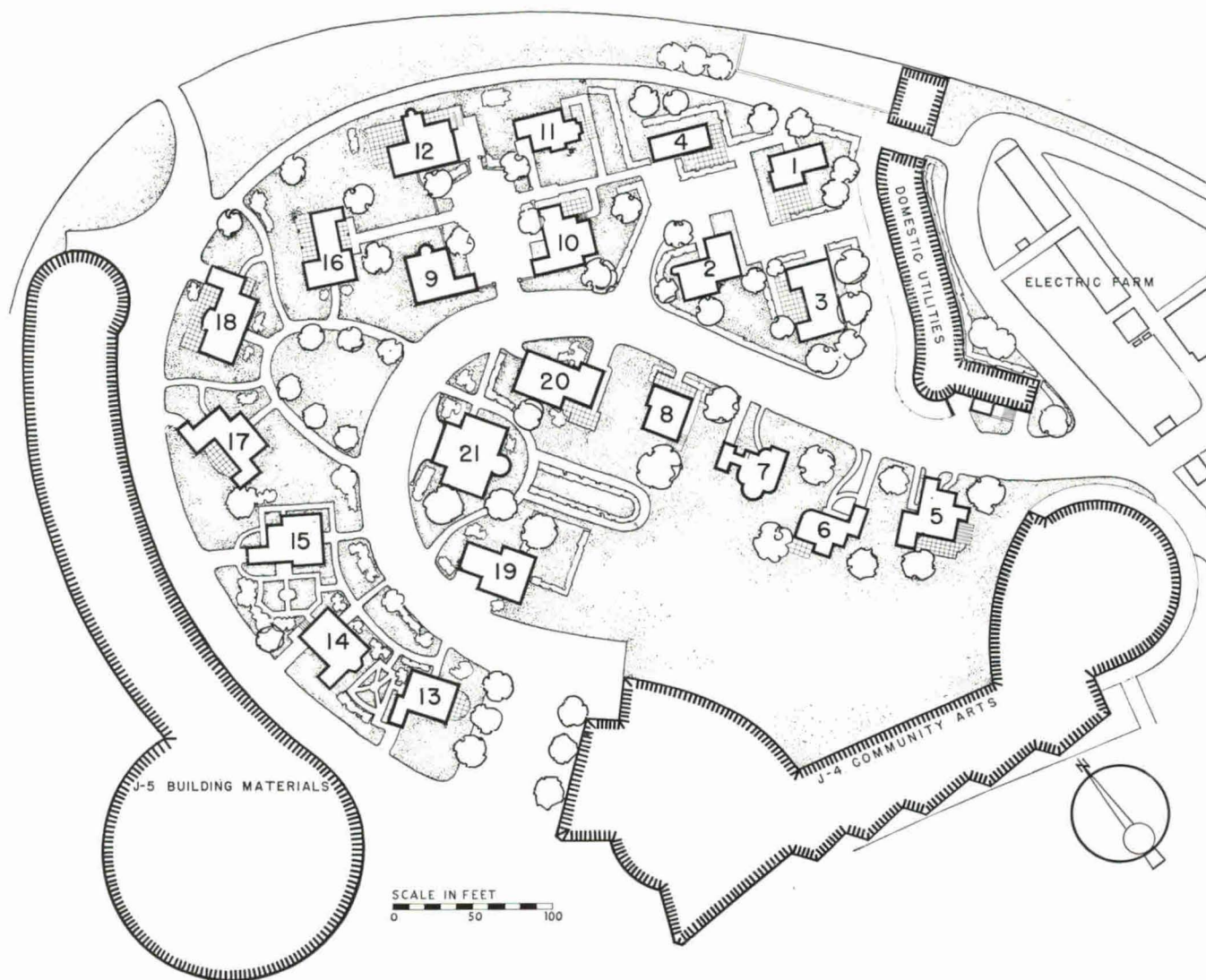
TOWN OF TOMORROW

ON the pages which follow are shown the 21 houses which make up the "Town of Tomorrow." Instructions to the architects stated that the houses "should not represent architecturally a variety of parts of our country, but that they should be consistent with the conditions of the Atlantic Coast States. This section as a whole should neither be traditional nor modernistic in design. It *should* be modern." The arrangement of these houses, as shown below, is not intended to represent a model neighborhood plan, as neither the circulation requirements nor the available ground area make it possible. The houses have been placed in six groups, with three or four to a group, each division covering a part of the price range of approximately \$3,000 to \$18,000. This procedure, it was believed, would enable the architects in the various groups to compose their houses with some distinction and to study the planting in a more comprehensive manner.

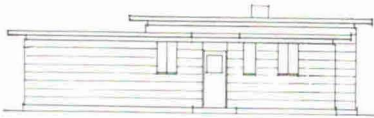
To further coordinate the planning, each architect was given information on the facing materials desired, the nature and

requirements of the hypothetical family for whom the house was being designed, and the special feature to be emphasized. The next step in the development of the houses will come when participation by manufacturers has been sold, at which time the architects will be presented with a final list of the products to be incorporated in the houses. On approval of the revisions, the architects will proceed with working drawings, details, and a brief specification. Complete specifications will be prepared by the New York World's Fair, which will also build the houses with its own construction force, and superintend the work. Construction, it is planned, will start at the beginning of the summer.

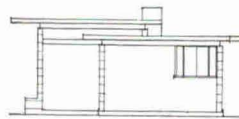
In studying these plans it should be realized that they represent only the *first* sketches of the houses that will actually be built, and the Board of Design wishes it clearly understood that this is a preview, not a presentation of the final plans of the houses in the "Town of Tomorrow." The following plans will be studied and revised thoroughly before they are approved and built.



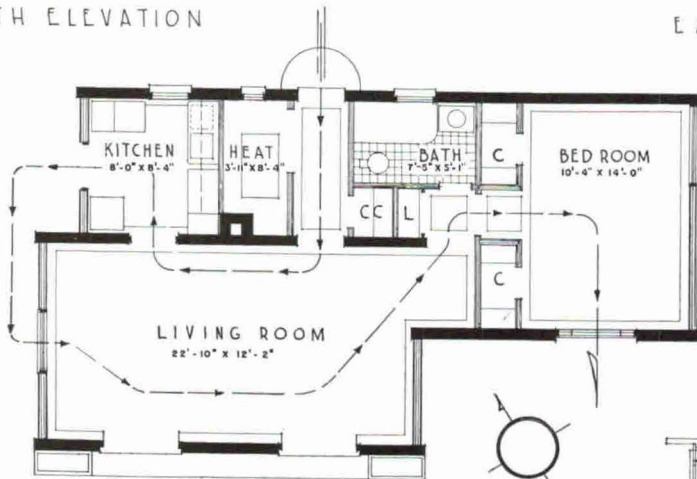
1. HENRY S. CHURCHILL, ARCHITECT



NORTH ELEVATION

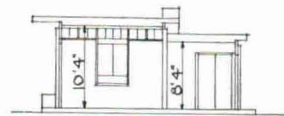


EAST ELEVATION



PLAN

SCALE 1/4" = 1'-0"

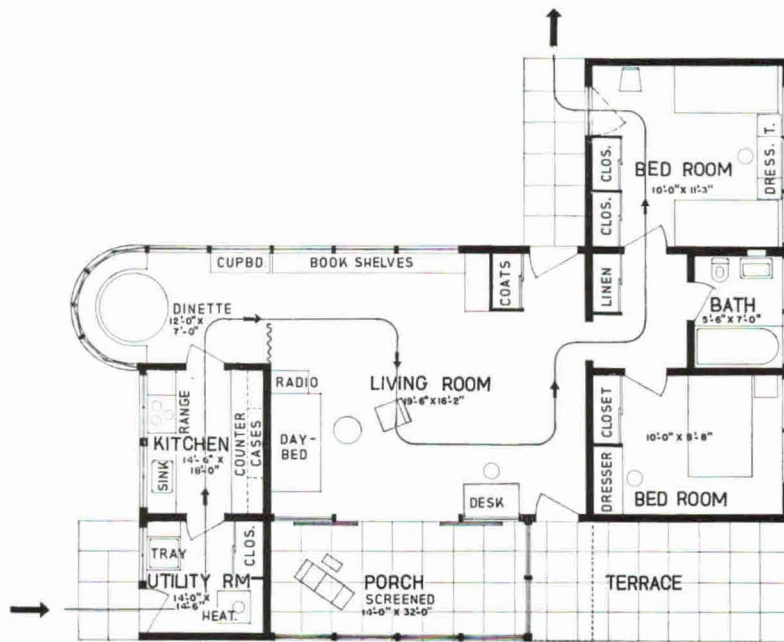
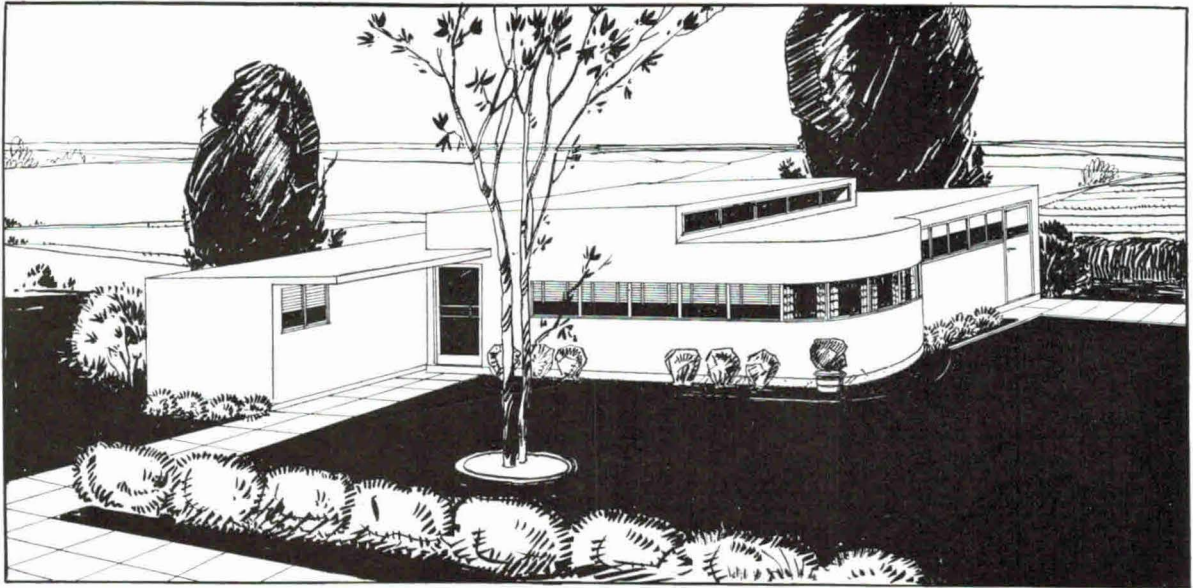


SECTION

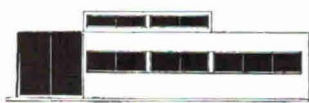
SUGGESTED MATERIALS: Exterior walls, wood shingles for siding (or other participations).

PLAN REQUIREMENTS: One story, no basement, no garage. Combination living-dining room, kitchen with laundry tubs, utility room with heater, one double bedroom, one bath.

CUBAGE (Approximate): 10,000 cu. ft.



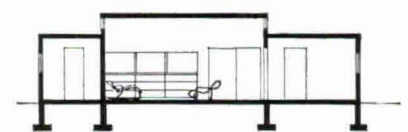
PLYWOOD HOUSE



EAST



SOUTH

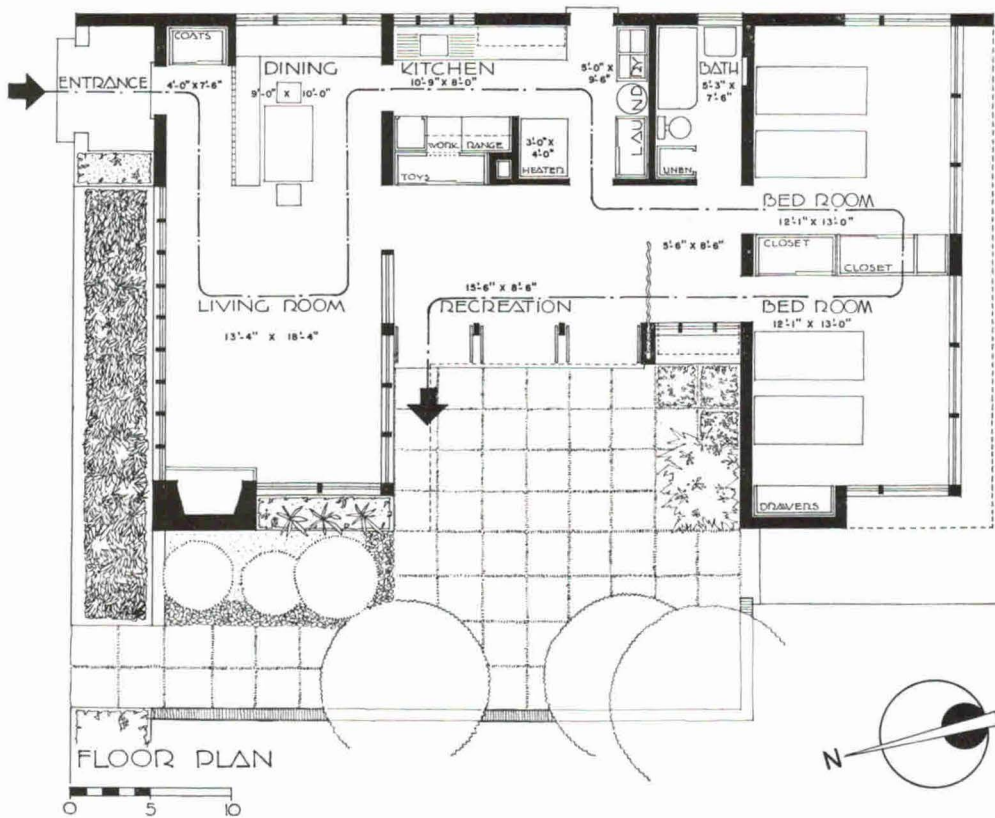
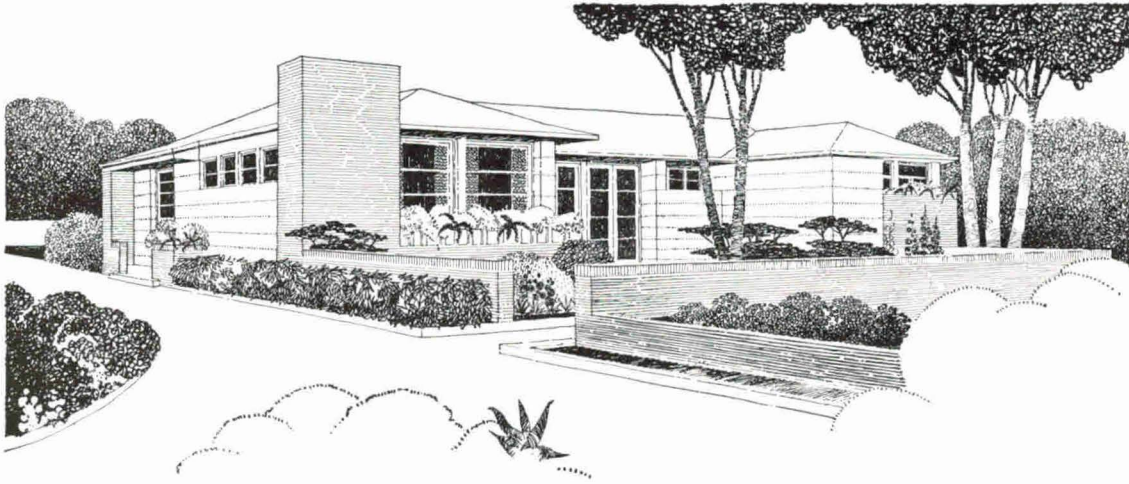


SECTION



SUGGESTED MATERIALS: Exterior walls, plywood; roof, built-up composition (or other participations).
PLAN REQUIREMENTS: One story, no basement, no garage. Living room, kitchen, dining space, utility room with laundry tubs and heater, one double bedroom, one single bedroom, one bath, small enclosed porch.
CUBAGE (Approximate): 12,000 cu. ft.

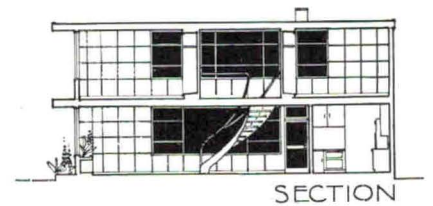
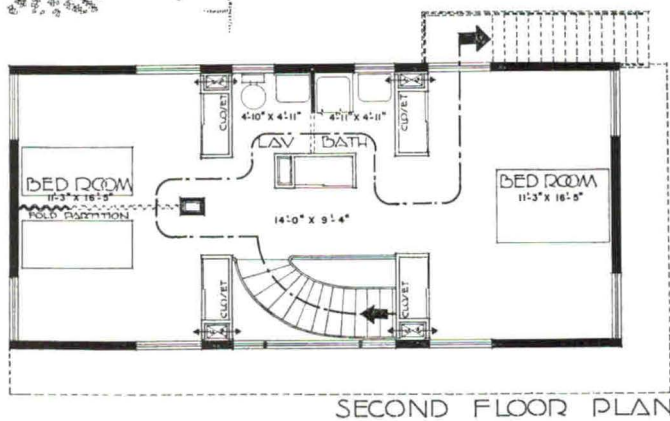
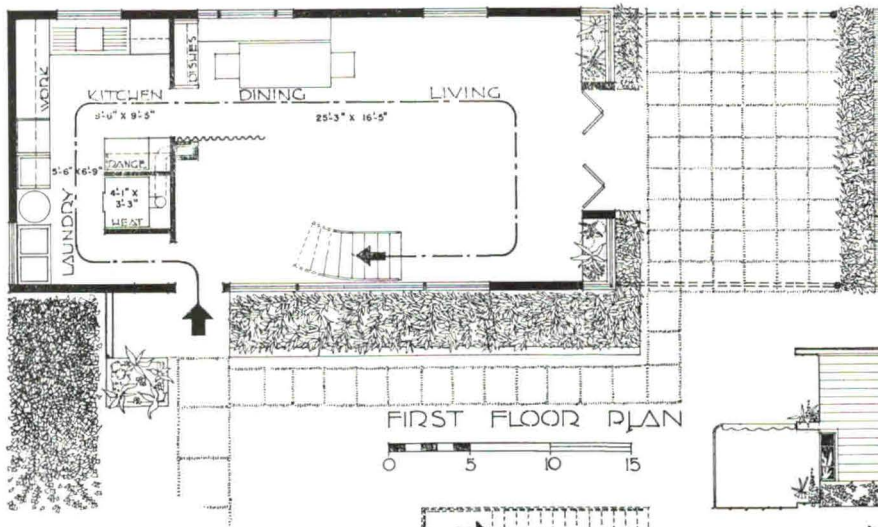
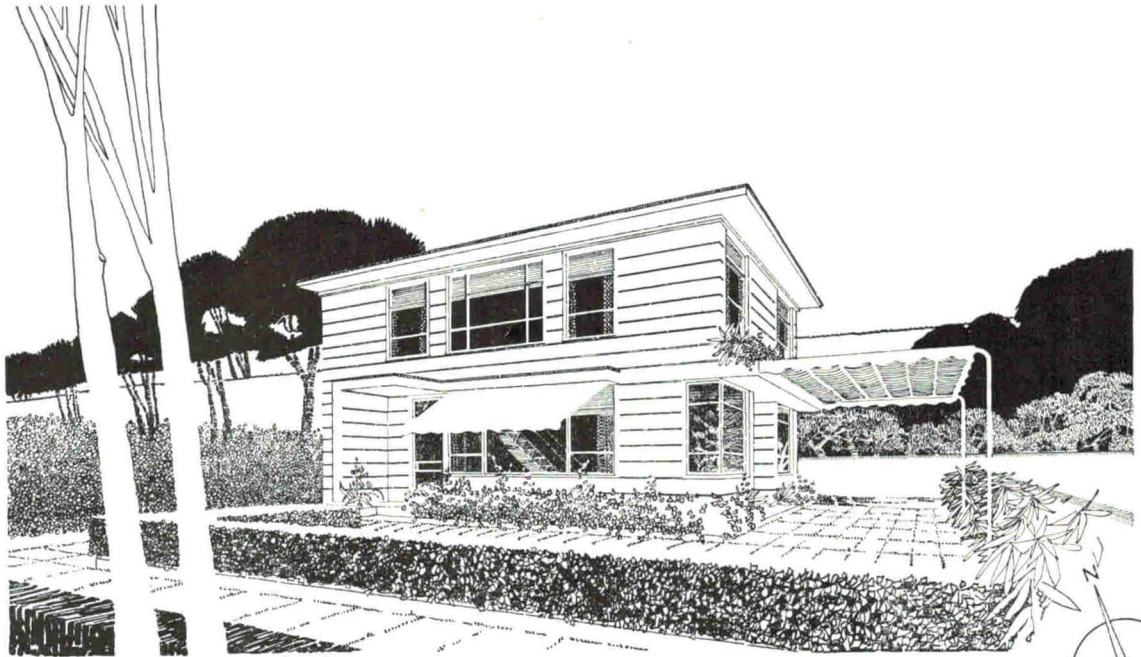
3. LANDEFELD & HATCH, ARCHITECTS



SUGGESTED MATERIALS: Exterior walls, wood siding; roof, composition shingles (or other participations).

PLAN REQUIREMENTS: One story, basement room for heater and recreation assumed. Living-dining room, kitchen with laundry tubs, two double bedrooms, one bath.

CUBAGE (Approximate): 16,000 cu. ft.

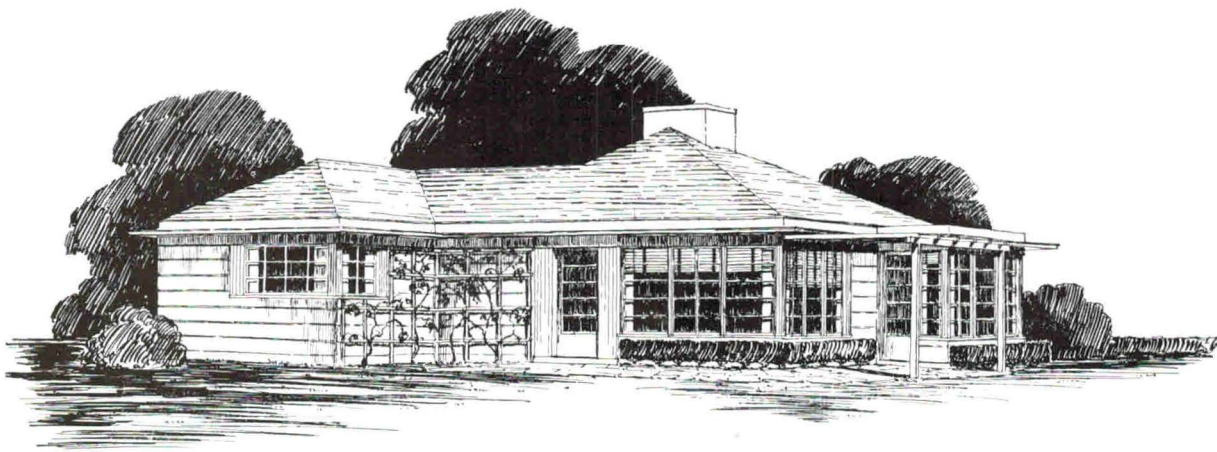


SUGGESTED MATERIALS: Exterior walls, flush siding (or other participations).

PLAN REQUIREMENTS: Two stories. Basement with heater and recreation room assumed. Combination living-dining room, kitchen, laundry, and heater space on first floor. Two bedrooms and bath on second floor.

CUBAGE (Approximate): 14,000 cu. ft.

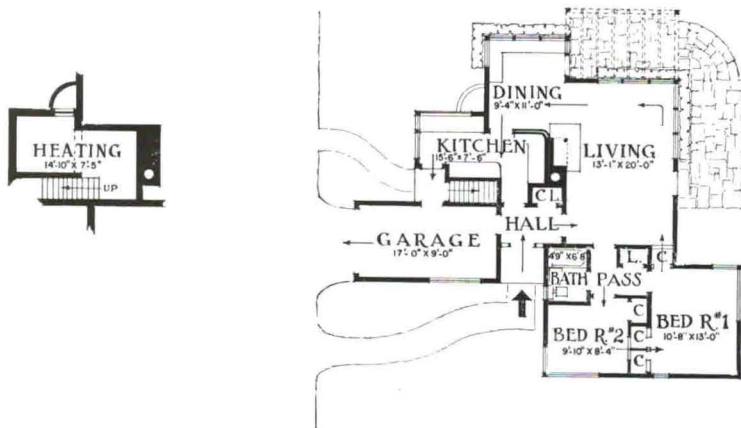
5. EVANS, MOORE & WOODBRIDGE, ARCHITECTS



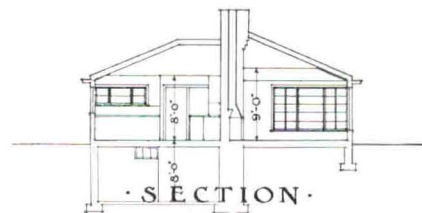
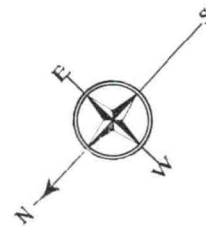
· N · W · ELEVATION ·



· S · W · ELEVATION ·



· P L A N ·

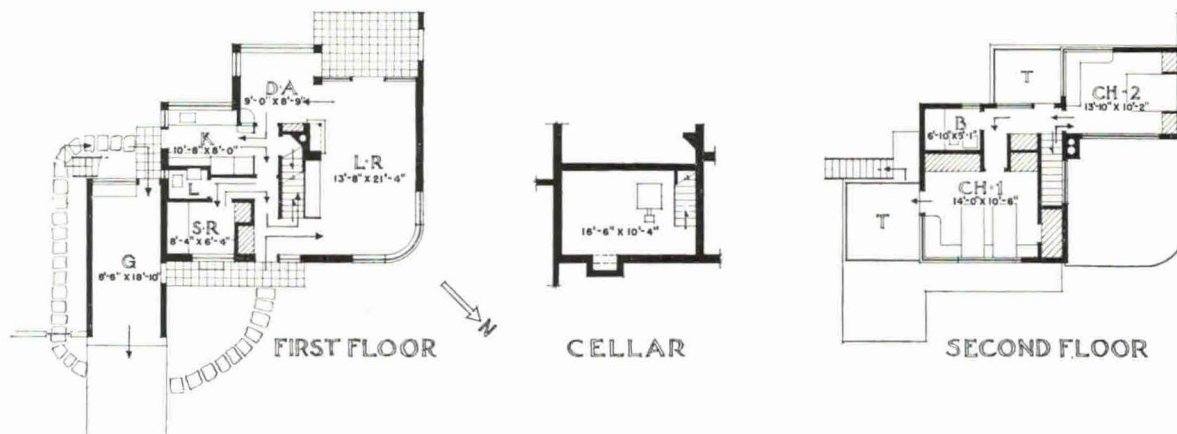
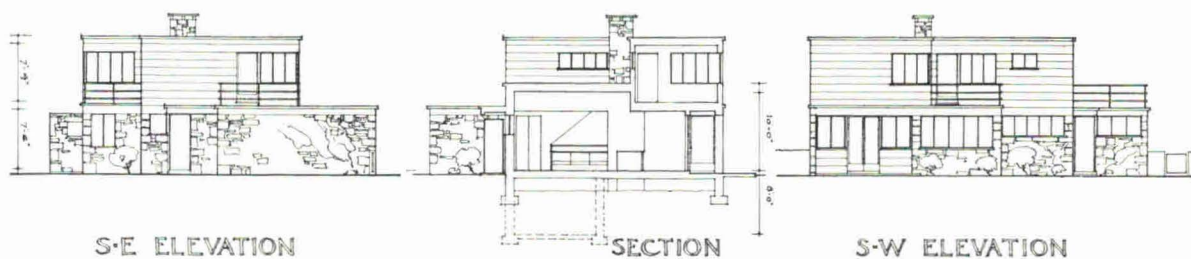
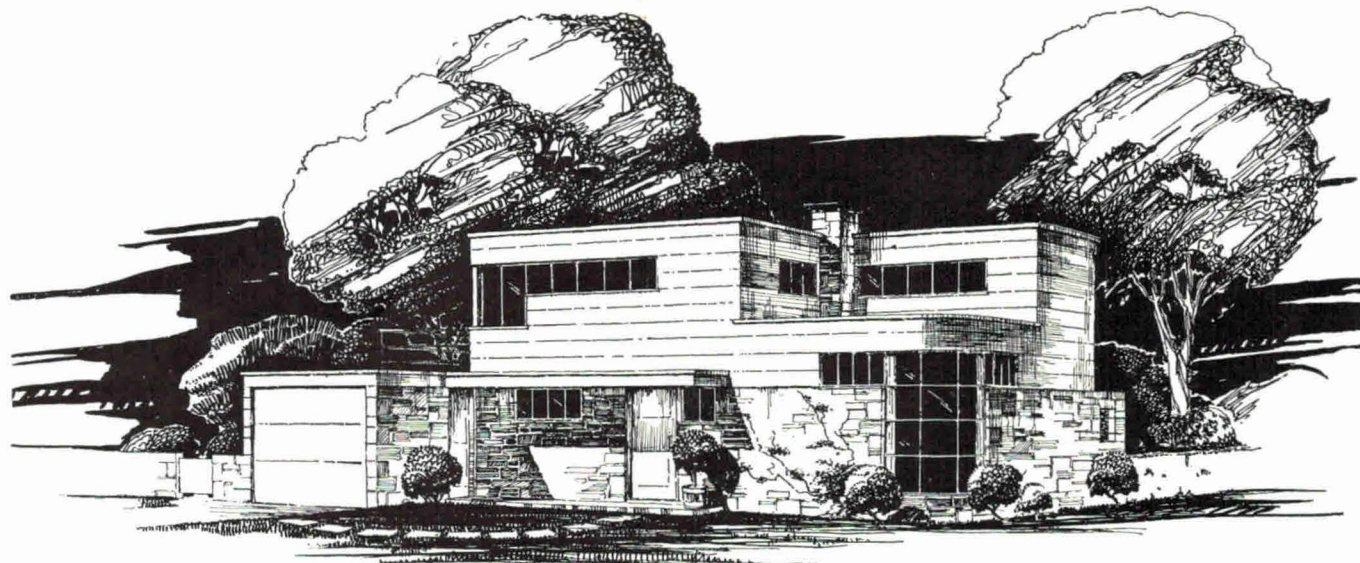


· S E C T I O N ·

SUGGESTED MATERIALS: Exterior walls, wood siding; roof, wood shingles (or other participations).

PLAN REQUIREMENTS: One story, with attic for storage. Small basement for heater. Living room, dining room opening into living room, kitchen, one-car garage attached, two bedrooms, one bath.

CUBAGE (Approximate): 17,500 cu. ft.



SUGGESTED MATERIALS: Exterior walls, stone and clapboard (or other participations).
PLAN REQUIREMENTS: Two stories, basement for heater, one-car garage. First floor: living room, dining alcove, kitchen, bedroom, and lavatory. Second floor: two bedrooms and bath.
CUBAGE (Approximate): 17,000 cu. ft.

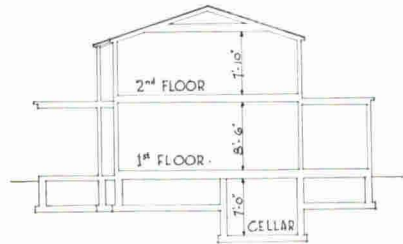
7. OLIVE F. TJADEN, ARCHITECT



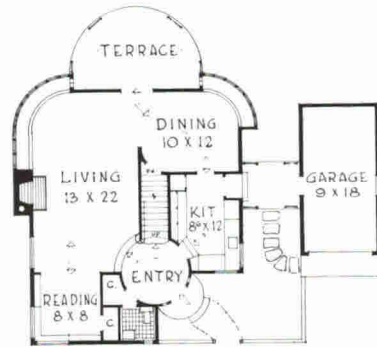
·SIDE ELEVATION·



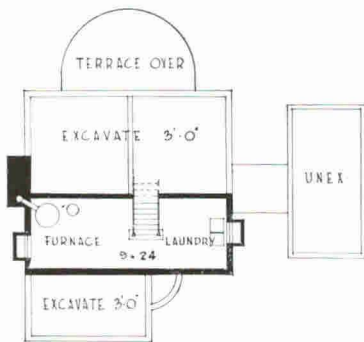
·REAR ELEVATION·



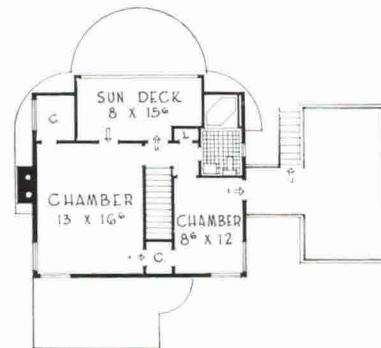
·SECTION·



·FIRST FLOOR

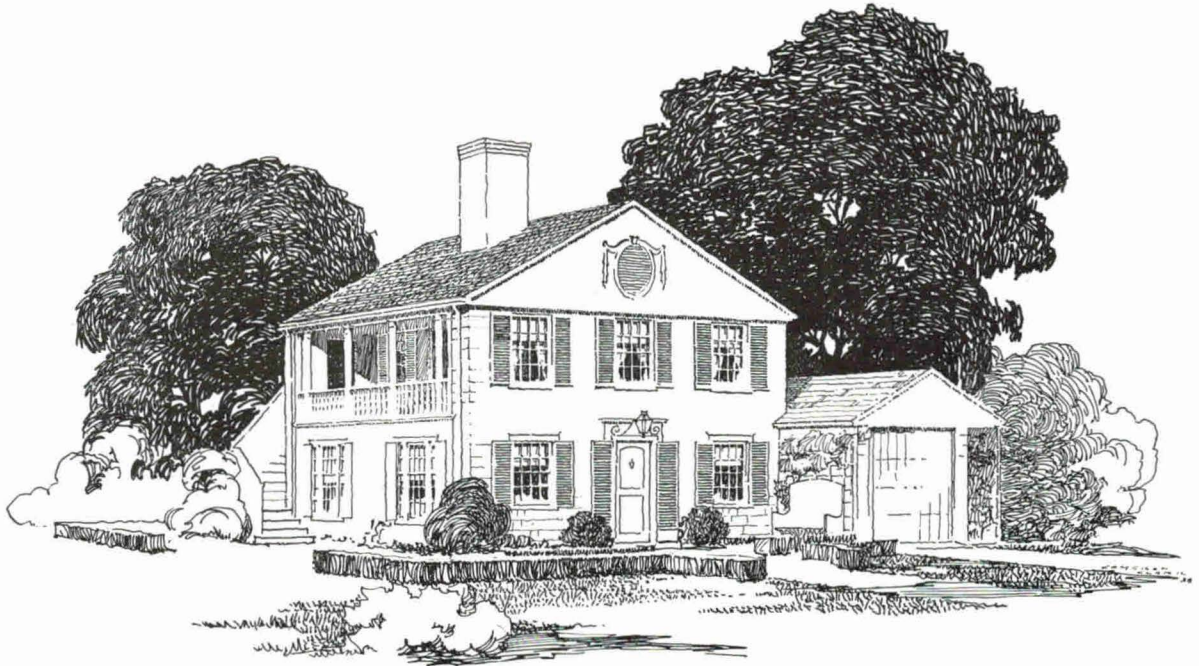


·CELLAR



·SECOND FLOOR·

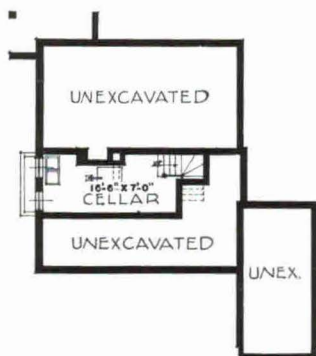
- SUGGESTED MATERIALS:** Exterior walls and roof, asbestos shingles (or other participations).
- PLAN REQUIREMENTS:** Two stories, basement for heater, one-car garage. First floor: living room, opening out on porch; dining room, kitchen. Second floor: two bedrooms, one bath.
- CUBAGE (Approximate):** 21,500 cu. ft.



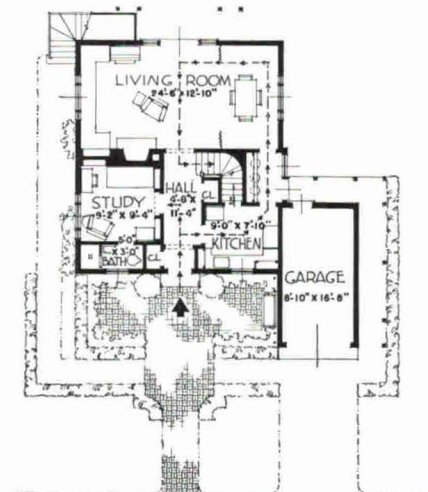
SECTION

SIDE ELEVATION

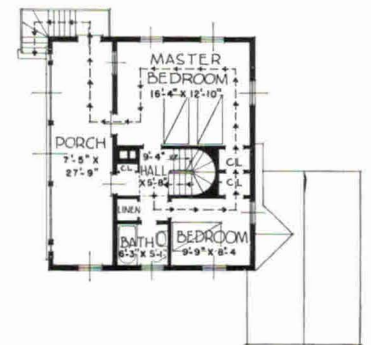
REAR ELEVATION



BASEMENT PLAN



FIRST FLOOR PLAN

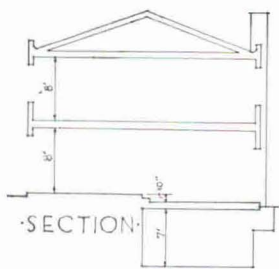


SECOND FLOOR PLAN

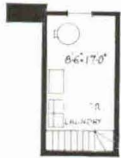


- SUGGESTED MATERIALS:** Exterior walls, shingle and flush siding; roof, wood shingles (or other participations).
- PLAN REQUIREMENTS:** Two stories, basement for heater and laundry, one-car garage attached. First floor: living-dining room, kitchen, library, lavatory. Second floor: two bedrooms and bath.
- CUBAGE (Approximate):** 20,000 cu. ft.

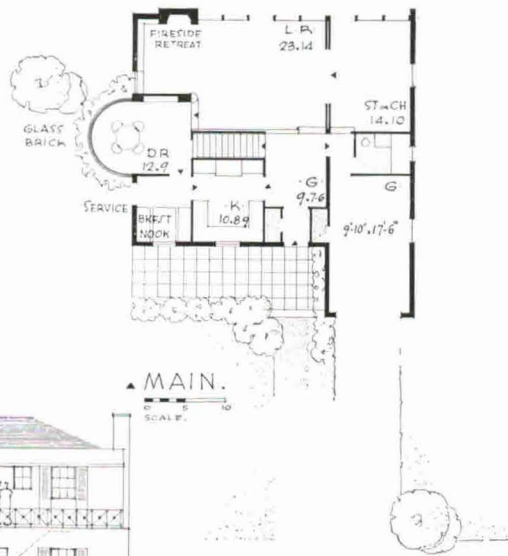
9. PHILIP BIRNBAUM, ARCHITECT



▲ LOWER.

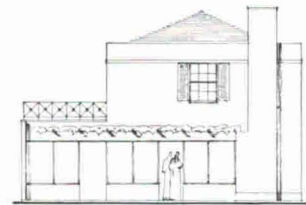


▲ SIDE.

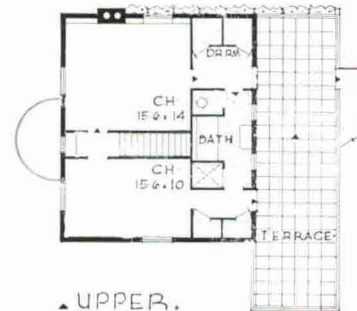


▲ MAIN.

SCALE 1/8" = 1'-0"



▲ GARDEN.

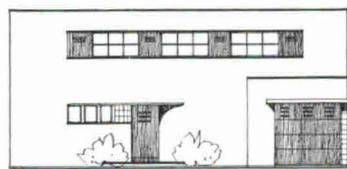
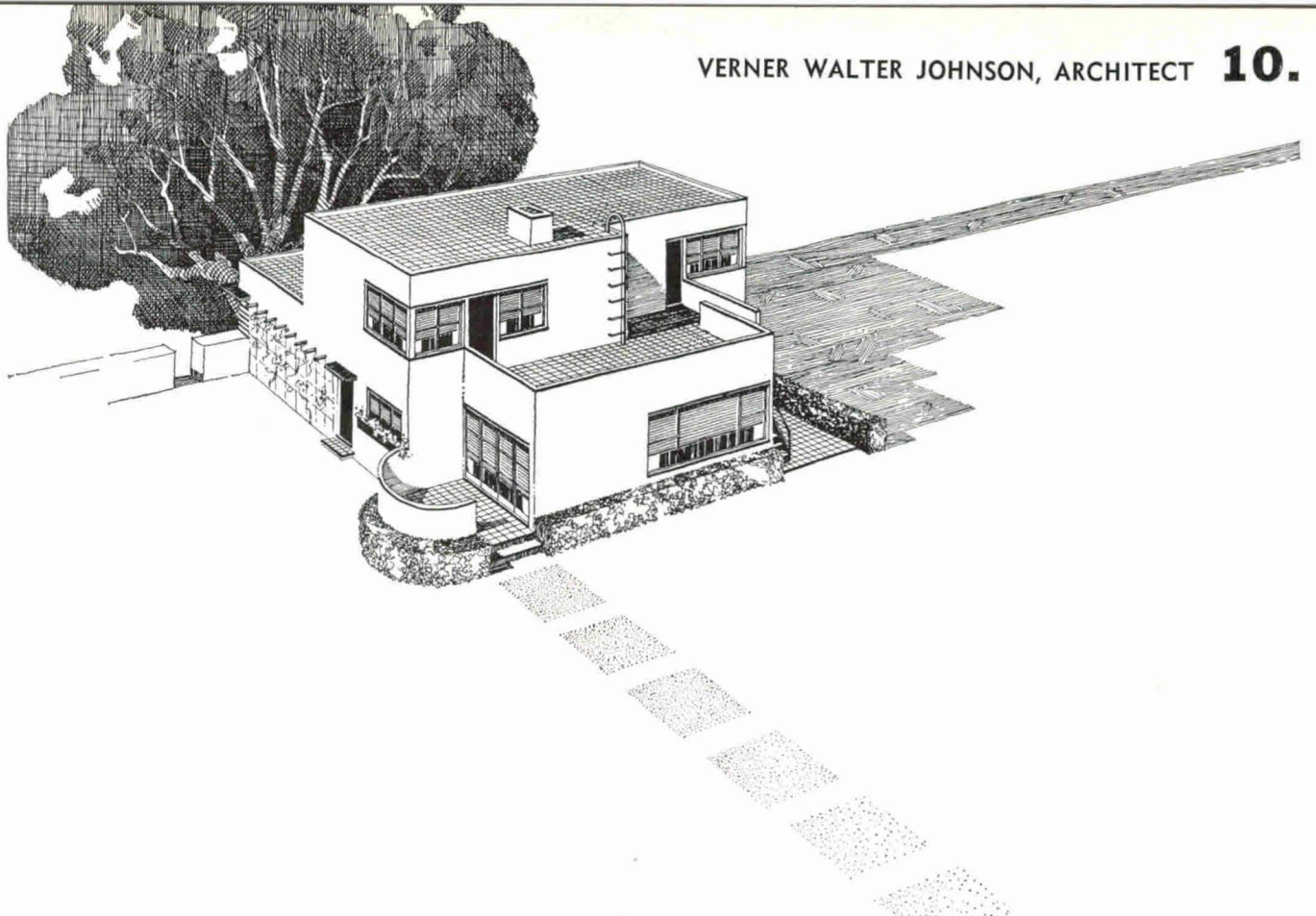


▲ UPPER.

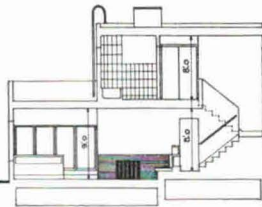
SUGGESTED MATERIALS: Exterior walls, asbestos cement siding; roof, asbestos cement shingles (or other participations).

PLAN REQUIREMENTS: Two stories, basement for heater and laundry, one-car garage attached. First floor: living room, dining room, kitchen with rear entrance, bedroom and bath. Second floor: double bedroom, bath, single bedroom.

CUBAGE (Approximate): 21,000 cu. ft.



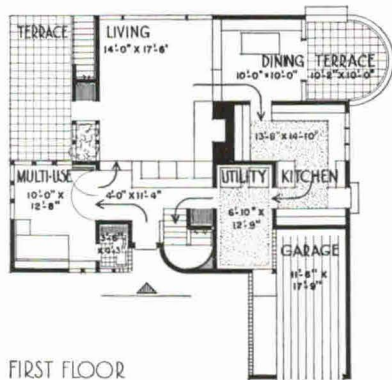
ENTRANCE ELEVATION



SECTION



SIDE ELEVATION



FIRST FLOOR



SECOND FLOOR HALL
INDICATING THE CLOSETS
OMITTED FOR CIRCULATION



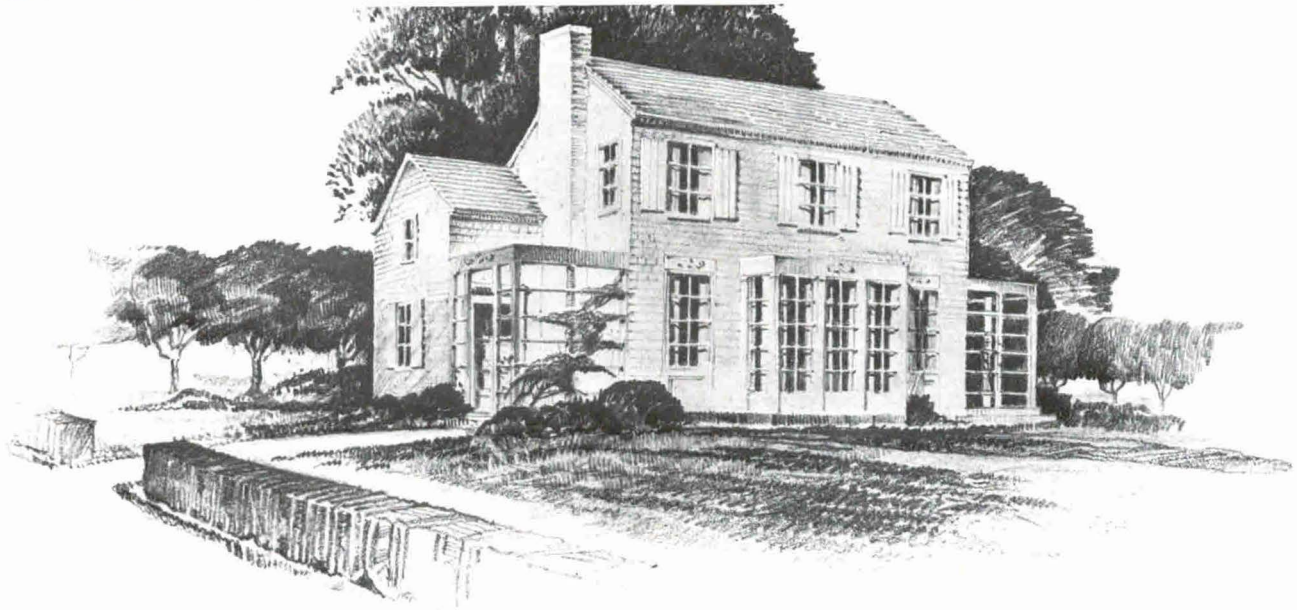
SECOND FLOOR

SUGGESTED MATERIALS: Exterior walls, insulated wall panels on steel studs; roof, felt and asphalt over gypsum planks (or other participations).

PLAN REQUIREMENTS: Two stories, no basement, one-car garage. First floor: living-dining room, kitchen, heater room, library used as an occasional guest bedroom, bath. Second floor: two bedrooms, one bath, sun deck.

CUBAGE (Approximate): 23,500 cu. ft.

11. WILLIAM H. GOMPERT, ARCHITECT



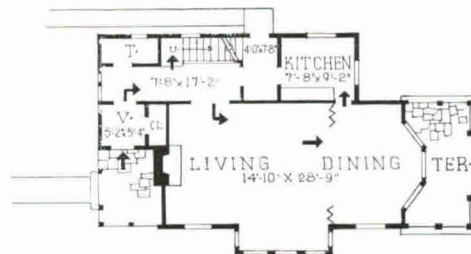
· REAR · ELEVATION ·



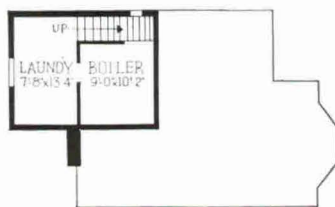
· END · ELEVATION



· SECTION ·



· FIRST · FLOOR · PLAN ·



· BASEMENT · PLAN ·

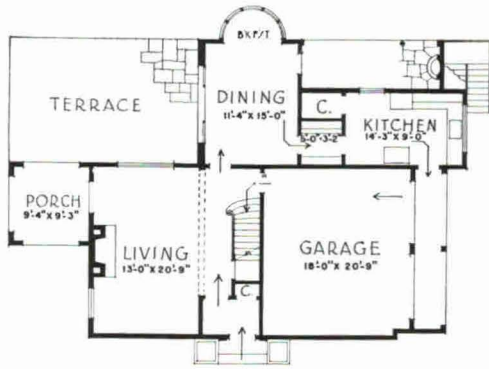


· SECOND · FLOOR · PLAN ·

SUGGESTED MATERIALS: Exterior walls, hand-rived shingles; roof, wood shingles (or other participations).

PLAN REQUIREMENTS: Two stories, basement for heater and laundry. First floor: large living room, dining room, kitchen, lavatory. Second floor: one double bedroom, two single bedrooms, two baths.

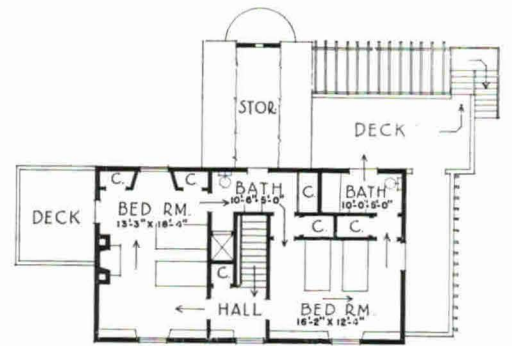
CUBAGE (Approximate): 19,000 cu. ft.



· FIRST FLOOR ·



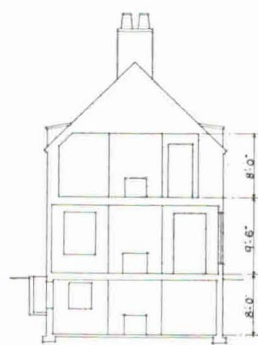
· BASEMENT ·



· SECOND FLOOR ·



END ELEVATION



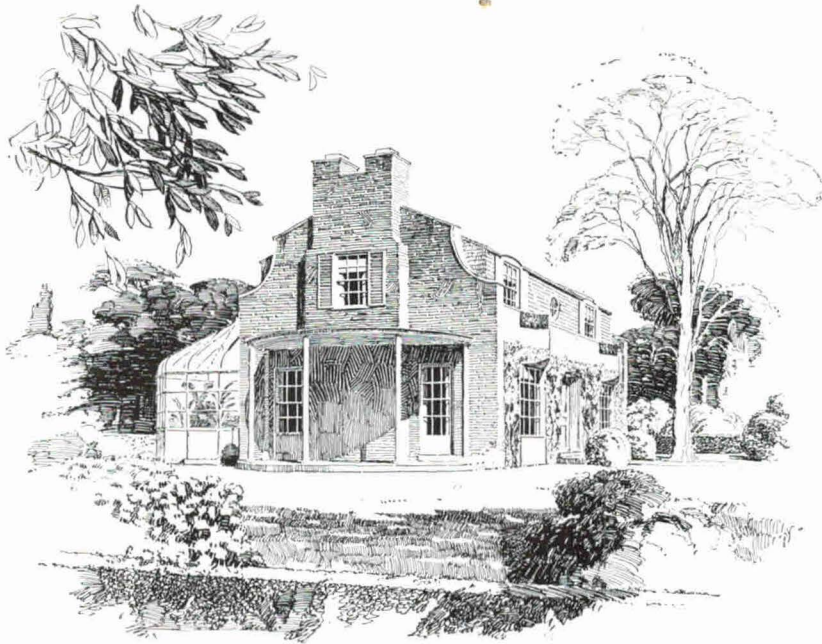
SECTION



GARDEN ELEVATION

SUGGESTED MATERIALS: Exterior walls, stucco; roof deck, canvas on tar (or other participations).
PLAN REQUIREMENTS: Two stories, dormers; basement for heater and laundry. First floor: living room, porch, dining room, kitchen, two-car garage. Second floor: two bedrooms, two baths, storage space.
CUBAGE (Approximate): 32,000 cu. ft.

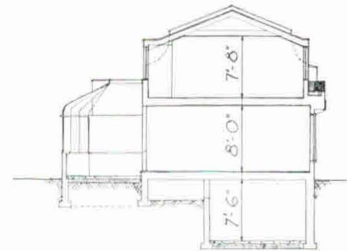
13. VERA COOK SALOMONSKY, ARCHITECT



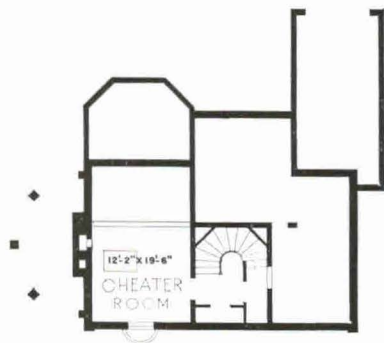
RIGHT SIDE



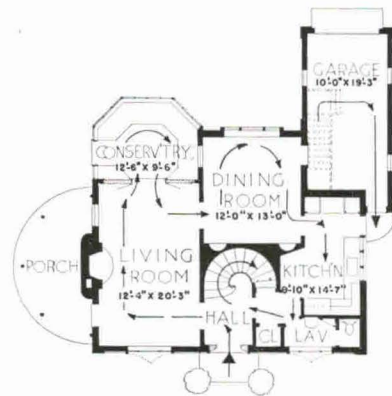
REAR ELEVATION



SECTION



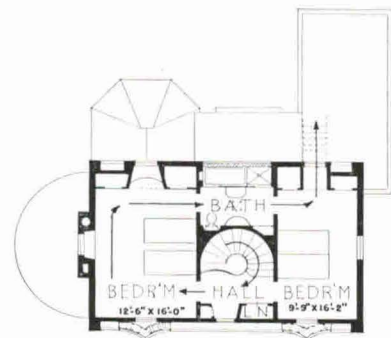
BASEMENT



FIRST FLOOR



SCALE



SECOND FLOOR

SUGGESTED MATERIALS: Exterior walls, brick veneer and stucco; roof, slate (or other participations).

PLAN REQUIREMENTS: Two stories, basement for heater. First floor: living room, dining room, kitchen, lavatory, conservatory, porch, one-car garage. Second floor: two bedrooms, one bath.

CUBAGE (Approximate): 23,000 cu. ft.



ELEVATION

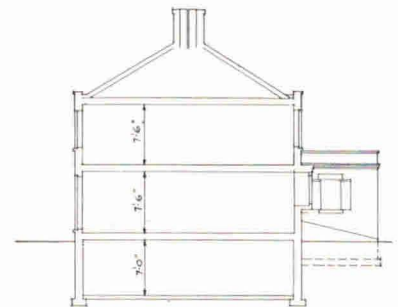


ELEVATION



FIRST FLOOR

SCALE 1/4\"/>



SECTION



BASEMENT



SECOND FLOOR

SUGGESTED MATERIALS:
PLAN REQUIREMENTS:

CUBAGE (Approximate):

Exterior walls, cinder concrete block (or other participations).
Two stories, basement for heater and laundry. First floor: living room, dining alcove with bar, porch adjoining living room, large kitchen, small powder room and lavatory, maid's room and bath, one-car garage. Second floor: one large bedroom, one single bedroom, bath.
24,000 cu. ft.

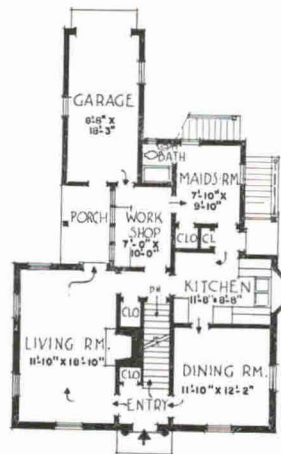
15. GODWIN, THOMPSON & PATTERSON, ARCHITECTS



ELEVATION

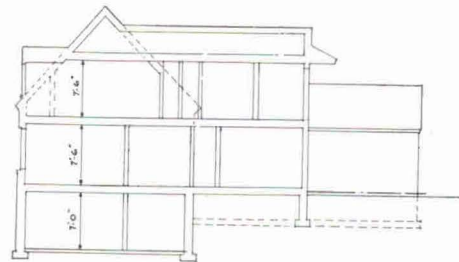


ELEVATION

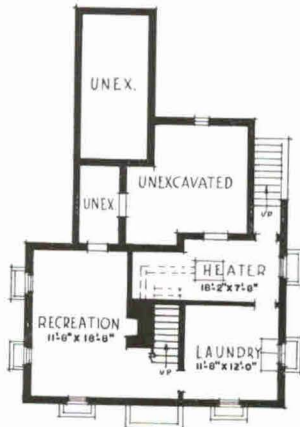


FIRST FLOOR

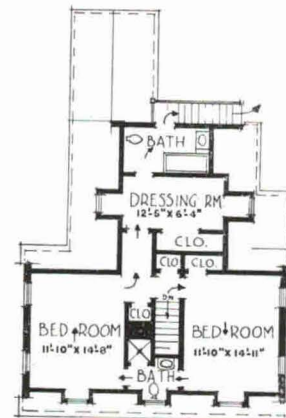
SCALE 1/8" = 1'-0"



SECTION



BASEMENT



SECOND FLOOR

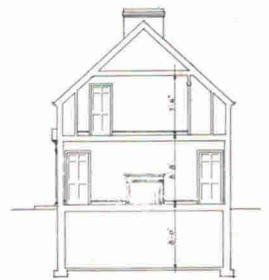
- SUGGESTED MATERIALS:** Exterior walls, brick and clapboard (or other participations).
- PLAN REQUIREMENTS:** Two stories; basement with heater, recreation area, laundry. First floor: living room, dining room, kitchen, workshop, maid's room and bath, one-car garage. Second floor: two bedrooms, two baths.
- CUBAGE (Approximate):** 24,500 cu. ft.



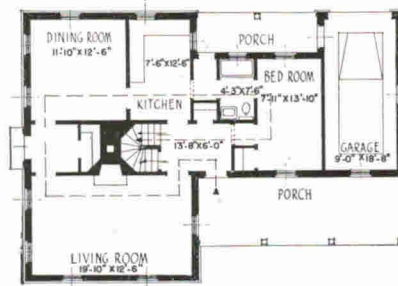
ELEVATION



ELEVATION



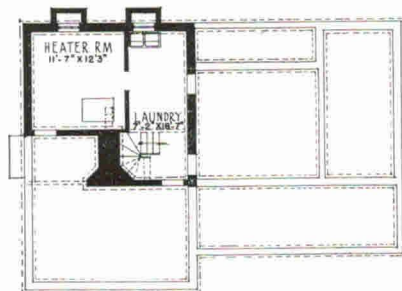
SECTION



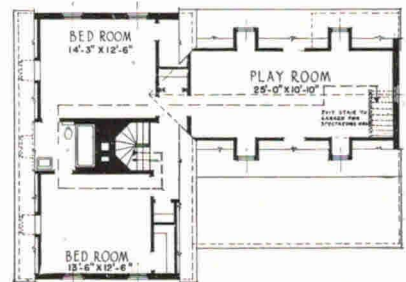
FIRST FLOOR



SCALE



BASEMENT



SECOND FLOOR

PLAN REQUIREMENTS: Two stories. First floor: living room, kitchen, bedroom and bath, dining room, one-car garage. Second floor: two double bedrooms, one bath, playroom.

CUBAGE (Approximate): 26,000 cu. ft.

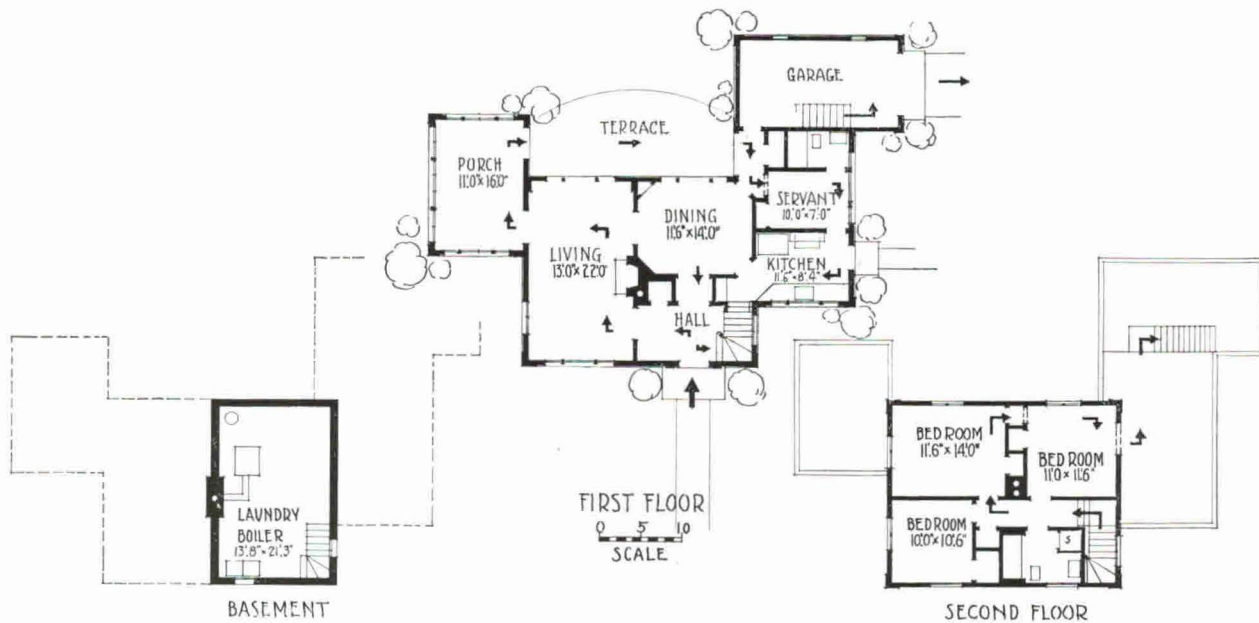
17. HENRY OTIS CHAPMAN, JR. AND HAROLD W. BEDER, ARCHITECTS



SIDE ELEVATION

REAR ELEVATION

SECTION



- SUGGESTED MATERIALS:** Exterior walls, wood siding; roof, wood shingles (or other participations).
- PLAN REQUIREMENTS:** Two stories, basement for heater and laundry. First floor: living room, dining room, kitchen, one bedroom, one bath, one-car garage. Second floor: three bedrooms and bath.
- CUBAGE (Approximate):** 29,000 cu. ft.

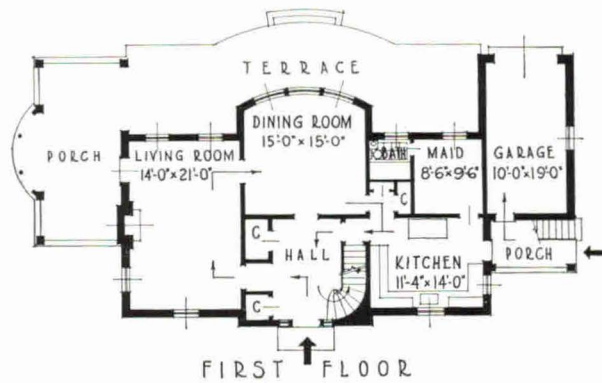


ELEVATION

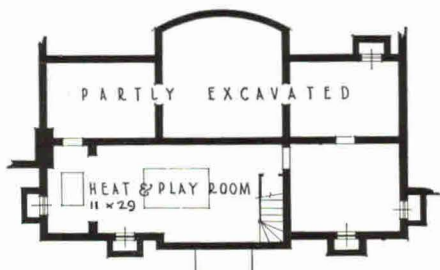
ELEVATION

SECTION

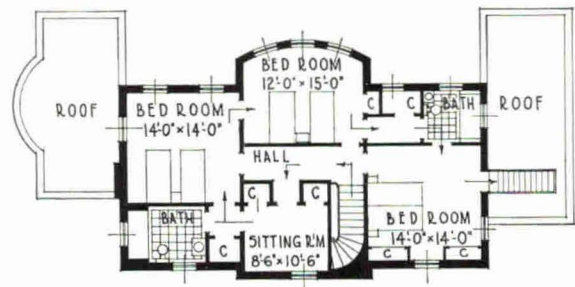
0 5 10 15
SCALE



FIRST FLOOR



BASEMENT



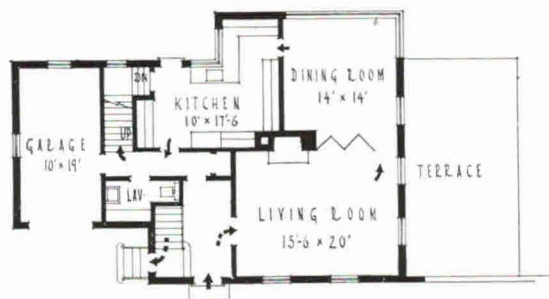
SECOND FLOOR

SUGGESTED MATERIALS: Exterior walls, solid brick; roof, slate (or other participations).

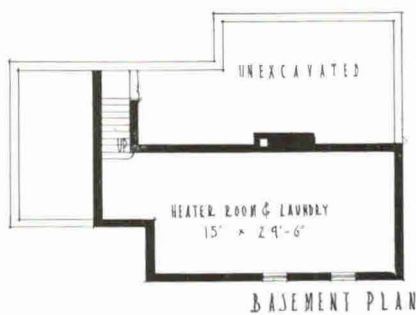
PLAN REQUIREMENTS: Two stories, basement for heater. First floor: living room, dining room, porch, kitchen, laundry, one-car garage, maid's room and bath. Second floor: master bedroom, dressing room, bath; two bedrooms, bath.

CUBAGE (Approximate): 32,500 cu. ft.

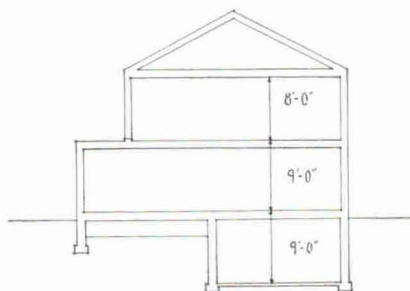
19. PERRY M. DUNCAN, ARCHITECT



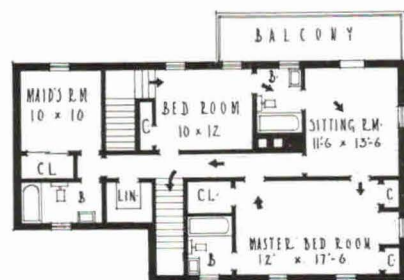
FIRST FLOOR PLAN



BASEMENT PLAN



SECTION

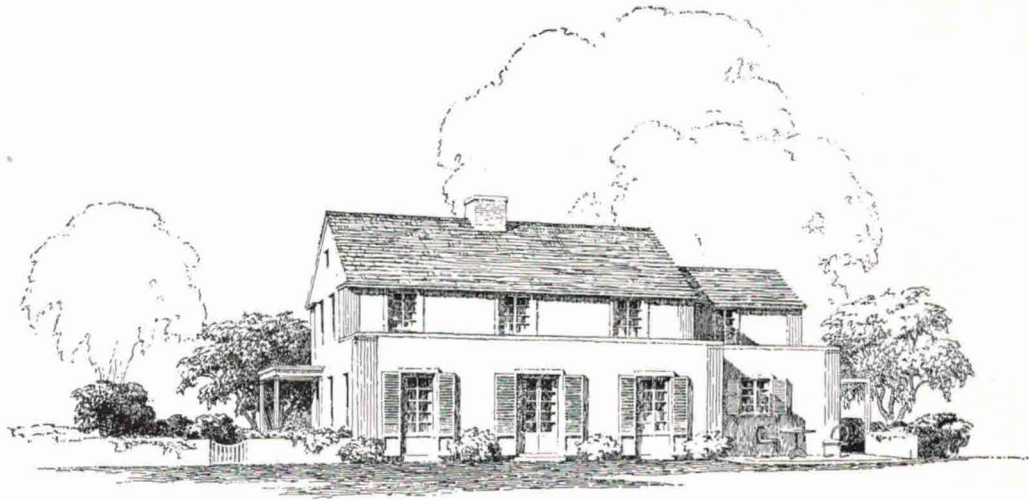


SECOND FLOOR PLAN

SUGGESTED MATERIALS: Exterior walls, stone veneer and shingles; roof, wood shingles (or other participations).

PLAN REQUIREMENTS: Two stories, basement with heater room. First floor: living room, dining room, kitchen, lavatory, one-car garage. Second floor: master bedroom and bath, single bedroom and bath, sitting room, maid's room and bath.

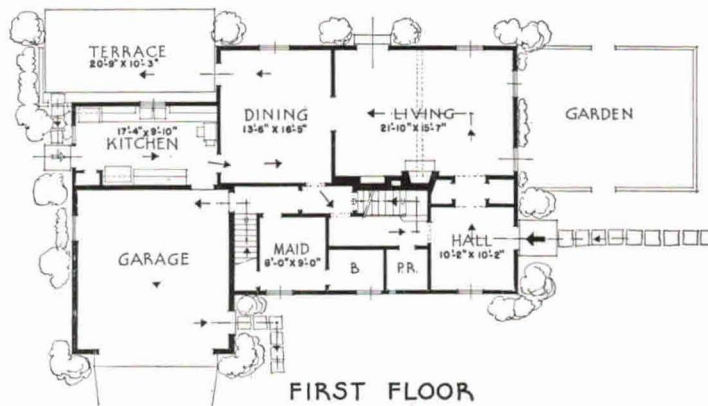
CUBAGE (Approximate): 32,500 cu. ft.



NORTH ELEVATION



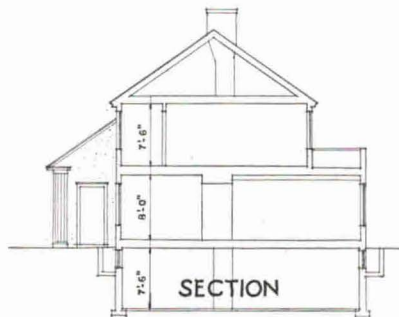
EAST ELEVATION



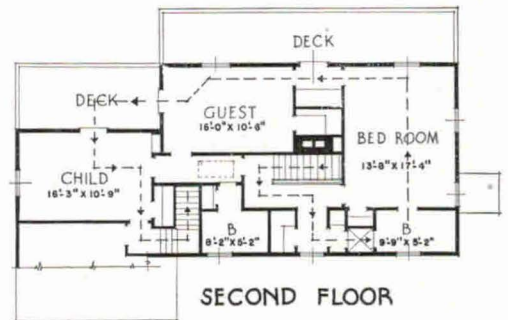
FIRST FLOOR



BASEMENT



SECTION



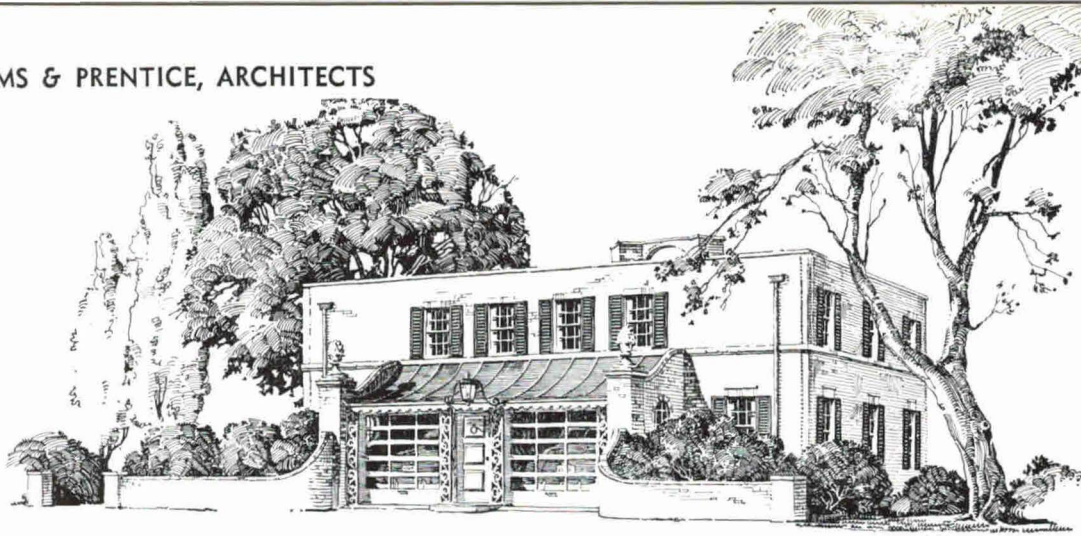
SECOND FLOOR

SUGGESTED MATERIALS:
PLAN REQUIREMENTS:

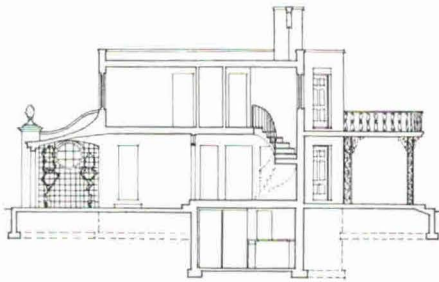
Exterior walls, stucco and flush siding; roof, slate (or other participations). Two stories and attic; basement with heater and recreation room. First floor: living room, dining room, kitchen, lavatory, maid's room and bath, two-car garage. Second floor: master bedroom and bath; guest room, children's bedroom, bath; connecting stairs to maid's room.

CUBAGE (Approximate):

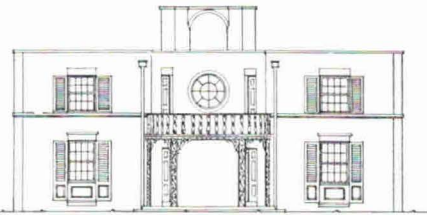
37,000 cu. ft.



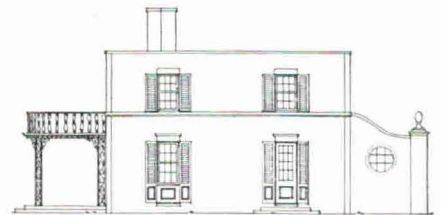
M. Prentice



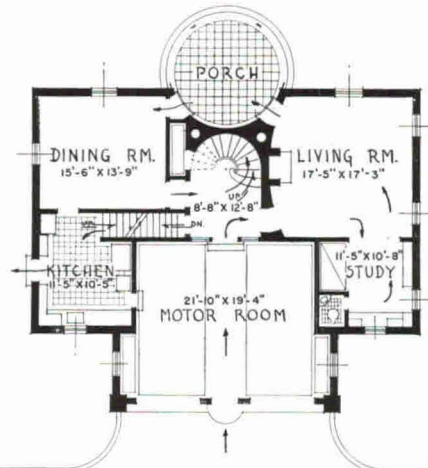
SECTION



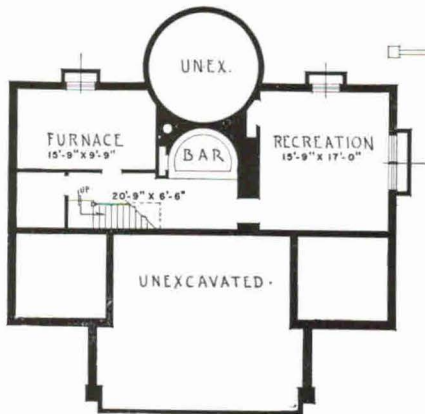
SOUTH ELEVATION



EAST ELEVATION



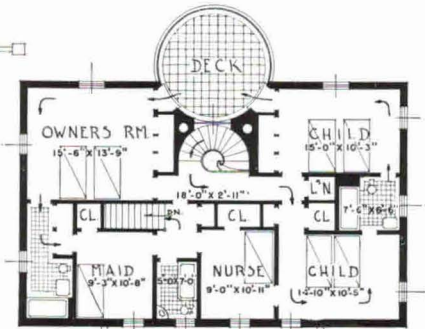
FIRST FLOOR



BASEMENT



SCALE



SECOND FLOOR

SUGGESTED MATERIALS: Exterior walls: brick (or other participations).

PLAN REQUIREMENTS: Two stories, basement for heater, recreation room. First floor: living room, dining room, porch, kitchen, library with lavatory, two-car garage. Second floor: master bedroom and bath, two children's rooms, bath, two maids' rooms, bath.

CUBAGE (Approximate): 39,000 cu. ft.

SUBSIDIES FOR HOUSING

are here to stay . . . An examination of the four types the U.S. has used, the fifth which it must adopt next . . . A gigantic problem which can double its size in ten years . . . And will unless we face it soon.

EIGHT months ago with the signing of the Wagner-Steagall Housing Act, the U. S. was formally introduced to one of the most intricate mechanisms in the armory of the social reformer—the subsidy for housing. With the signing of that Act the country became *permanently* committed to the job of putting poor people into good homes. Which is to say that it became committed, willynilly, to paying billions of dollars in subsidy for homes from now till . . .

Unlike the subsidy for shipping or farmers or public roads, the subsidy for housing is so little understood and its implications so unplumbed that it can as yet scarcely serve even as a topic for Congressional debate. The first thing to understand about the subject is that there are two kinds of subsidies: those with social objectives and those with commercial objectives. The commercial subsidy is an old American favorite. It includes such subsidies as the lagniappe which a low-priced subdivision house gets at the expense of the commercial district by paying less in taxes than it receives in services; or the gift of 10-year tax exemptions which New York made to encourage new building in 1920-24.

Here, however, we are dealing with that much more recent importation, the social subsidy for housing. As a matter of record we had already engaged in a certain amount of social subsidy for housing—in the temporary PWA, in sporadic rent restriction laws, and in poorhouses. But not until last September were we obliged to view the subsidy for housing as a national policy.

If the need for a coherent policy is measured by the size of the problem it attacks, there is no greater need in this country today than for a policy on subsidies for housing. In its report to the Senate on the Housing Bill, the Committee on Education and Labor gave two measurements of the size of the problem—which is, of course, also the size of the group now poorly housed. The irreducible minimum, as represented by “existing dwellings absolutely unfit for further habitation, which should be condemned and demolished immediately” was 5,663,000 units.

A broader statement of the need was supplied by Warren Vinton, now head of the financial section of the USHA. Starting with the twin assumptions that *in urban centers* the normal poor family numbered five and that it was impossible to get respectable living quarters for less than an *average* of \$7 per room per month, he demonstrated that anyone making less than \$1,600 to \$1,800 a year was either skimping on other necessities or was living in substandard housing. Which is rather startling, since census figures show that about three-fifths of all U. S. families living in cities have incomes below this figure. Or about 10,000,000 families, in need of new homes for less than \$7 per room per month.

INCOMES AND RENTS

Income sextiles based on the Federal Survey of Urban Housing show the income for the first sextile as \$352; the second sextile as \$794; and the median sextile as \$1,272. Assume 1) that the first sextile is, or should be, on relief; 2) that the average urban family numbers five and occupies a four-room apartment; 3) and that rent should not use more than one-fifth of the family income. It follows 1) that the first sextile must receive full rebate of rent; 2) that the second sextile may pay \$159 per annum rent, or \$3.30 per room per month; and 3) that the median sextile may pay \$254 per annum rent, or \$5.30 per room per month.

Broadly speaking, one-third of these ten million units should house those on relief. One-third should rent for an average of about \$3.30 per room per month. And one-third should rent for an average of about \$5.30 per room per month. The best that private enterprise has ever done in large scale housing of acceptable standards is the \$6.85 per room per month which City & Suburban achieved in New York. Which is where the subsidy comes in. It is obvious that our total housing problem entails the subsidization in smaller or larger amounts of between five and ten million units. In ten years the natural growth in population and average obsolescence will have about doubled that figure.

The USHA program calls for the erection of 125,000 family units over the next three years.

THE SUBSIDY HAS FIVE FORMS

A subsidy may be applied to a housing project in five different ways: as capital grant, annual grant, interest subsidy, tax exemption, or rent subsidy. *But it is important to notice that mathematically a given subsidy will reduce the room rent by exactly the same amount no matter which way it is applied.* The sole virtue that one method has over another resides in its secondary effects—social acceptance, legislative convenience, political expediency, etc.

A Capital Grant is a contribution to the capital cost of a project made in a lump sum, usually at the time of its approval by the agency making the grant. Under the Wagner-Steagall Act the USHA may make a capital grant up to 25 per cent of the cost of the project. In England these capital grants were also made to single family houses built by private enterprise and conforming to certain standards of quality, space, and price. Under the Addison Act they ranged all the way up to \$1,300 per house. Such subsidies to single, privately built houses were considered a good method to stimulate a stagnant market. They were: from 1920 to 1922 when the subsidy was withdrawn a total of 39,000 houses received bonus money from the Government; but the cost of these subsidies to the Government was obviously enormous.

Seventeen years of subsidy in England have placed grants on some 1,250,000 homes. The cost so far has been slightly over \$800,000,000. But this is only the beginning, since most of the grants are annual obligations continuing for 20-60 years. On its present obligations alone, the Government will have paid out a total of some \$3,247,000,000 before it is through.

The Housing (Additional Powers) Act of 1919 was the only one to extend capital grants to private builders; as the table shows, none was granted after 1924.

The 1919 Housing and Town Planning Act provided a subsidy from the Exchequer to local authorities equal to all losses assumed by the local authorities after deducting a small contribution from local real estate taxes.

This costly type of subsidy was changed by the Act of 1923 to a flat annual amount of \$29.35 per house for twenty years or a lump sum payment between \$375 and \$500 according to local differences.

The 1924 Act, as yet the most productive, was designed to encourage construction of

SUBSIDY IN ENGLAND: A RECORD OF SEVENTEEN YEARS

NUMBER OF HOUSES BUILT EACH YEAR WITH EXCHEQUER CONTRIBUTIONS[ⓐ]

FINANCIAL YEAR	Housing Town Planning Act 1919	Additional Powers Act 1919	Housing Act 1923	Housing (Financial Provisions) Act 1924	Housing (Rural Workers) Act '26 & '31	Housing Act 1930	TOTALS
1919-20	715						715
1920-21	16,882	11,208					28,090
1921-22	82,919	18,233					101,152
1922-23	58,486	9,738					68,224
1923-24	10,524	7	8,140				18,671
1924-25	2,902		62,281	2,486			67,669
1925-26	1,087		78,622	7,278			106,987
1926-27	882		92,606	60,291			153,779
1927-28	196		86,867	91,519	44		178,626
1928-29	10		53,456	51,326	792		105,584
1929-30	32		54,661	55,676	1,086		111,455
1930-31			—	55,063	1,455		56,518
1931-32			—	67,496	1,398	2,429	71,323
1932-33			1,414	49,583	1,012	6,062	58,071
1933-34				47,708	963	9,078	57,749
1934-35				11,872	1,530	23,662	37,064
1935-36					1,774	39,380	41,154
TOTALS	174,635	39,186	438,047	500,298	10,054	80,611	1,262,831

[ⓐ]Houses built under Additional Powers Act 1919 subject of lump sum payments. All others receive continuing annual payments.

The advantages of the capital grant are that: 1) it stimulates immediate action, especially when used for single family houses rather than large, multi-family projects; 2) it does not involve the government in a continuing obligation; 3) it is simple and understandable to the taxpayer.

Its disadvantages are that: 1) the large single payments involved tend to limit the number of units the government can afford to subsidize in any one year because of budgetary considerations; 2) capital grants as used in England for privately built houses have always been accompanied by rising construction costs—in other words, the builder and dealer nail part of the subsidy. This may not happen in the U.S. if local authorities are able to restrain contractors from what is evidently a universal impulse.

The capital grant represents a subsidy from the government to the tenant.

The Annual Grant is a payment which the Government contracts to pay for a specific number of years and which is designed to make up the difference between gross rentals and the annual charges of the project. The USHA may make annual grants running for 60 years up to 3½ per cent of the cost of a project. In England the annual grant has been in use since 1919, still is.

The advantages of the annual grant are that: 1) a small initial sum will get a large program underway, in contradistinction to the capital grant; and 2) it provides the government with a firmer means of controlling the operation of local housing authorities in respect to management and rents.

The chief disadvantage of the annual grant is psychological: it involves the government in very long term commitments. Thus the USHA is empowered to make annual grants over the next three years alone which will represent an obligation of about \$20,000,000 a year for sixty years, or a total of \$1.2 billion. Actually this sum is small change beside any sixty-year bill for education.

The annual grant is a subsidy from the government to the tenant.

The Interest Subsidy is the difference between the interest rate at which the government lends money to a project and the rate at which it acquires that money by the sale of government bonds. The USHA will make available loans up to 90 per cent of the cost of a project at about 3 per cent. It will raise this

EXCHEQUER CONTRIBUTIONS (IN DOLLARS - \$1 = £1)

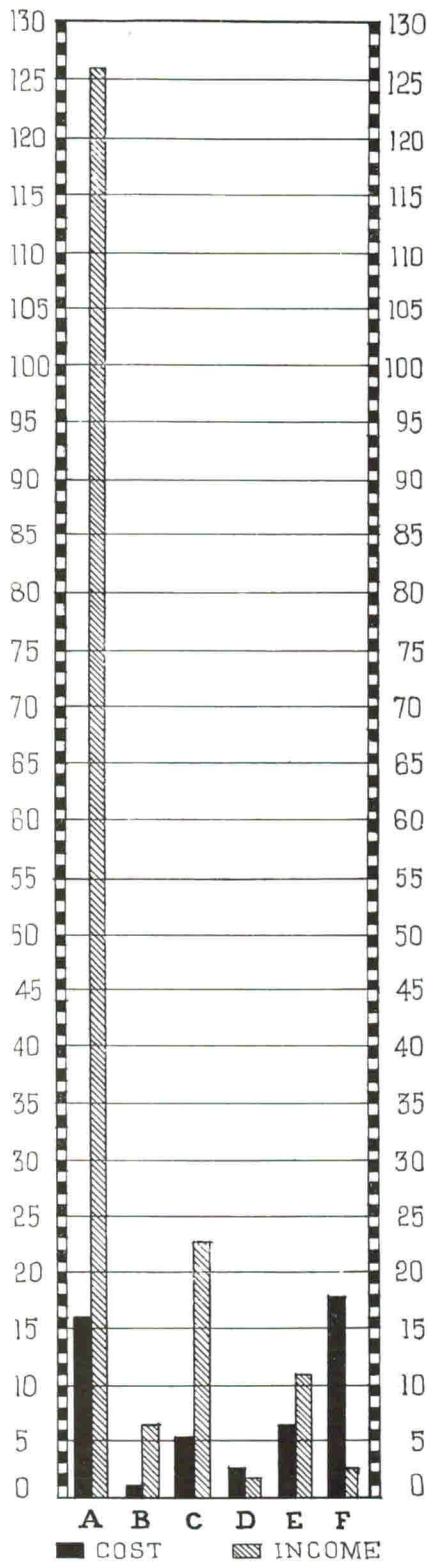
Housing Town Planning Act 1919	Housing Additional Powers Act 1919	Housing Act 1923	Housing (Financial Provisions) Act 1924	Housing (Rural Workers) Act '26 & '31	Housing Act 1930	TOTALS
102,275						102,275
2,843,745	12,642,760					15,486,505
22,844,710	22,702,120					45,546,830
36,139,555	12,137,435					48,276,990
39,250,070	8,465	30,540				39,489,075
39,757,910		483,325	9,425			40,250,660
36,527,160		2,198,205	443,415			39,168,780
34,765,785		4,742,295	2,372,140			41,880,220
34,324,085		7,545,645	5,835,150			47,704,880
34,136,820		9,884,485	9,328,565			53,349,870
33,690,590		10,705,445	11,265,435	2,545		55,664,015
33,618,495		13,106,250	12,641,315	12,970		59,379,030
33,710,350		13,655,255	16,229,775	37,135	25,500	63,658,015
33,906,975		13,167,835	19,366,485	56,845	250,650	66,748,790
32,948,620		12,618,250	20,893,750	76,790	625,720	67,163,130
33,355,030		12,499,110	21,330,725	99,095	1,517,320	68,791,280
32,490,645		12,508,840	21,738,080	101,870	3,148,330	69,987,765
514,412,820	47,490,780	113,145,480	141,454,260	387,250	5,567,520	822,548,110

houses for rent, increased the State contribution for houses of this class to \$44 a year for forty years.

To facilitate reconditioning of old houses and conversion of buildings into dwellings for agricultural workers the 1926 Act empowered local authorities to grant to the owner a sum not to exceed two thirds of the cost of the work or \$500 per dwelling. Towards the expenses the Exchequer contributes annual payments for twenty years equal to one half the estimated annual charges in interest and loan redemption on a loan equal to the capital value of the grant made.

The 1931 Act extended this provision to 1936.

The 1930 Act differed from all previous housing acts, whose object had been to build the greatest number of houses possible, in that it was a slum clearance scheme, paid local authorities on the basis of the number of people rehoused rather than on the number of houses built. Annual contributions were fixed at \$11.70 per person.



TAXES SUBSIDIZE

The graph shows comparison of income and cost for six districts in Boston, representing (A) typical business, (B) industrial, (C) high rental, (D) suburban, (E) miscellaneous (medium rental apartments) and (F) low rental sections of the city. Clearly evident are the net costs to the city of \$15,105 per acre of low rental area (excluding streets, parks, tax-exempt property), \$803 per net acre of suburban area. All other districts show a net profit to the city ranging from \$4,545 to \$111,147. Thus districts (D) and (F) are subsidized by districts A, B, C, E.

money by the sale of \$500,000,000 in bonds. If these bonds fetch less than 3 per cent on the market, the government will be subsidizing the projects to which it lends money.

The advantages of the interest subsidy must be gauged with care. In the first place should the government get 3 per cent or better for its bonds as seems likely, there has been no subsidy. The government has in effect simply pooled the obligations of all USHA projects possible under its immediate program and offered them in one lump. As a subsidy its chief advantage is that it is politically almost completely without pain. A reduction of 1 per cent in interest produces a reduction of about \$1 per month per room.

Its only discernible disadvantages are that: 1) its maximum effect is relatively unimportant; and 2) where it does happen to become a subsidy its cost is incalculable in advance.

The interest subsidy is paid by the Government to the tenant.

Tax Exemption is the remission or omission of certain taxes to which housing would normally be subject. The USHA encourages local housing authorities to make their contributions partly in the form of tax exemptions from the cities involved. The dangers of indiscriminate tax exemption to promote low-cost housing were demonstrated in New York after the War when it encouraged the construction of thousands of single family houses which even today rent typically at \$9 per room per month. Such exemptions should be limited to projects under public control, if minimum rent is to result.

The advantages of tax exemption are that: 1) it provides a simple way for the local government to aid Federal projects; 2) it involves no direct outlay of money, no need to make a special offering of bonds, etc.

The disadvantages revolve mostly around the resistance such schemes usually encounter from realty. Where tax limitations do not interfere, such tax exemptions mean that realty must foot a higher tax bill; and furthermore that the tenants of the projects are being taken from the very properties whose taxes help support the projects.

In other words, tax exemption is a subsidy paid by an increasingly overburdened realty to the tenant.

The U.S. housing program has so far made use of these four types of subsidy alone. By using the 3½ per cent annual grant to meet the interest on and amortize a 90 per cent loan, a local authority can cut its annual obligations down to the point where they consist simply of the interest and amortization on 10 per cent of the cost of the project plus maintenance and upkeep. Consensus is that it will not soon be politically feasible to get any greater subsidies from the Federal Government.

THE HOUSING SUBSIDY NEVER REACHES 4,000,000

Under this program the 125,000 family units to be provided over the next three years will cost the government in outright subsidies about \$20,000,000 a year for 60 years, or a total of \$1,200,000,000. The lowest rent in urban centers thus made available will be about \$4.50 per room.

This will not provide for the bottom fifth of the urban population on relief. Nor will it provide for more than half of the second fifth with median incomes of \$794. There are, therefore, still about four million families left out in the cold, and these are the families who need better homes worst of all.

Rent Subsidy. The four types of subsidy examined so far represent attempts to lower the *cost* per room. Rent subsidies on the other hand represent attempts to make good living quarters available to the very poor either by applying the money to reduce the *rent* per room or by supplementing the income of the tenants.

The minute that the subsidy is applied to the rent or to the tenant instead of to the construction or maintenance of the project, housing theorists divide into two sharply divergent camps. On the one hand it is claimed that such rent subsidy is really a form of poor relief, that it should be ruled severely out of any consideration of subsidized housing. On the other hand the opposite theory is urged: that all housing is in some degree poor relief, that rent subsidy should be considered an integral part of housing subsidy.

In fact the theoretical argument seems to make small difference. Both types of subsidy are methods for putting people into homes which private enterprise cannot afford to supply at a profit. The subsidy to the house is limited in its amount only by the political considerations of the day; rent subsidy simply continues the process down to the levels which the subsidy to the house cannot reach.

There are two basic ways to apply the rent subsidy: to the apartment and to the tenant. The difference is that the subsidy to the apartment is made at a flat and universal rate for each project, regardless of the income of the tenant, whereas the subsidy to the tenant varies according to the needs of the individual. A flat subsidy applied against the rent is more wasteful in that it benefits some tenants more than their needs require; on the other hand it is usually less expensive. A subsidy paid to the tenant fulfills the individual needs of the tenant more fully; is susceptible of monthly or semi-annual revision; but costs considerably more to administer.

Subsidy-to-the-Unit. Mechanically, this type of subsidy is nothing more than an annual grant which is applied directly to the rent budget instead of to interest, amortization, or maintenance costs. Its costs are predetermined and therefore susceptible of exact legislative appropriation. The leading exponent of this type of subsidy-to-the-unit is Holland. Here the amount of this subsidy is adjusted every four or five years according to changes in the wage scale of the working classes computed on a national (rather than individual) basis. The criterion of the size of this subsidy has been determined by law in Holland, where it has officially been enacted that workingclass rent shall be between one-sixth and one-seventh of income. To date this subsidy has been used nowhere else.

Subsidy-to-the-tenant. Today in the U.S. vast sums are being paid as subsidy-to-the-tenant. For instance, during 1937 in New York City alone, better than \$30,000,000 was disbursed by various agencies for rent relief. During the first six months of 1935—the latest year for which records are as yet available—State and local agencies the country over paid \$42,000,000 for this purpose. Practically all this money is used to maintain those on relief in the homes which they occupied at the time they went on relief—i.e., in units run by private enterprise for a profit. This has meant one of two things: either the rent has been too high (i.e., higher than the rents in government-subsidized housing), or the accommodations are with few exceptions substandard. In other words, this type of subsidy-to-the-tenant is extremely expensive, and wasteful.

REBATES IN THE U. S.

Only official instance of a differential rent rebate scheme in the U. S. is in operation at the Lavanburg Homes, New York City. Opened in 1928 as a philanthropic experiment in low cost housing, it soon found that unemployment had become a serious factor in rent collection. Discarding consideration of a horizontal reduction in rents, the management applied to the problem the more equitable ability-to-pay principle, went so far in a few cases as to allow tenancy rent free. Changes in income are reported by the tenants, checked once a year with employers. Average standard rent per room per month is \$9.53. By 1936, 28 of the 110 families were paying 91-100 per cent of this, 65 were paying 51-80 per cent, only eight families paying less than 50 per cent.

It amounts in effect to a subsidy to realty, since it enables realty's tenants to pay rentals they could not otherwise afford. Obviously the more effective method is to use the subsidy-to-the-tenant in combination with projects whose rentals have already been lowered by subsidy-to-the-house. In this country under the present set-up this would be equivalent to having a relief bureau pay part or all of the rent of some of the tenants in a USHA project.

The leading exponent of this combination of subsidies is England where, of the 1,250,000 families living in Government-subsidized housing projects, 24,000 receive rent rebates. This scheme was introduced legally with the Greenwood Housing Act of 1930. While it had been used before that to a limited degree in Welwyn—an early limited dividend project—it did not gain any considerable acceptance in England until 1935, five years after the passage of the first permissive legislation. Since that time government and local authorities have experimented widely in the various methods of applying rent relief. These experiments are all based on one of two systems.

1) A project is given a maximum rental figure which will yield in gross rentals enough to make it solvent after taking into account the subsidies-to-the-house already paid. From this maximum rent rebates are granted according to the needs of the individual tenants.

2) This system is reversed, increases being granted from a minimum rental figure.

In both cases relatively few of the tenants receive any rebates, although in certain cases some families may receive the full rent as a rebate, in effect pay none. Generally speaking the first method has been found preferable to the second and for this psychological reason: tenants feel better if their rebates are stated in terms of money they do not have to pay instead of in terms of extras which they have to meet; furthermore, any minimum figure rules out

THREE BASIC FORMS OF RENT SUBSIDY IN ENGLAND

1. Simplest to operate because it requires no means test, the fixed rebate per child under school-leaving age, adopted by Guildford, grants reductions, varying from city to city, of \$.12, \$.18 and \$.26 per child per week. (For convenience: 1£=\$5.)

2. Typical of rebate-for-income-and-children schemes was the Birmingham plan. On a house with standard inclusive rent of \$2.08 per week rebates were allowed according to the following scale:

INCOME					RENT ASSISTANCE
Man & Wife + 1 Child	+ 2 Child.	+ 3 Child.	+ 4 Child.		
\$8.70	\$10.18	\$11.48	\$12.52	\$13.68	None
7.92	9.60	10.70	11.74	12.60	\$.26
7.22	8.96	10.06	11.10	11.94	.52
6.74	8.44	9.74	10.58	11.42	.78
6.22	7.92	9.22	10.06	10.90	1.04

Average rebate per house for the 1,863 houses included in the scheme: \$.16. Number of houses actually in receipt of rebate: 180.

3. Subsistence scale schemes, with balance available in whole or part for payment of rent, take more explicit notice of human needs, are difficult to administer. Wolverton's houses, for instance, rented at maximums of \$1.92 and \$1.64, minimums of \$1.18 and \$1.06 per week according to size. Within these limits the scheme operated as follows:

Allow for food alone \$1.82 per week for each person over 14 years
 Allow " " " 1.30 " " " children between 5 and 14
 Allow " " " 1.04 " " " " under 5
 Allow \$1.82 per week for first three persons in family for all other expenses
 Allow a further \$.26 per week for each additional person
 Deduct the total from the weekly income, and if the balance is as much as rent, full rent must be paid; otherwise the tenants paid only the margin available for rent.
 Average rebate per house for the 1,222 houses included in the scheme: \$.21. Number of houses actually in receipt of rebates: 455.

all those tenants who can pay less than the minimum—again the class which needs rehousing the most.

So much of the theory of rent subsidy is relatively simple. Much more complex are the methods devised for the calculation of the rebates. They usually represent the combination of two factors: rebates in consideration of insufficient income; rebates for children or dependents. Three typical combinations now used in England are detailed on the preceding page.

RENT SUBSIDIES MEAN POLITICS

In judging the relative merits of these three solutions the main criteria are political feasibility, cost of administration, cost of subsidy, and efficiency in the common objective of providing homes for the poor.

Rebates based on the income of the tenant alone are rarely used: very few projects in England have ever tried them. Much more prevalent is the scheme whereby rebates are calculated according to the income of the tenant together with the number of dependents. About twenty projects in England make use of this method. The basic data required—the weekly earnings of the tenant and the number of people in the family—are ascertainable. The scales which have been worked out are easy to understand, may be figured by the tenant to his own satisfaction. The rebates granted according to this system are recalculated periodically to take into account changes in the economic circumstances of the tenant.

Such a method comes fairly close to providing for the tenant a rental which he can always afford. However, it can, and has been further refined in order to provide the tenant with an even more equitable standard of rent payment. This additional refinement is accomplished by the establishment of a so-called "subsistence scale" which provides a set minimum sum for all necessities (food, clothes, miscellaneous expenses) in addition to rent. The tenant is then paid the difference between this over-all minimum and his income up to an amount equal to his total rent figure.

While this method is obviously the most thorough, it has proved notably difficult to operate. Reason: the application of the "subsistence scale" involves a thoroughgoing investigation of the tenant's life and income, has given rise to some resentment. Best known example is the case of Leeds, where this method has been most elaborately developed. Here further bugs appeared in the scheme. First was the relatively high cost of administration, which amounted to about \$.05 per tenant per month. Second was an unexpected political reaction. Resentment among the recipients rose to such a pitch that in 1936 the Labor administration that had sponsored the "Leeds" scheme was thrown out of office in favor of a Conservative government on that issue alone.

In the light of this experience it appears that the best method so far devised and tried out is one which calculates rebates solely on the basis of income and dependents. The variations to this approach are of course innumerable, but they evidently cause no trouble so long as the calculations involved are fairly superficial and simple to understand. It should be noted that in typical examples of the use of this method, only a few of the tenants in a given project receive rebates.

A final footnote to the topic of rent subsidy concerns the use of the minimum rent figure. This minimum, below which no rebate may go, must be assumed by all tenants. Where it has been introduced into rent rebate schemes in England, it has appeared in answer to a political pressure. This pressure is usually expressed by the sentiment that nobody "should" receive something for nothing.

that such a procedure is bad for the recipient, bad for his less favored neighbors. The argument may or may not be the nonsense it is generally held to be. But the fact remains that the use of any minimum defeats the very purpose for which rent rebates were conceived, which was to reach the bottom of the housing ocean.

SUBSIDIES ARE STILL IN THE LABORATORY

Any conclusive analysis of subsidies must begin with a definition of terms and objectives. If the object of the subsidy is simply to stimulate construction then it follows that the flat subsidy to the private builder is the most effective method and the most expensive; that tax exemption is the easiest to get and uncontrolled has had the most harmful results; and that the annual grant method can scarcely be used in conjunction with any but large, long-range projects.

If on the other hand the object is to provide good housing for poor people, the field of action is somewhat larger. First question to be answered is whether housing should be considered as including the problem of poor relief; whether, in other words, the problem of housing those on relief is also an integral part of the problem of building any sort of subsidized housing. The pragmatic answer seems to be that if there is any difference, it is simply one of degree. In either case the approach is identical. Certainly those on relief need housing just as much and more than those not on relief.

The most *economical* way to deal with housing-the-poor is to apply rebates to tenants living in subsidized projects. Subsidizing tenants living in unsubsidized units simply passes part of the subsidy along to realty.

The most *effective* form of rebate is that involving the application of a subsistence scale: it reaches deeper down into the problem; and by the same token it involves greater sums of money.

The most *efficient* form of rebate is that which combines dependents and incomes to gauge the amount of the subsidy. In essence this is simply a less thoroughgoing version of the subsistence scale approach. Its superiority resides in the fact that it costs less to administer and has proven far more acceptable to the communities in which it has been tried.

England subsidized her first houses in 1919, and she granted her first rent rebates eleven years later in 1930. The U.S. assumed housing subsidy as a permanent obligation in 1937, and it appears likely that it will in the near future be granting its first rent rebates.

Meanwhile we continue to study the English example with profit to ourselves. Just as was England, we will be bound to go deeper and deeper into the housing problem. Our policy today is frankly one of experimentation, following the Presidential precept to lay down over the next three years "a blueprint for the future." Obviously, it is unwise to make the blanket assumption that what is sauce for England is also *ipso facto* sauce for the U.S.; nor does there appear any danger that we will act on any such premise.

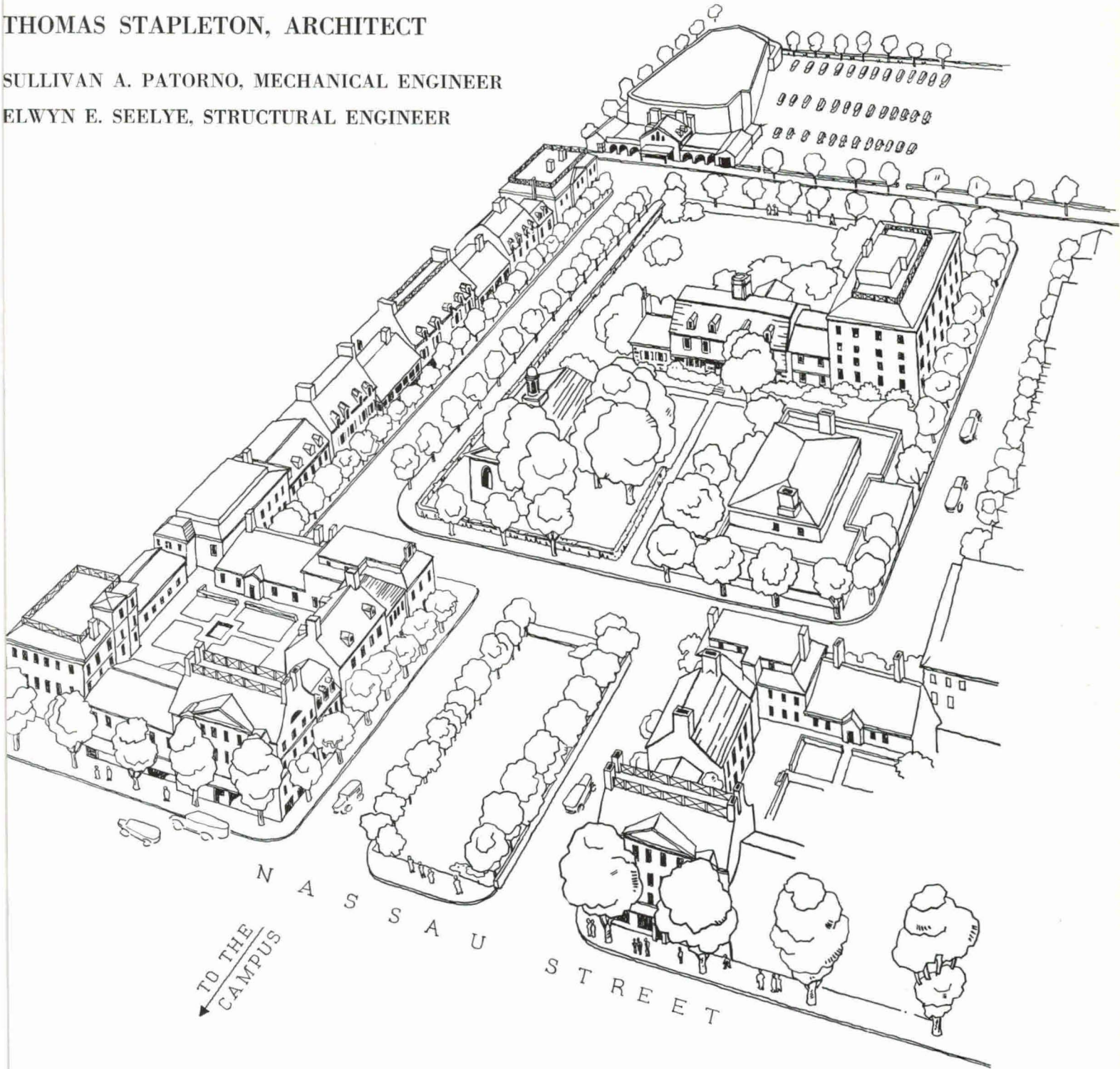
But whatever we do, we must face two facts of enormous significance. The housing problem is one of the biggest, perhaps the biggest, of our social obligations. It involves ten million families, uncounted millions of dollars. And it is not static. The longer we deny its size, the more slowly we attack it, the greater it grows. Today is not too early to face it down to the last dollar.

PALMER SQUARE, PRINCETON, NEW JERSEY

THOMAS STAPLETON, ARCHITECT

SULLIVAN A. PATORNO, MECHANICAL ENGINEER

ELWYN E. SEELYE, STRUCTURAL ENGINEER



CARVED out of a dingy small-town slum, Princeton's new civic center will ultimately consist of a complete square, as shown by the drawing above. Now about half finished, its eleven buildings, out of a projected thirty, include a moving picture theater, hotel, central heating plant, stores, and apartments. To come are more stores and apartments, and a five-story office building. When completed, some time in 1940 or 1941, Palmer Square will have cost about \$4,500,000, will be the largest collection of new buildings in the Colonial style outside of Williamsburg. Its significance, however, lies elsewhere. It adds a new element to the typical small town plan: order appears against the chaos of the main street formula; by virtue of its extent alone it offers a safeguard against premature obsolescence; and finally, it demonstrates again that only by large-scale planning can a sound basis for architecture be established.

PALMER SQUARE, PRINCETON, N. J.

The parallel between Williamsburg and Palmer Square is more obvious than accurate: the former was an attempt at restoration; this is a new project, flanked by Princeton University's Collegiate Gothic and the nondescript architecture of the town's business center. The choice of style in this case was due to the predilection of the client, Mr. Edgar Palmer, and to the architect's interest in eighteenth century American architecture. The plan shows an equally traditional approach, with emphasis laid on buildings at the corners of the square and on the cross axis. Facades have been varied considerably to create the appearance of a series of small buildings, but a certain uniformity of effect has been maintained by control of roof lines and by the repetition of more or less standard shop windows.

COMPLETED SECTION — LOOKING NORTH



All photos, George H. Van A



LOOKING SOUTH



SEE PAGE 324 FOR
CONSTRUCTION OUTLINE

THE NASSAU TAVERN, PALMER SQUARE, PRINCETON, N. J.



ENTRANCE

SIGN BY NORMAN ROCKWELL

The problem of the inn was not an easy one. The small scale of the surrounding buildings conflicted with the requirements of a modern hotel with 100 rooms, and it was necessary to find some compromise. The nature of that compromise is shown on the facing page: a low central building with apparent additions of later date, one a low stone wing, the other the main hotel block. Replacing the historic Nassau Inn, the new building and its interiors were designed to recall an earlier period, and already have a convincing appearance of antiquity. In the rooms below, used mainly by Princeton students, the indestructibility of furniture and finishing materials was considered a factor of major importance.

SENIORS' ROOM



TAP ROOM





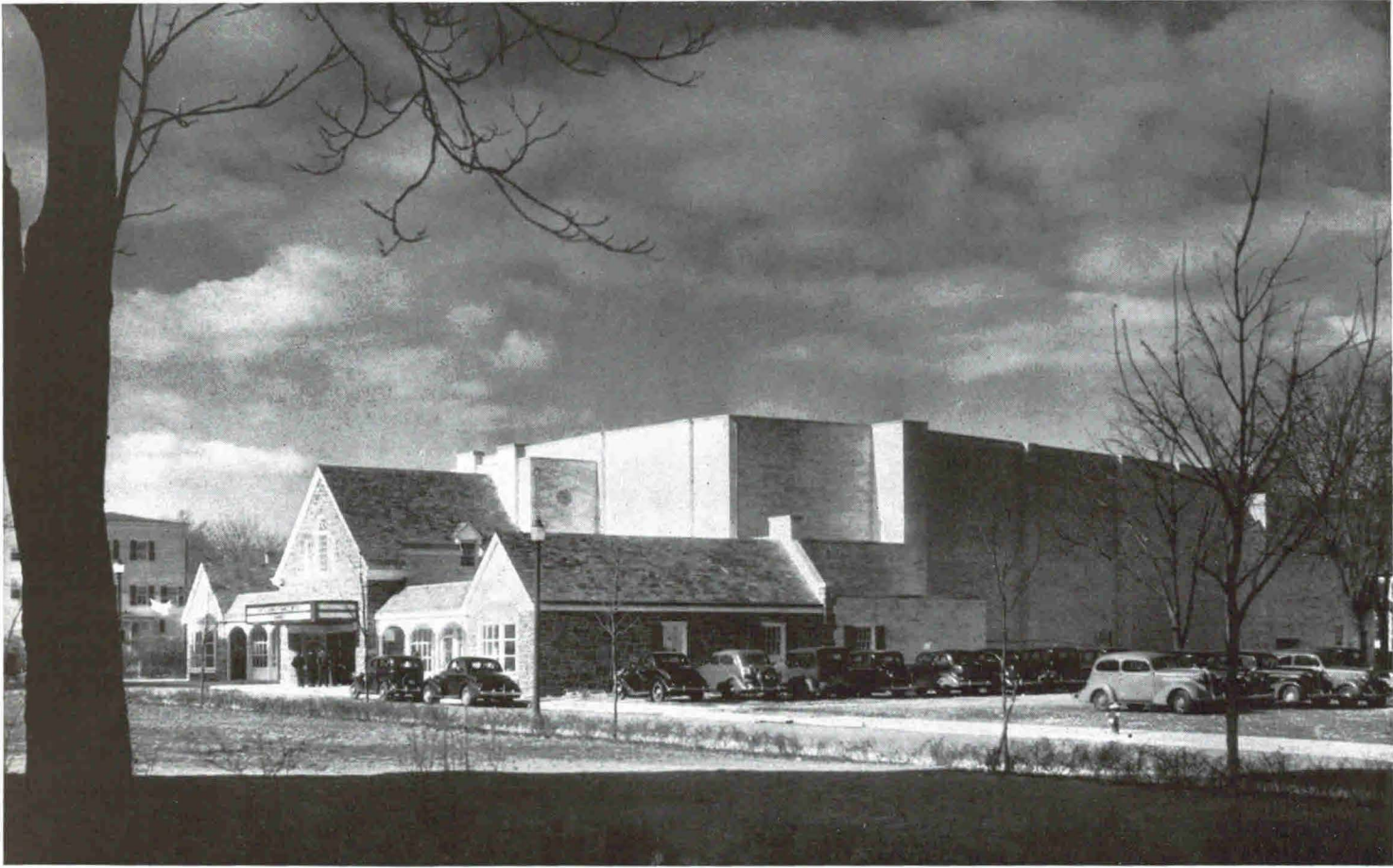
NASSAU TAVERN

VIEWS OF MAIN LOBBY

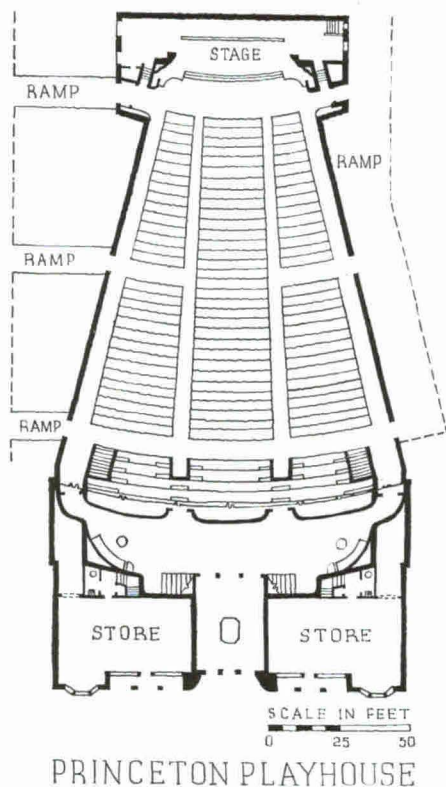
SEE PAGE 56 FOR CONSTRUCTION OUTLINE



PLAYHOUSE, PALMER SQUARE, PRINCETON, N. J.



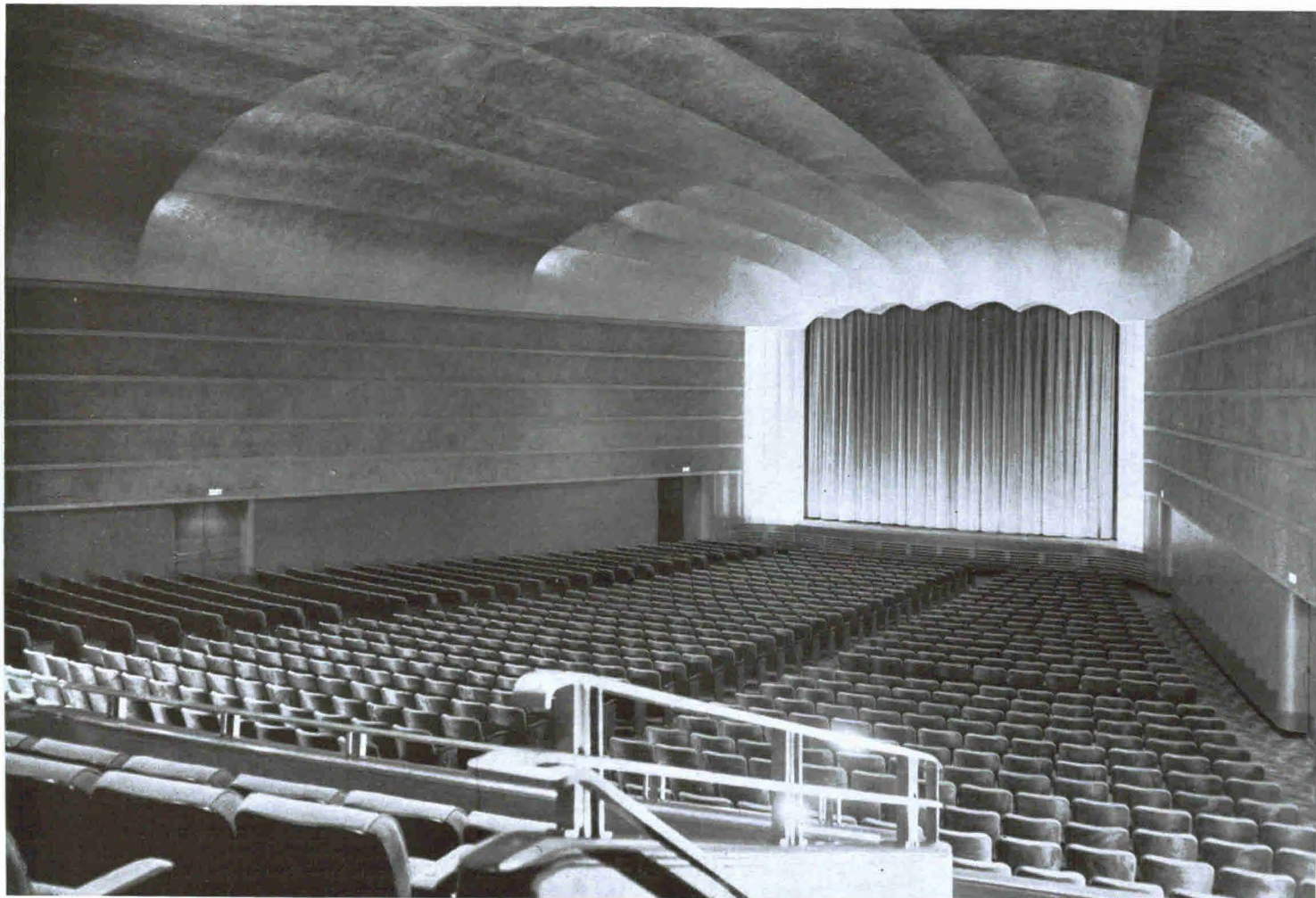
LOGE
SECTION



The Playhouse was the one building in the project which did not prove itself amenable to a period treatment, and as a result the patron finds that his ticket, purchased at a correctly Colonial booth, lets him into a very modern lobby and auditorium. The plan assures excellent visibility for all seats, and the ceiling, based on the so-called "isophonic curve," was designed by the Princeton Department of Physics and Western Electric engineers working in collaboration with the architect. Further acoustical treatment is provided on the side and back walls. The exterior block of the auditorium, which logically carries up the lines of the plan, has a more than practical advantage: the exaggeration of perspective produced in this manner tends to reduce the apparent bulk, and to bring the building more in scale with the rest of the square. Extreme care was taken with the mechanical installations, and the building has been insulated to an unusual extent, which should materially reduce both heating and cooling charges. Not the least attractive feature, from the point of view of the community, is the provision for parking on an adjacent plot.

LOOKING TOWARD STAGE

SEE PAGE 56 FOR CONSTRUCTION OUTLINE





CONSTRUCTION OUTLINE FOR APARTMENTS

FOUNDATION: Footings—Concrete, Pennsylvania-Dixie Cement Co. and Alpha Portland Cement Co.

STRUCTURE: Cinder Blocks—Hud-cin Building Products Co. Portland Cement stucco. Brick—Puddington Sales Corp., Hanley Co. Shingles—Edham by Weyerhaeuser Sales Co. Interior partitions—U. S. Gypsum Co. blocks; hollow tile—National Fire Proofing Co. Structural steel—Bethlehem Steel Co. Floor construction—Nassau hollow tile floor system by John T. McCoy.

ROOF: Gypsum plank—American Cyanamid and Chemical Corp. Tile shingles—Ludowici Celadon Co. Four-ply asbestos composition roof—Johns-Manville. Slate—Abbey Co.

INSULATION: Roofs—Rock wool bats, Baldwin Hill Co. Cork—Johns-Manville.

WINDOWS: Glass—Double thick Quality "A," American Window Glass Co. Store show windows—Pittsburgh Plate Glass Co. Rock-fast ecru Holland window shades.

WOODWORK AND SPECIAL TRIM: Trim—Union Millwork and Supply. Doors—Morgan Sash and Door Co. Wood tile floors—B. Mifflin Hood Co. Fireproof doors—Syracuse Fire Door Corp. Mantels—Mark Haffner.

HARDWARE: Interior and exterior—Reading Hardware Co. Door knockers—Art Brass Co. **PAINT MATERIALS:** Walls and ceilings—Oliver-Johnson Co.; for sash and trim—John W. Masury and Son.

ELECTRICAL INSTALLATION: Fixtures—Edw. F. Caldwell. Vestibule telephones and mail boxes—Stanley and Patterson.

PLUMBING FIXTURES: Crane Co. Soil pipes—extra heavy cast iron, Somerville Iron Works. Water pipes—Brass, Phelps Dodge Copper Products Corporation. Sump pump—Dayton-Dowd Co.

HEATING: Vacuum Heating System. Steam and hot water supplied from central heating plant. Radiators—American Radiator Co. Valves—Warren Webster Co.

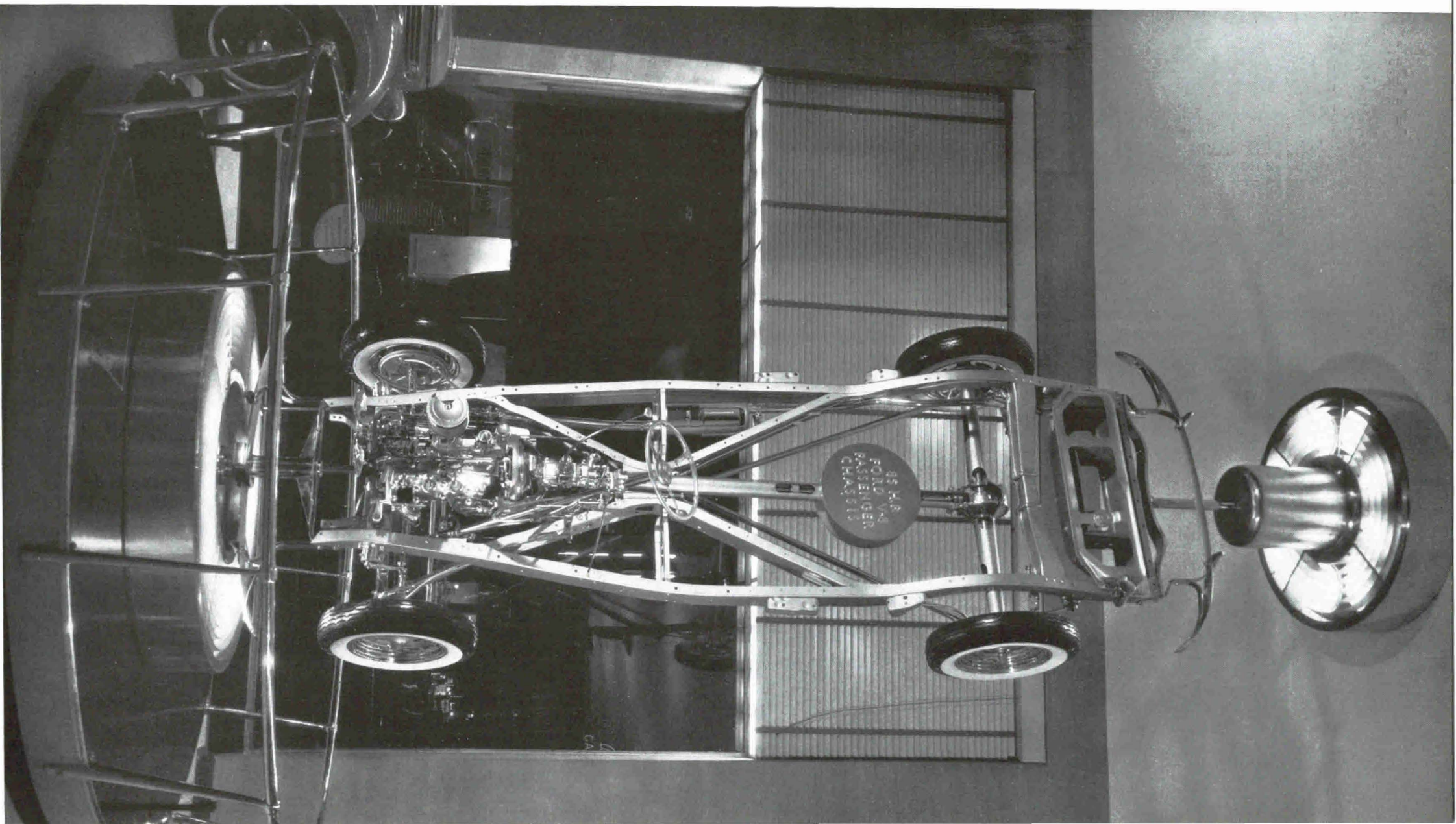
SPECIAL EQUIPMENT: Radio outlets—Hart & Hegeman Multicoupler Antenna System. Incinerator—Kerner Incinerator Co. Refrigerators—Stewart Warner.

See page 56 for Construction Outlines for Tavern and Playhouse

WALTER DORWIN TEAGUE, DESIGNER GAVIN HADDEN, ENGINEER

Photo by John Hans, Inc.

SHOW ROOM FORD MOTOR COMPANY, NEW YORK CITY

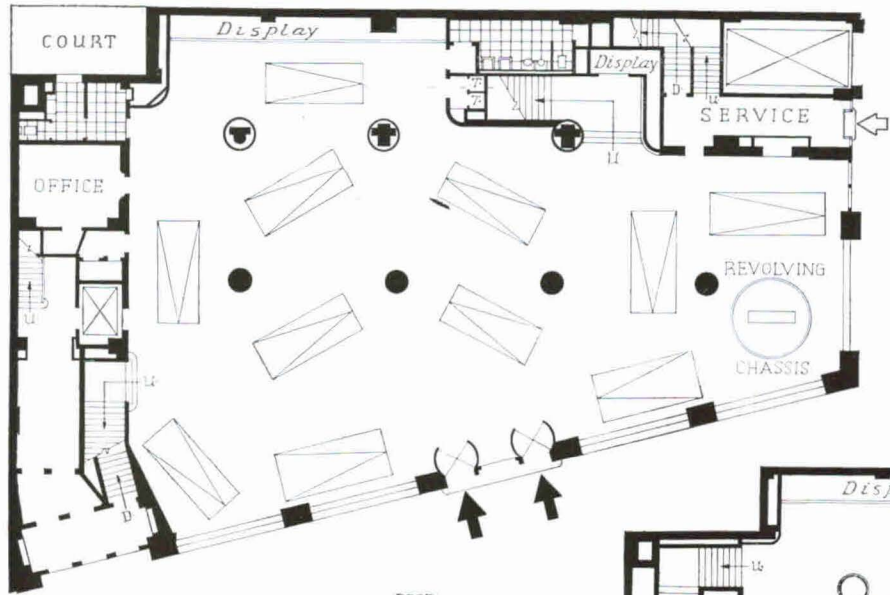




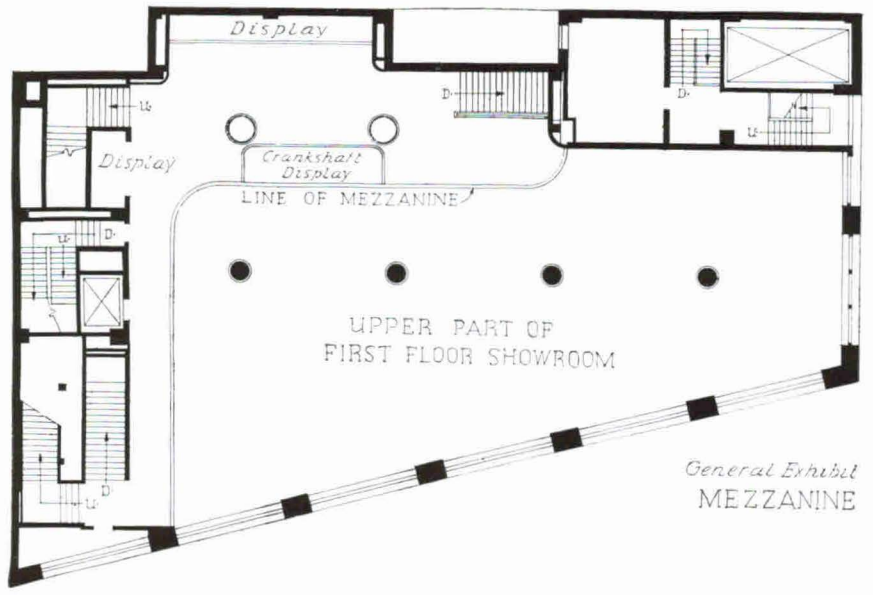
MAIN FLOOR

John H.

Two main problems faced the designer of this show room; there was the Ford Company's desire for an exhibition space which would show its products to advantage and there was the fact of an existing building whose structure—reinforced concrete—made radical changes impracticable. Within these limits the designer was given a free hand, and the remodeling, originally scheduled for only the first four floors, was ultimately extended to the remaining two. At the street level a maximum of unobstructed floor area was allocated to car display; existing columns were covered with cylindrical shells to diminish their apparent size. The chief decorative elements are a large photomural and an ingeniously mounted chassis, shown on the preceding page. A mezzanine was built, with a broad stair for easy access, and contains a variety of displays intended to stimulate progressively the visitors' interest in the exhibits on the upper floors.



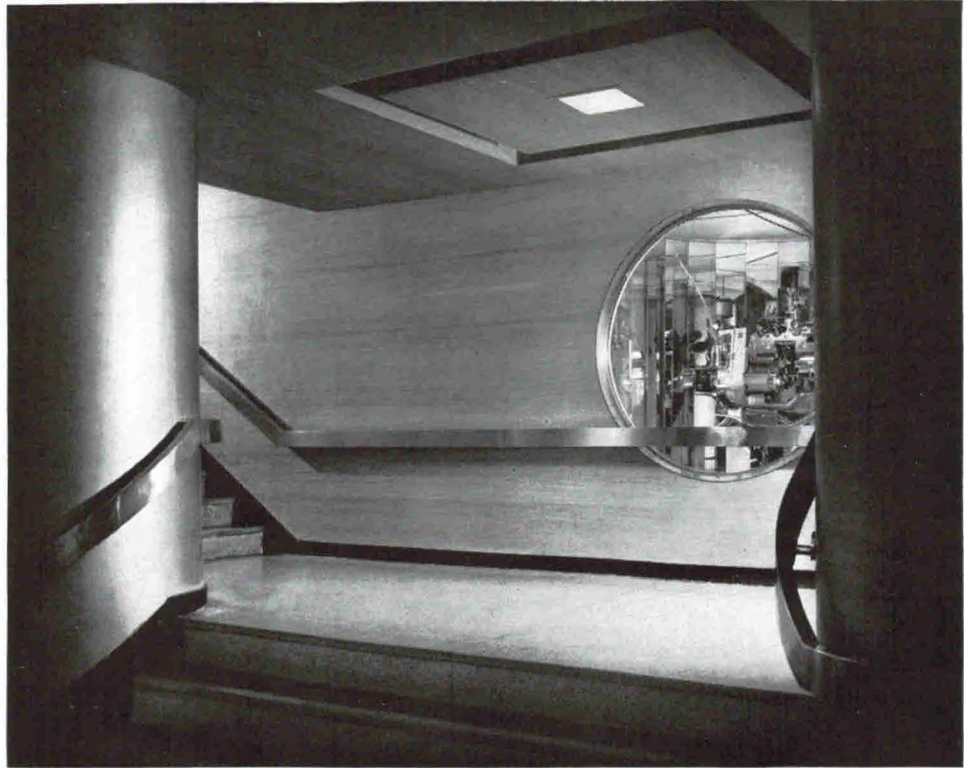
FIRST FLOOR *General Exhibit*



MEZZANINE



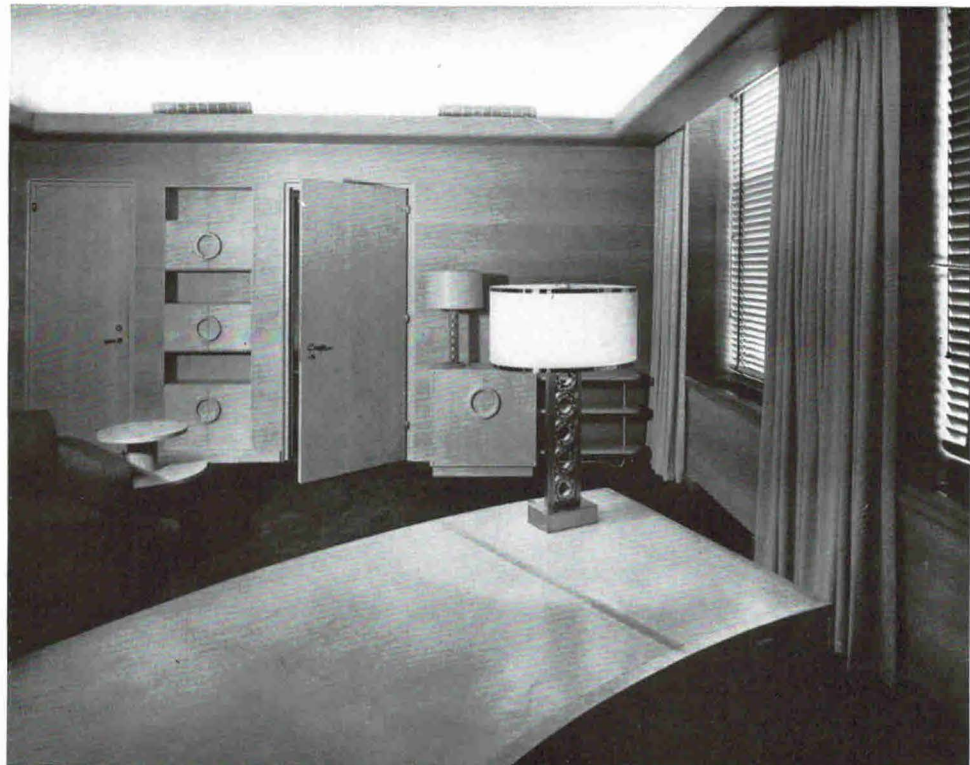
Robert M. Damora



STAIRS TO MEZZANINE

Robert M. Damora Photos

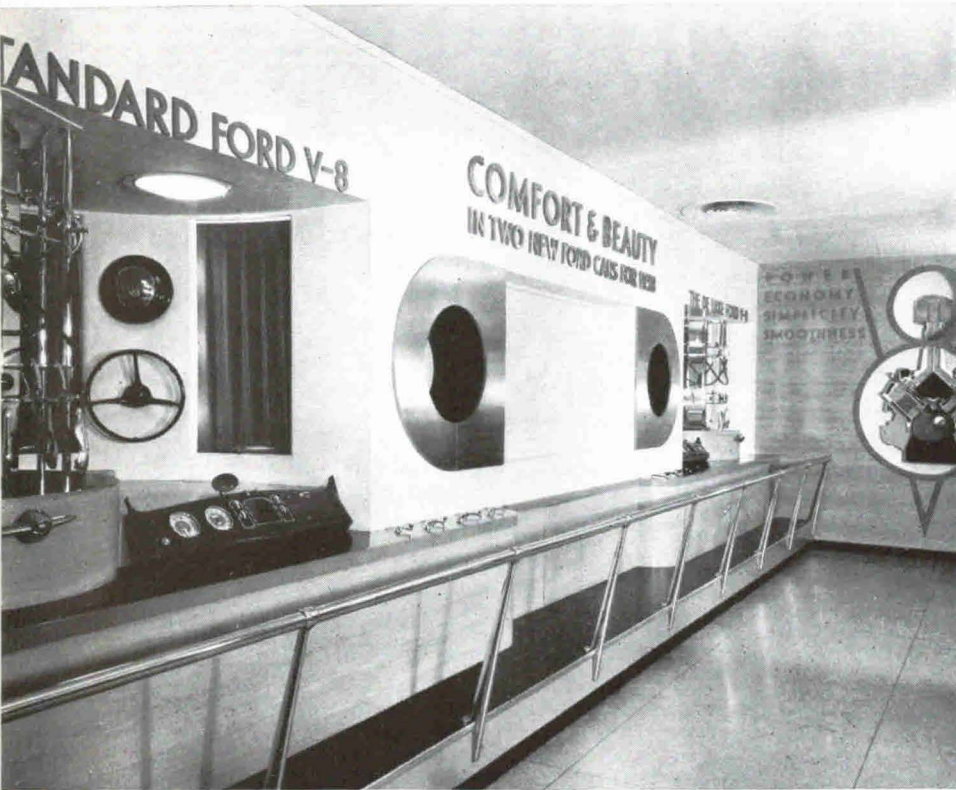
EXECUTIVE OFFICE





MAIN FLOOR

The most noticeable characteristic of the show room is its restraint. Obviously the background for motor car display must be simple, but while this facilitates the problem in one sense, it makes it more difficult in another, for there is a subtle difference between the unobtrusive and the merely negative. Here a general background of rift oak veneer gives warmth and textural interest, while the large photomural discreetly accents the mezzanine and the stairs which lead to it. Strategically placed on the landing is a motor, set against a curved screen of mirrors. The executive's office on the opposite page echoes the simple treatment of the larger spaces, and contains lamps made of car parts, an amusing device used by the designer on other Ford displays.

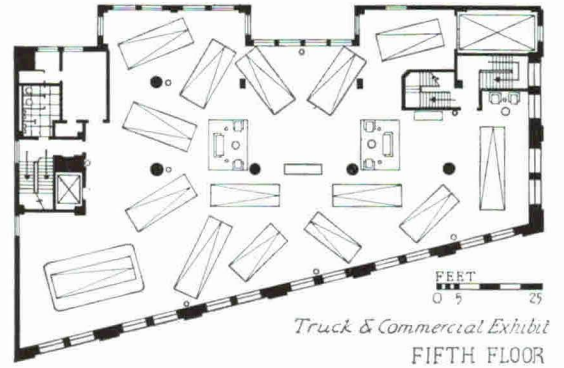
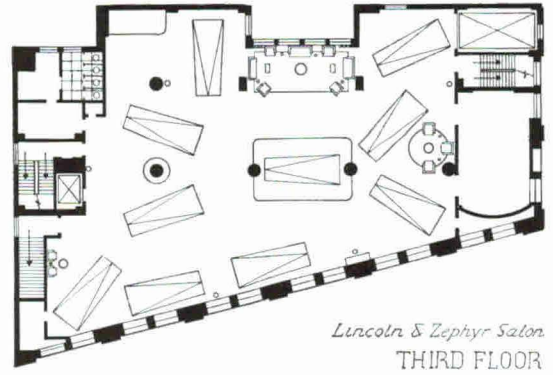
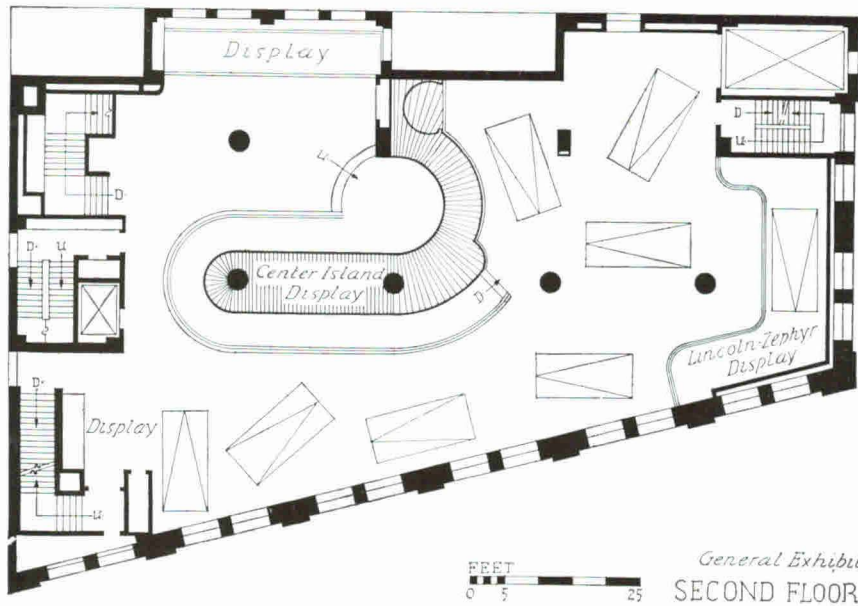


John Hans, Inc.

EXHIBITS SECOND FLOOR

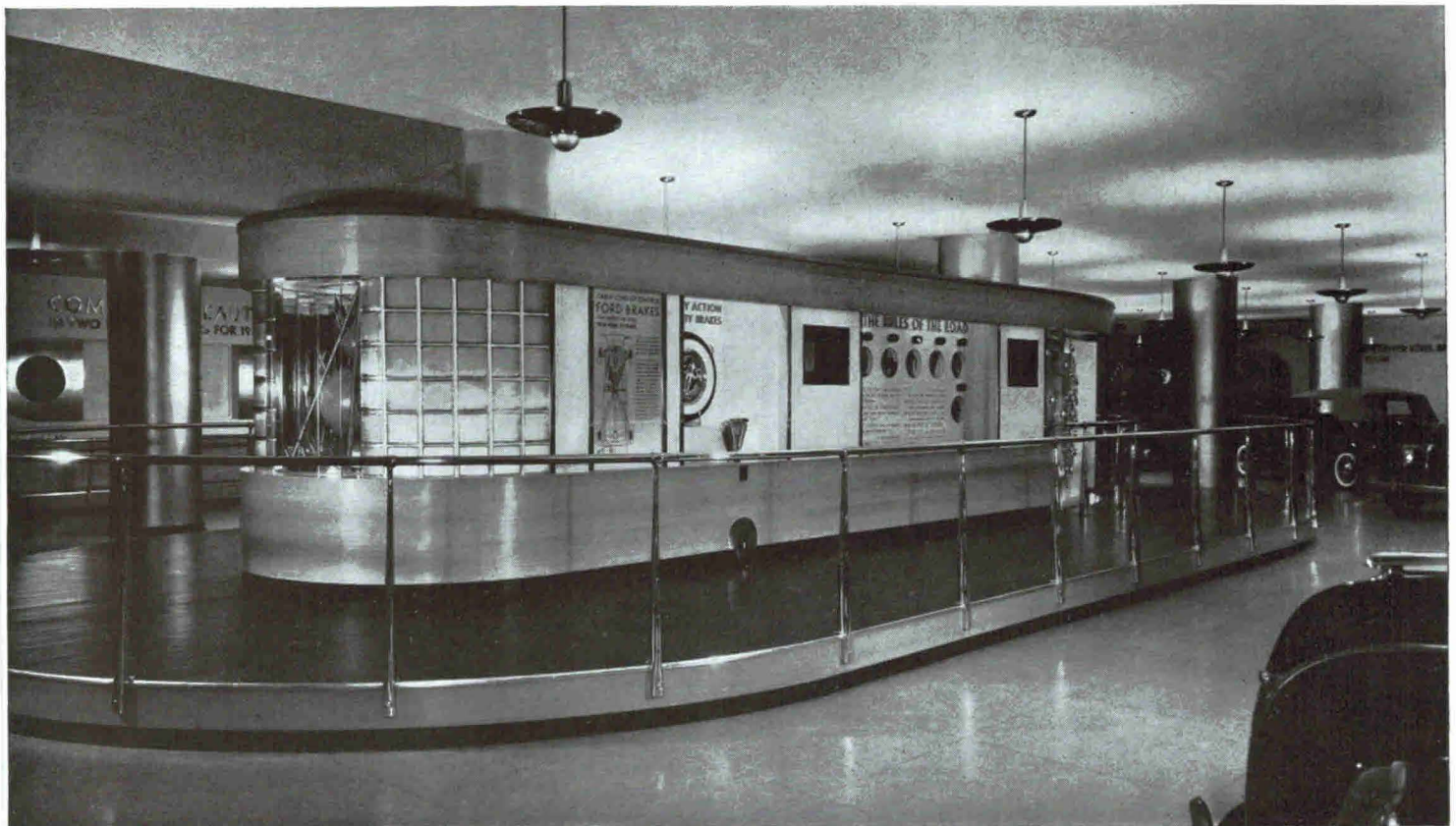


Robert M. Damm

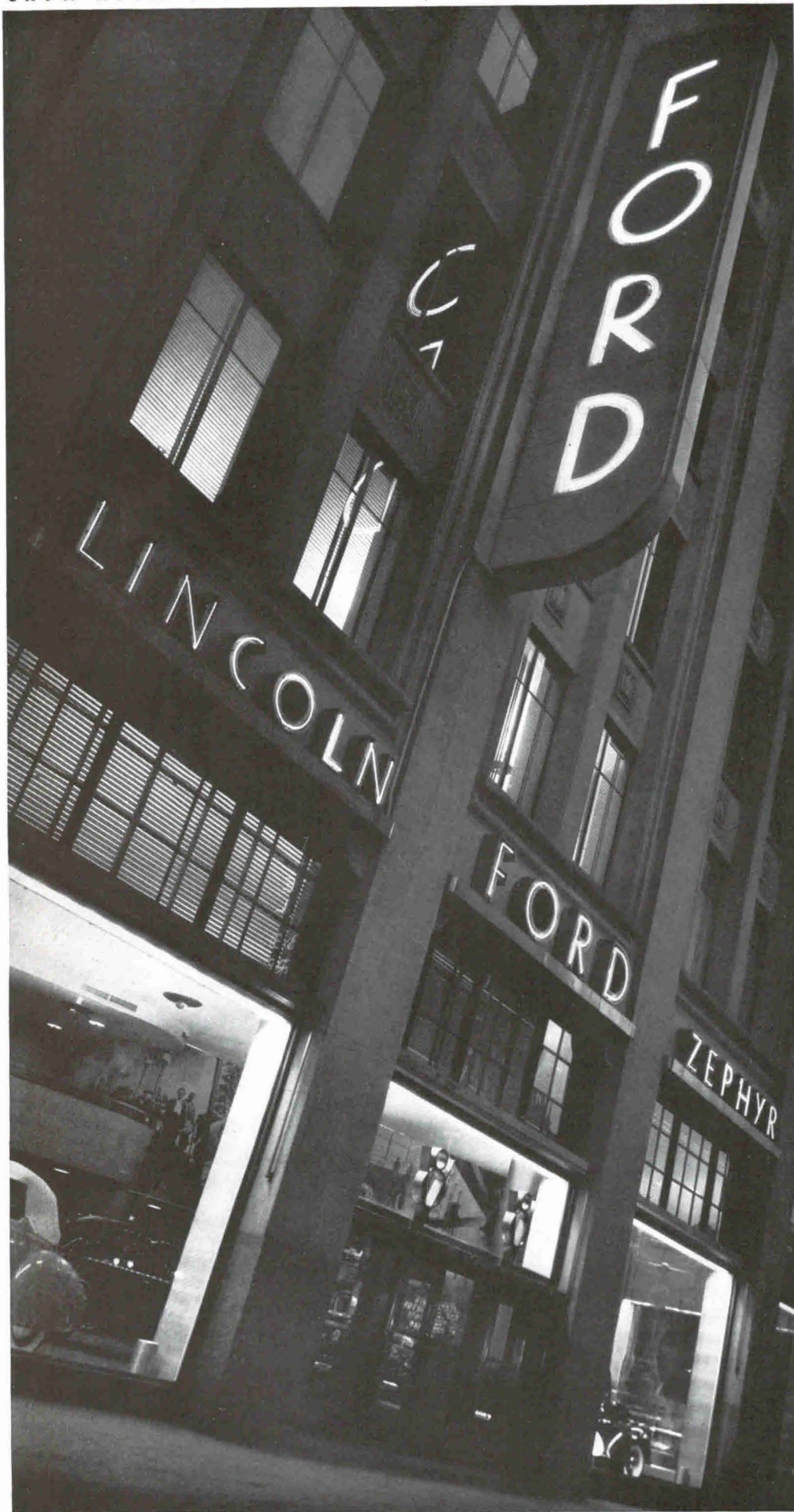


The exhibit space on the second floor, while it also contains a number of cars, is primarily devoted to mechanical displays. By the use of islands, recessed wall exhibits, and other methods shown in the illustrations, a sense of continuity has been skillfully created in spite of the regularly recurring columns. The detail, as elsewhere, is highly commendable, particularly in the case of the railings. A change in flooring materials and colors further emphasizes the function of the railings as elements of continuity in the design.

CENTER ISLAND DISPLAY 2ND FLOOR



John Hans, Inc.



John Hans, Inc.

WALTER DORWIN TEAGUE,
DESIGNER

GAVIN HADDEN, ENGINEER

ASSOCIATES:

WALTER DORWIN TEAGUE, JR.

WESTON M. GEETY

C. S. MYERS

CONSTRUCTION OUTLINE

STRUCTURE

Interior partitions—clay tile, gypsum block; steel office partitions, E. F. Hauserman Co. Structural steel—Carnegie Illinois Steel Co. Ceilings—Acoustone W, acoustical tile, U. S. Gypsum Co., Acousti-Celotex C-2, Celotex Co. White coat plaster under mezzanine and low furred duct areas.

INSULATION

Sound insulation for floors, walls and ceilings in air conditioning fan rooms of mezzanine and 4th floor—George S. Holmes Co.

WINDOWS

Sash—new bronze frames for store front windows, material by American Brass Co. Fabrication, by American Bronze Co. Venetian blinds—Burlington Venetian Blind Co.

FLOORS

Show room and exhibit floors—terrazzo. Offices and mezzanine—rubber tile, Hood Rubber Co., Inc. Special rooms—carpet. Toilet rooms—ceramic tile.

WALL COVERINGS

Toilet rooms—7 ft. gray Carrara glass wain scot, Pittsburgh Plate Glass Co. First floor walls, show room, mezzanine and special of fices—rift oak Flexwood, U. S. Plywood Co.

WOODWORK

Trim—rift oak and bronze on first floor; steel bucks without trim used on upper floors. Interior doors—rift oak; flush panel; hollow metal doors by Atlantic Metal Products Co. Bronze revolving doors—Van Kannel Revolving Door Co. Swing doors and exterior bronze work material—American Brass Co. Fabrication—American Bronze Co.

HARDWARE

Interior and exterior—Russell & Erwin Mfg. Co.

PAINTING

Interior: Walls—3 coats lead and oil, matte stipple finish, Pittsburgh Plate Glass Co. Trim and sash—eggshell gloss to match walls, Pittsburgh Plate Glass Co. Flexwood—2 coats shellac, rubbed with steel wool, wax finish. Exterior—walls painted with Truscon Super Pore Seal, Truscon Laboratories.

ELECTRICAL INSTALLATION

Wire—General Cable Co. Conduit—Walke Bros. Switchboards—Empire Switchboard Corp. Fixtures—Mitchel Vance Co., Inc. Fire signal equipment—Stanley Paterson Co.

PLUMBING

All fixtures by Standard Sanitary Mfg. Co. Brass piping installed for hot and cold water supply and steam heat return lines.

HEATING AND AIR CONDITIONING

Heating—two pipe steam vacuum. Air conditioning—York Ice Machinery Corp. Radiator—American Radiator Co. Thermostats—Milwaukee-Honeywell Regulator Co.

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90% MORTGAGE VERSUS RECESSION

is the subject of a survey. Spring plans of 50 leading subdividers show the score is tied. Greatest need: consumer confidence.

MORTGAGES covering 90 per cent of the value of a house, while not in general use, are considered an important stimulus to Building. Construction programs throughout the country are running about the same as last year. Labor and material costs in March were distinctly below those prevalent twelve months ago.

These three facts are the result of a March survey of 50 of the nation's leading subdividers conducted by THE ARCHITECTURAL FORUM. Fortified with reports and opinions from 29 cities in sixteen states, THE FORUM answers Building's biggest question: To what extent are the new National Housing Act amendments and the recession affecting the industry?

Ninety per cent. Replies from seven subdividers (three in the New York City area) indicated that new FHA legislation permitting the insurance of mortgages up to 90 per cent had boomed new construction. A like number stated that the legislation had stimulated public interest in home building and buying but had not yet produced results. Eight more said that little or no effects have been felt. Largest group, thirteen, was of the opinion that, while results were not yet evident, the legislation in time would serve to stimulate the industry. Reasons for the comparatively cool reception accorded

Government's latest aid to Building may be found in the following analysis.

The buyer, caught in the recession, lacks the confidence in his future to assume a long-term obligation. Herein lies perhaps the strongest reason for a slow public reaction.

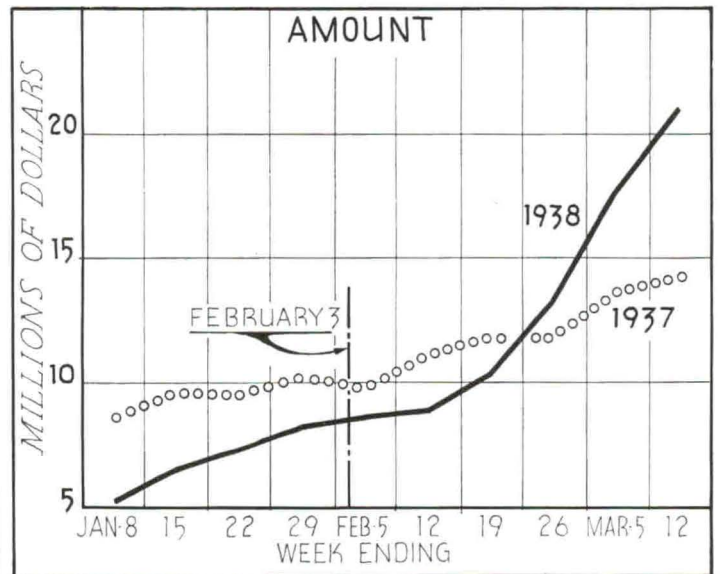
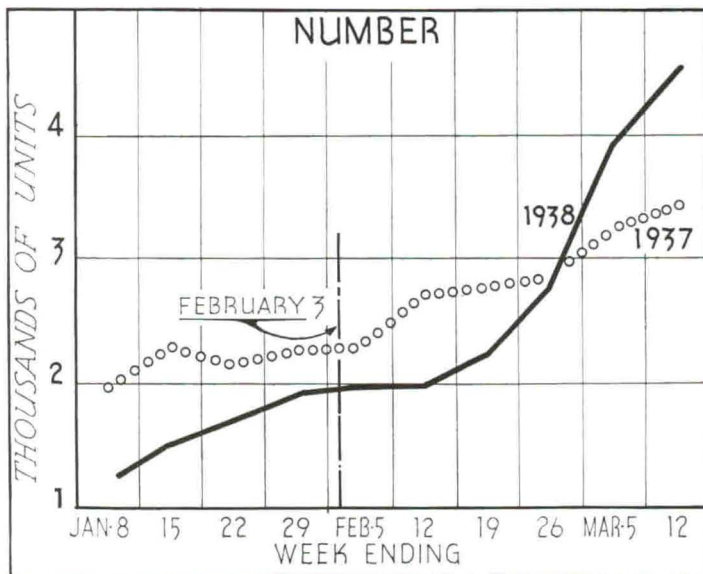
Secondly, the banks in many cases have assumed a wary attitude toward the 90 per cent mortgage. Eight builders have conditioned their otherwise optimistic predictions with the phrase "if the bankers will make the loans." Despite the fact that with FHA insurance these mortgages approach Government bonds in security and surpass them in earning power, banks hesitate to accept them. Reason: 25-year mortgages will continue into the next major depression, will be held by a group of comparatively low and unstable income. This circumstance means in the bankers' minds that the next wave of foreclosures will be the heaviest in history, will freeze the mortgage market more tightly and for a longer period than ever before.

Further hesitance on the part of lenders may be attributed to the tardy establishment of national mortgage associations. Discounting of 90 per cent loans by these associations will increase liquidity, may encourage the bankers to play ball. But even 80 per cent mortgages, which have

been eligible for FHA insurance since 1934, have not been overworked. Banks that in the past have been lending more than 75 per cent of appraisal value have been outnumbered by those that have set 75 per cent as the maximum. This conservative majority will not readily up the limit to the authorized 90 per cent.

Volume Comparison. Mirroring the positive influence of the NHA amendments and the negative effect of business recession, THE FORUM's survey of subdividers shows that construction activity during the first two and a half months of 1938 was greater than in the corresponding period of last year in 37 per cent of the localities, smaller in 39 per cent and appreciably the same in the remaining 24 per cent. Although the net result indicates that building is progressing at the same rate as a year ago, individual reports paint an erratic picture. Thus, ten of the subdividers who are doing more business than in the early months of 1937 state that the difference is marked, frequently as large as 100 per cent. On the other hand, eight of those who are doing less business hold that the year-to-year comparison is discouraging. Existence of these two extremes (sometimes in the same section of the country) may be attributed to the transitional nature of the period.

Definite plans in the hands of subdividers



Mortgages selected for appraisal by the Federal Housing Administration, in both number and dollar amount (above), have increased steadily since January 1, markedly since February 3, date the

National Housing Act amendments were signed. Virtually all properties included in the charts are small one-family houses, therefore provide a good barometer for forecasting home-building.

for new building prior to April 15 are normal in both numbers and dollars, only two stating that they had no work pending. On the other hand, two declared that they would build as many houses as physically possible during the spring, that they have reason to believe that operations will continue at this rate throughout the year.

Cost Comparison. Substantiating the most recent report of the Federal Home Loan Bank Board on the trend of labor and material costs (page 342) are the answers to THE FORUM's question: "How do building costs compare with those of last March?" They are decidedly lower, according to about 50 per cent of the respondents. One-third of the subdividers have not noticed any appreciable change in the price level, the remainder considered it higher.

Commentary. So diverse are the opinions and records indicated in the survey that a geographical breakdown of the returns seems warranted. Center of activity in the **East** is Long Island. Two of the most important subdividers in this locality report that construction is far ahead of last year, that the revised National Housing Act is responsible to a great extent. Says one, "We plan to construct approximately 500 houses this year . . . The new FHA mortgage legislation has completely revived small home construction around Queens County . . . In two and a half months we have almost equaled the entire previous year." Says the other, "With an amount of orders breaking all precedent, we shall build as fast as our organization can . . . The new FHA legislation is definitely a very important feature in the securing of these new orders . . . Our record of sales is more than 100 per cent better than . . . in 1937."

From New Jersey subdividers come reports that activity is about the same as last year, increased public interest in build-

ing due to 90 per cent mortgages having been offset by lack of interest on the part of lending institutions. Decreased business in Philadelphia is attributed to the labor situation. Despite the fact that insurance of 90 per cent mortgages can have but little effect in Washington where most houses are above the \$6,000 figure, one of the capital's subdividers plans to follow last year's program of starting one new house every two weeks, notes that in nearby Virginia and Maryland a considerable number of low-equity loans have been applied for as a result of the recent legislation but that they "will not create a building boom."

Three of Pittsburgh's builders are prospering with twice as much business as in the early part of 1937, comment that they could "sign up \$100,000 in business in two weeks if 90 per cent loans were available." "Have at least 100 persons interested in 90 per cent loans, but . . . lending institutions are not accepting (them)." Lenders are "awaiting . . . information re national mortgage associations."

Cross-section of the **South** indicates that subdivision construction activity is unchanged to lower in comparison with last year; that, while the 90 per cent loan has been conspicuous by its absence, it should eventually have a stimulating effect throughout the section. Some respondents termed the ultimate effect "enormous."

Sampling in the **Middle West** covered nine cities: four reported decreased activity, one unchanged and four increased. Shedding further light on the new mortgage plan, a Cleveland subdivider finds that it "has had very little effect in this vicinity with banks . . . not loaning more than 80 per cent with few doing this." His first three months' payroll record is 78 per cent below that of the same period last year. In Wisconsin the effect to date seems to be a stimulation of 80 per cent loans with the State FHA of-

fice reporting a 100 per cent increase in the amount of business underwritten.

A Chicago respondent indicated that he has sold from blueprints 58 houses since the first of the year, that "this is more than we sold or built all last year. Ninety per cent of this business we trace to the new FHA mortgage plan . . . we can build at least 300 homes for individuals . . . this year." Builders in Wichita are equally bullish. They talk of a local building boom, higher labor and material costs and the noteworthy effect of the 90 per cent mortgage. As evidence they cite the record of the Kansas FHA office for the first week in March—receipt of 72 loan applications involving nearly \$400,000 of construction.

Less optimistic are the reports from the **West**, only two subdividers indicating that business is better than that a year ago. One of these reports: "Effect of 90 per cent FHA mortgage loans in (this community near Los Angeles) has been very noticeable. In fact, our next 30- or 60-day volume of both sales and new homes we attribute largely to the amendments to the FHA." The other, in Seattle, notes a "fine psychological effect on building, arousing confidence of builders," but adds that less than one-fourth of the loans contemplated will be for the full 90 per cent.

In sum, THE FORUM survey underlines the fact that the effects of the amendments to National Housing Act are being delayed by the buyers' lack of confidence, the bankers' queasiness. The national picture as given in the record of FHA mortgages selected for appraisal is superficially hopeful; it indicates a sharp increase in plans for new building. The contradiction between these plans and the uncertainty revealed by THE FORUM survey is explained by the fact that where building is good (as on Long Island), it is very, very good, out-weighting the mediocre records of the country as a whole.

EFFECT ON BUILDING OF FHA 90% MORTGAGE PLAN:

Actual stimulus

GARDEN CITY, N. Y.
MANHASSET, N. Y.
JAMAICA, N. Y.
FRANKLIN VILLAGE, MICH.
CHICAGO, ILL.
SAN FRANCISCO, CALIF.
LOS ANGELES, CALIF.

Interest stimulated

VALLEY STREAM, N. Y.
WESTFIELD, N. J.
DETROIT, MICH.
OAK PARK, ILL.
SEATTLE, WASH.
LOS ANGELES, CALIF.

Probable future stimulus

JAMAICA, N. Y.
BALTIMORE, MD.
PITTSBURGH, PA.
COLUMBUS, GA.
JACKSONVILLE, FLA.
DALLAS, TEX.
ST. LOUIS, MO.
KANSAS CITY, MO.
WICHITA, KAN.
LOS ANGELES, CALIF.

Little or no stimulus

PLAINFIELD, N. J.
WASHINGTON, D. C.
ATLANTA, GA.
HOUSTON, TEX.
CLEVELAND, O.
MILWAUKEE, WIS.
SEATTLE, WASH.

BUILDING RECORD JANUARY 1 - MARCH 15:

Better than last year

MANHASSET, N. Y.
JAMAICA, N. Y.
PITTSBURGH, PA.
COLUMBUS, GA.
CHICAGO, ILL.
MILWAUKEE, WIS.
FRANKLIN VILLAGE, MICH.
WICHITA, KAN.
SEATTLE, WASH.
LOS ANGELES, CALIF.

Worse than last year

GARDEN CITY, N. Y.
VALLEY STREAM, N. Y.
PHILADELPHIA, PA.
PITTSBURGH, PA.
DALLAS, TEX.
CLEVELAND, O.

DETROIT, MICH.
OAK PARK, ILL.
KANSAS CITY, MO.
SEATTLE, WASH.
SAN FRANCISCO, CALIF.
LOS ANGELES, CALIF.

Same as last year

JAMAICA, N. Y.
WESTFIELD, N. J.
PLAINFIELD, N. J.
ROCHESTER, N. Y.
WASHINGTON, D. C.
BALTIMORE, MD.
HOUSTON, TEX.
ST. LOUIS, MO.

MARCH BUILDING COSTS:

Higher than last year

PLAINFIELD, N. J.
PITTSBURGH, PA.
DETROIT, MICH.
MILWAUKEE, WIS.
LOS ANGELES, CALIF.

Lower than last year

GARDEN CITY, N. Y.
JAMAICA, N. Y.
MANHASSET, N. Y.
VALLEY STREAM, N. Y.
ROCHESTER, N. Y.
PHILADELPHIA, PA.
WASHINGTON, D. C.
PITTSBURGH, PA.

ATLANTA, GA.
JACKSONVILLE, FLA.
HOUSTON, TEX.
FRANKLIN VILLAGE, MICH.
WICHITA, KAN.
SEATTLE, WASH.
SAN FRANCISCO, CALIF.
LOS ANGELES, CALIF.

Same as last year

WESTFIELD, N. J.
WASHINGTON, D. C.
BALTIMORE, MD.
COLUMBUS, GA.
DALLAS, TEX.
CLEVELAND, O.
CHICAGO, ILL.
OAK PARK, ILL.
ST. LOUIS, MO.
SEATTLE, WASH.
LOS ANGELES, CALIF.

Repetition of the same city in these tables indicates that there was more than one respondent in that city.

COMMENTS ON FHA 90% MORTGAGE PLAN:

Westfield, N. J.—"For some time past (lending institutions) have been cutting under the 80 per cent insurance, making loans 10 to 15 per cent less than the insured amount. There is definite resistance by many lending institutions because they are holding a large volume of foreclosed homes of an older date, and they do not like to finance modern construction to compete with antiquated properties."

Washington, D. C.—"Our opinion . . . is that it is a bad risk and that in communities where it may be effective, it will bring into the building industry an undesirable class of builders . . ."

Baltimore, Md.—"No matter how liberal the financing, builders will not build houses for sale unless there is a demand from the

buying public . . . The market is particularly slow and the demand very limited."

Jacksonville, Fla.—"We are of the opinion that this new bill will for at least a year or more have a detrimental effect on the value of existing homes. Later . . . (it) will . . . improve the value of existing structures."

Milwaukee, Wis.—"Bankers complain at elimination of service charges (from the basic interest rate), predict decrease in 80 per cent loans . . . The average citizen thinks he only needs 10 per cent of cost to buy or build a house; is slowly being disillusioned."

Kansas City, Mo.—"I question the soundness of some of the plans that are being dis-

cussed and think there is very likely to be a false stimulation of building (in the low-price brackets)."

Seattle, Wash.—"I feel that the complications, various reports, red tape, and the failure of the publicity campaign of the FHA are responsible for the lack of interest and cooperation of the buying public for this marvelous plan of purchase of a home."

Los Angeles, Calif.—" . . . not as helpful as most politicians think it to be. This for the reason that so many people who have some funds and are home-ownership minded are still frightened and unwilling to spend the funds that they have, or to incur obligations under present uncertain conditions."

90% MORTGAGES... HERE, THERE, NOT EVERYWHERE

CREAM of the business in 90 per cent FHA-insured mortgages will go to the building and loan associations, and those operating under State charters in three-fourths of the U. S. will share this cream. Thus, in 25 States associations are authorized by law to make insured mortgages regardless of the percentage of value, in eleven more (including the District of Columbia) the percentage is not limited by statutory provision. Of the remaining States, seven prohibit loans in excess of 80 per cent, the others set limitations between 60 and 75 per cent.

Although this summary of authorized lending of building and loan associations

indicates that the 90 per cent mortgage may receive widespread acceptance, there are two factors working in the opposite direction. One is the time required to foreclose a mortgage; the other, the cost. Since use of the authorized low-equity mortgage is bound to increase foreclosures sooner or later, both factors are noteworthy.

Mortgagees in Alabama will think twice before making a 90 per cent loan, for in that State more than two years is required to complete the average foreclosure. In Illinois they will shy away because the cost of foreclosing a mortgage averages more than \$350. These are extremes, but in nineteen States the average period exceeds one

year, in 30 the average cost exceeds \$100. Excessive foreclosure expense tends to reduce the margin of safety for the mortgagee, especially when the equity is small. Thus, if it costs \$125 to close a \$5,000 mortgage for 90 per cent of appraised value, the foreclosure expense would reduce the margin of safety by about 25 per cent.

The tabulation below outlines the situation in each State. Information relating to the maximum percentage of appraisal value loanable by building and loan associations under State charters has been prepared for THE FORUM by the U. S. Building and Loan League. Foreclosure data are from the *Federal Home Loan Bank Review*.

STATE	1. Maximum building and loan mortgage authorized. 2. Average time and cost of foreclosure.	STATE	1. Maximum building and loan mortgage authorized. 2. Average time and cost of foreclosure.
ALABAMA	1) No statutory provision; 2) 25 months, \$48.	NEBRASKA	1) 80 per cent if insured by FHA; 2) 6 months, \$112.
ARIZONA	1) May make insured mortgages regardless of percentage of value; 2) 9 months, \$202.	NEVADA	1) May make insured mortgages regardless of percentage of value; 2) 15 months, \$223.
ARKANSAS	1) No statutory provision; 2) 5 months, \$123.	NEW HAMPSHIRE	1) No statutory provision except as to non-members of the associations where loans are limited to 66 2/3 per cent; 2) 2 months, \$71.
CALIFORNIA	1) May make insured mortgages regardless of percentage of value; 2) 15 months, \$161.	NEW JERSEY	1) 80 per cent; 2) 5 months, \$222.
COLORADO	1) No statutory provision; 2) 8 months, \$103.	NEW MEXICO	1) No statutory provision; 2) 13 months, \$175.
CONNECTICUT	1) 80 per cent; 2) 4 months, \$111.	NEW YORK	1) 80 per cent; 2) 4 months, \$313.
DELAWARE	1) No statutory provision; 2) 3 months, \$121.	NORTH CAROLINA	1) May make insured mortgages regardless of percentage of value; 2) 2 months, \$64.
DIST. OF COL.	1) No statutory provision; 2) 1 month, \$69.	NORTH DAKOTA	1) May make insured mortgages regardless of percentage of value; 2) 16 months, \$115.
FLORIDA	1) No statutory provision; 2) 4 months, \$158.	OHIO	1) May make insured mortgages regardless of percentage of value; 2) 4 months, \$125.
GEORGIA	1) No statutory provision; 2) 1 month, \$57.	OKLAHOMA	1) May make insured mortgages regardless of percentage of value; 2) 10 months, \$140.
IDAHO	1) May make insured mortgages regardless of percentage of value; 2) 15 months, \$171.	OREGON	1) May make insured mortgages regardless of percentage of value; 2) 15 months, \$130.
ILLINOIS	1) May make insured mortgages regardless of percentage of value; 2) 20 months, \$354.	PENNSYLVANIA	1) May make insured mortgages regardless of percentage of value; 2) 2 months, \$158.
INDIANA	1) May make insured mortgages regardless of percentage of value; 2) 14 months, \$186.	RHODE ISLAND	1) May make insured mortgages regardless of percentage of value; 2) 2 months, \$45.
IOWA	1) 80 per cent if insured by FHA; 2) 15 months, \$129.	SOUTH CAROLINA	1) May make insured mortgages regardless of percentage of value; 2) 3 months, \$123.
KANSAS	1) May make insured mortgages regardless of percentage of value; 2) 11 months, \$91.	SOUTH DAKOTA	1) 75 per cent; 2) 14 months, \$71.
KENTUCKY	1) No statutory provision; 2) 6 months, \$149.	TENNESSEE	1) 66 2/3 per cent; 2) 1 month, \$78.
LOUISIANA	1) May make insured mortgages regardless of percentage of value; 2) 4 months, \$125.	TEXAS	1) 80 per cent if insured by FHA; 2) 1 month, \$5.
MAINE	1) May make insured mortgages regardless of percentage of value; 2) 13 months, \$21.	UTAH	1) 60 per cent; 2) 15 months, \$158.
MARYLAND	1) May make insured mortgages regardless of percentage of value; 2) 1 month, \$158.	VERMONT	1) May make insured mortgages regardless of percentage of value; 2) 9 months, \$97.
MASSACHUSETTS	1) During next six years can make insured mortgages regardless of percentage of value—subject to regulations of Comm. of Banks; 2) 2 months, \$29.	VIRGINIA	1) May make insured mortgages regardless of percentage of value; 2) 1 week, \$94.
MICHIGAN	1) 80 per cent if insured by FHA; 2) 15 months, \$91.	WASHINGTON	1) May make insured mortgages regardless of percentage of value; 2) 16 months, \$134.
MINNESOTA	1) May make insured mortgages regardless of percentage of value; 2) 14 months, \$96.	WEST VIRGINIA	1) 65 per cent; 2) 1 month, \$57.
MISSISSIPPI	1) Not reported; 2) 2 months, \$59.	WISCONSIN	1) May make insured mortgages regardless of percentage of value; 2) 16 months, \$170.
MISSOURI	1) No statutory provision; 2) 1 month, \$45.	WYOMING	1) 65 per cent; 2) 15 months, \$174.
MONTANA	1) May make insured mortgages regardless of percentage of value; 2) 15 months, \$162.		

TEN HANDSOME HOUSES

do not make a successful subdivision. Recession in Seattle puts the damper on a progressive group of builders.

PRODUCT of the recession is the recent development of Windermere, one of the better Seattle subdivisions on the shores of Lake Washington. Year ago during the building boomlet about \$200,000 was spent in the construction of ten handsome houses which brought Windermere's total up to 31. Today in the midst of business recession these ten houses remain unsold—but they are well worth examination.

History. First man to become interested in this tract of land as a place for future building was Lawrence J. Colman, pioneer land-developer and capitalist who camped at Lake Washington in the middle Eighteen Hundreds. Later, he interested two Seattle friends: E. B. Morey, wealthy stationer and landowner, and Rolland H. Denny, first white child to arrive in the city. Together they purchased 120 acres, called them Windermere.

Actual development began in 1927 when the rolling hillside was platted with 200 lots varying in frontage from 60 to 225 feet, in depth from 110 to 620 feet. Largest of these lots border on the 3,500-foot lakeshore, atop a bluff which parallels the water. Two and a half miles of curved concrete streets were made to follow the contours of the land, thus gave most of the lots an unobstructed view of the lake and the hills beyond. Unfortunate is the fact that no provision was made for a community center within the boundaries; the nearest shopping district is a mile away and comparatively small, requiring that many purchases be made in Seattle, seven miles to the southwest.

Division of the property also included a five-and-a-half acre park dedicated permanently and exclusively to residents of Windermere and enclosed by a metal fence and locked gates. Within are a playground, a 200-foot pier and a beach of Montez white sand imported from California. To preserve an exclusive character, racial, financial and building restrictions were placed on the subdivision. It was agreed that houses on the small lots cost at least \$6,000, be at least 30 feet from the street; on the larger lots the minimum limits were set at \$25,000 and 50 feet. To discourage land speculation a residence was required to be under construction within three years after purchase of property and to be completed within six months' time. Penalty for breach of this covenant is forfeiture of title.

When he died in 1935 Developer Colman had seen but little building at Windermere—nine owner-built houses valued at \$179,000.

Revival. But development did not cease. The leading part in Windermere and the prosperous J. M. Colman Co. fell upon Son Kenneth B. Colman who proceeded to interest a Chicago developer named W. Thomas Conran in his subdivision. In January 1937 Conran purchased ten of Colman's medium size lots; by April 1 dirt was flying on all ten. Young Ivan W. Meyer, 1925 graduate of nearby Washington University, was chosen as architect. Although not a modernist, his designs tend to differ from the traditional. Meyer calls his homes "modernized versions of period type houses." Result was that by the end of September Windermere had ten completed residences of individual, distinctive design.

Four pictures on the following pages show that Architect Meyer has achieved in most cases an interesting and somewhat unusual massing of elements. Features are frank expression of materials and lack of ornamental detail; emphasis placed on the horizontal; frequent use of corner windows to take advantage of Windermere's many views. Indicative of proper orientation is the fact that living rooms and master bedrooms in all four of the houses have southern exposures, that in three the service elements appropriately are on the less desirable north side.

Meyer's floor plans handle well the problem of speculative building. His houses contain seven, eight and nine rooms, exclusive of a breakfast alcove and basement recreation room which were supplied in

most cases. Service elements have been admirably segregated without sacrifice of proper circulation. Room arrangement is compact, interesting and provides abundant closet space. Construction is good, brick and frame figuring in almost equal proportions. All foundations are of continuous concrete, all roofs of native, hand-split cedar shakes. While air conditioning units were installed in all houses, Builder Conran did not consider refrigeration for summer essential in the usually cool Puget Sound climate.

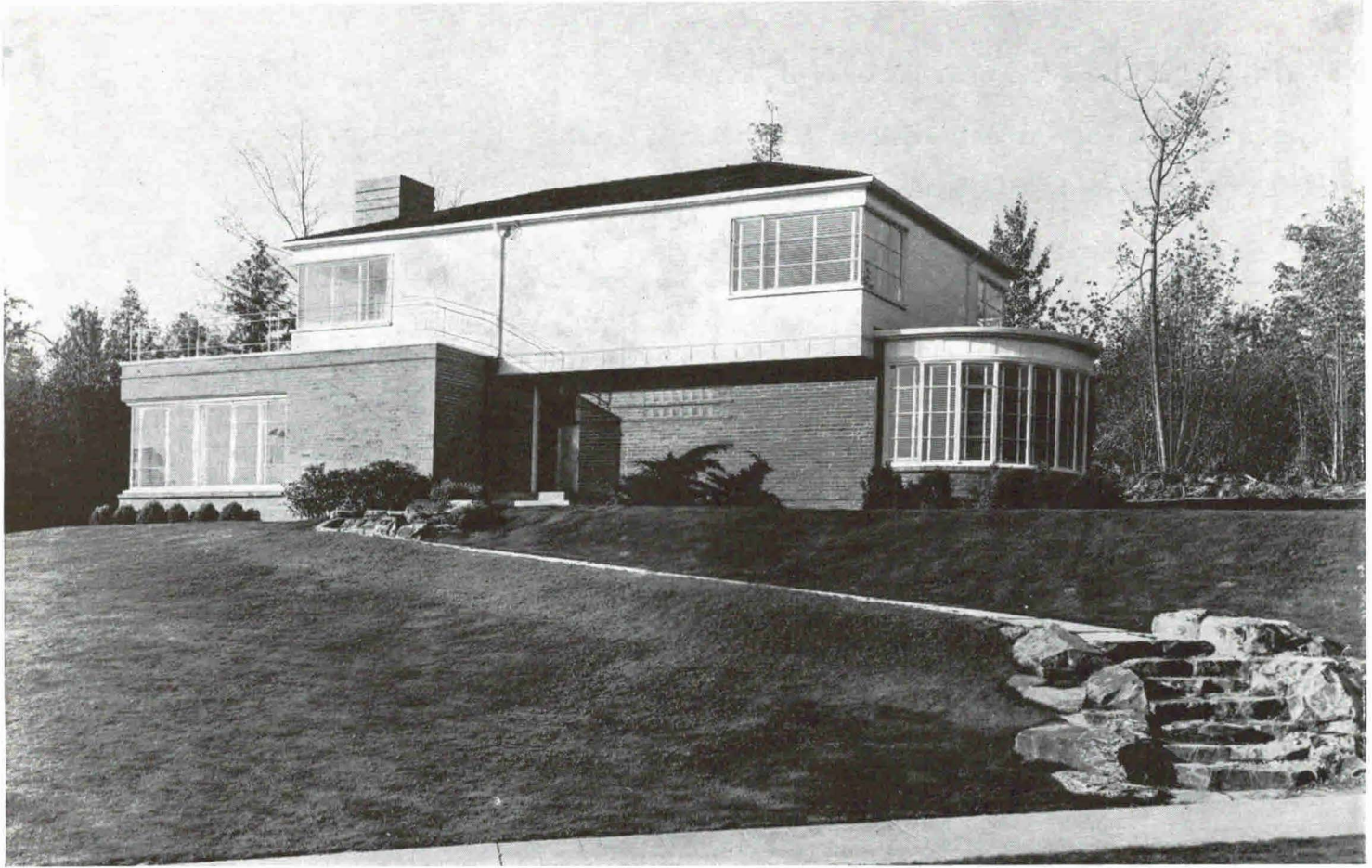
Reception. Since completion the ten houses have received only conservative publicity. Neatest piece was a full page in the *Seattle Sunday Times*, displaying under a running headline four articles on Windermere, two pictures and fourteen advertisements paid for by various companies instrumental in building the Conran houses. One of the articles proclaimed an open house which was completely furnished by a leading Seattle furniture dealer, attracted 10,000 visitors in a fortnight. Commented Conran on this impressive response: "Never again"—most of the visitors were sightseers who could not afford even a dog house. Direct mailing to potential home-buyers has supplanted the open-house idea.

Including land and landscaping, Conran's residences range in price from \$18,750 to \$22,500. A Seattle agent for loans of the Prudential Insurance Co. of America has agreed to finance purchases. Under this company's plan monthly payments on the \$21,000 house shown on page 338 would amount to about \$145.

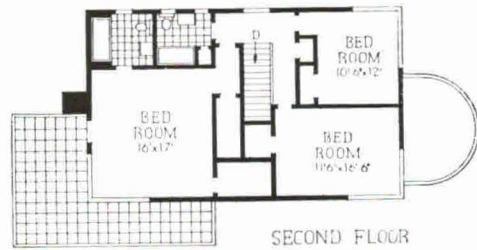
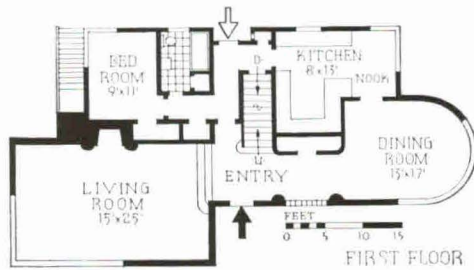
Only bad feature of the Conran development at Windermere is the sales record: none of the houses has been sold, one rented. Undaunted, Conran plans a \$250,000 program in another Seattle subdivision.



WINDERMERE SUBDIVISION, SEATTLE, WASHINGTON



PRICE: \$21,000



CONSTRUCTION OUTLINE

FOUNDATION

Walls—continuous concrete. Cellar floor—Monolithic 4 in. cement on 6 in. cinder fill. STRUCTURE

Exterior walls—2 x 4 in. frame with shiplap sheathing, paper, common brick or 1 in. T. & G. cedar boards horizontal; wood lath and plaster inside. Interior partitions—2 x 4 in. stud walls, wood lath and plaster. Floor construction—joists, shiplap sub-floor, paper and 5/16 in. oak flooring. Ceilings—superfine sand finished with a carpet float. Lumber throughout by Weyerhaeuser Sales Co.

ROOF

Rafters, 2 x 6 in., 16 in. o.c., with roof lath, covered with Royal western red cedar shingles, 5 in. to the weather. Deck construction—shiplap, veneer, 2-ply built-up roof and Pabco, roll type, The Paraffine Companies, Inc. and Mastipave, The Cott-A-Lapp Co.

FIREPLACE

Majestic high throat, The Majestic Co.

SHEET METAL WORK

Flashing and leaders—26 gauge Armco Iron, American Rolling Mill Co. Gutters—wood.

INSULATION

Ceilings of 2nd floor and of living and dining

rooms— $\frac{1}{2}$ in. Insulite lath, Insulite Co.

WINDOWS

Sash—Fentron steel, Fentron Steel Works. All sash have underscreen operators. Glass—double strength, quality A, Libbey-Owens-Ford Glass Co.

FLOORS

Living room, bedrooms and halls—5/16 in. select plain white oak, Harris Brand. Kitchen—fir, linoleum covered. Bathrooms—Matt glazed tile, Gladding McBean & Co.

WALL COVERINGS

Bedrooms—wallpaper, M. F. Birge & Co. WOODWORK

Trim: Living room, dining room, halls—native birch, bleached; elsewhere—vertical grain fir. Interior doors—slab birch and vertical grain fir panel. Entrance doors—copper clad.

HARDWARE

Interior and exterior—Yale & Towne Mfg. Co. Overhead garage hardware—Frantz Mfg. Co.

PAINTING

Interior: Walls in living room, dining room, halls and bathrooms above tile—covered with Sanitas, painted with Schorn Rugadwall stippled finish. Ceilings, except baths and kitchen—washable calcimine, The Reardon Co. Floors

—fill, shellac and wax. Exterior woodwork—3

coats work and all back primed before erection. Roof—stained with Schorn Shingleum.

ELECTRICAL INSTALLATION

Wiring system—knob and tube, except underground service in conduit. Collyer Safe Code wire used throughout. Switches—Hart & Hegeman Mfg. Co. Fixtures—Dwyer & Co.

KITCHEN EQUIPMENT

Sink—20 x 30 in. colored acid resisting flat rim, Crane Co. Cabinet—mill made, Johnson Millwork Co.

LAUNDRY EQUIPMENT

Sink—porcelain, two part tray, Crane Co.

BATHROOM EQUIPMENT

All fixtures by Crane Co. Seat—C. F. Church Mfg. Co.

PLUMBING

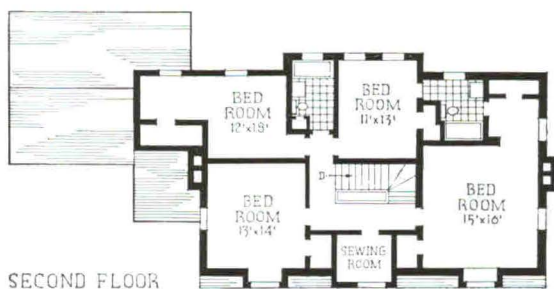
Soil pipes—cast iron. Water pipes—galvanized iron.

HEATING AND AIR CONDITIONING

Pacific Premier Heating Plant and oil burner, filtering and humidifying, no refrigeration; Time-O-Stat, Minneapolis-Honeywell Regulator Co. included. Hot water heater—Wesix 60 gal. Monel Metal insulated automatic electric, Wesix Electric Heater Co.



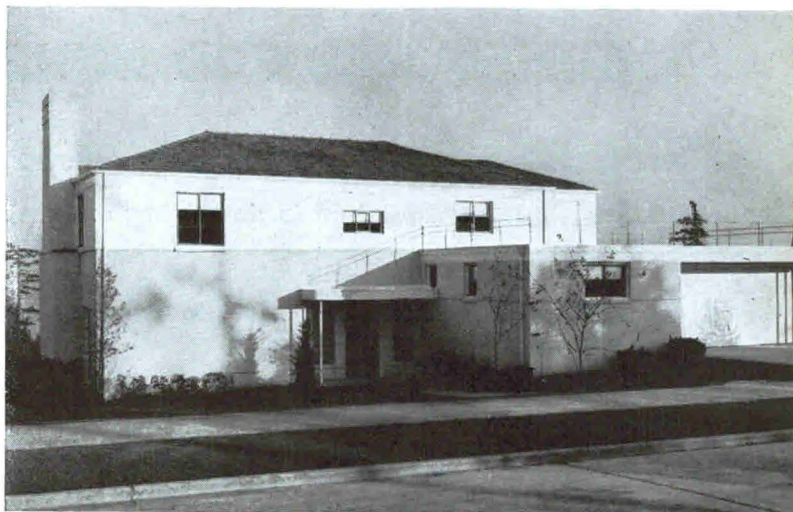
PRICE: \$20,000



SECOND FLOOR



FIRST FLOOR



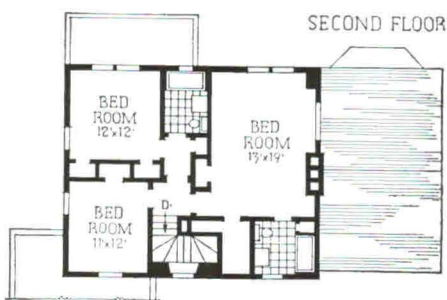
PRICE: \$19,250



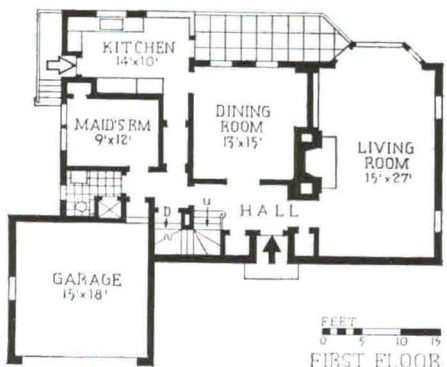
SECOND FLOOR



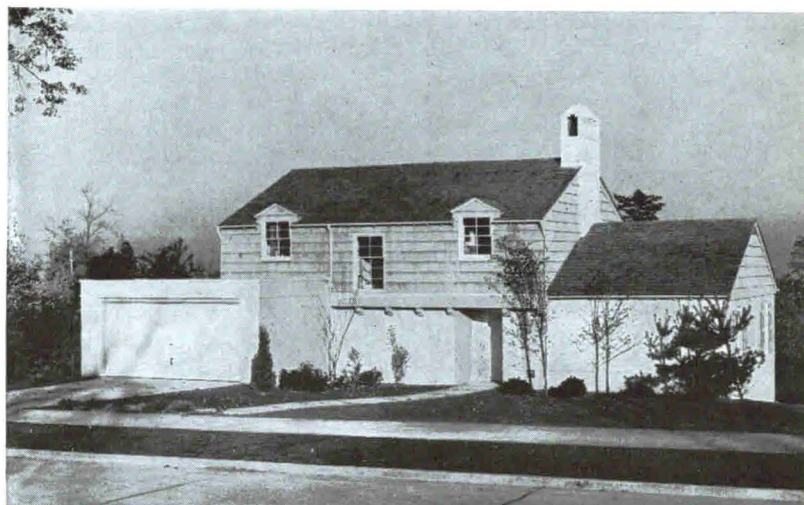
FIRST FLOOR



SECOND FLOOR



FIRST FLOOR



PRICE: \$19,250

THREE CURES FOR BUILDING

Realty in Cincinnati, Labor in Cleveland, and Finance in Washington try their hands at setting examples for the U.S.

WITH enactment of the 1938 amendments to the National Housing Act, providing easier credit terms for builders and buyers, Government did its part to put Building back on its feet. To promote this basic stimulus and to encourage participation by Industry, several schemes have since been advanced. Notable are three sponsored by Realty, Labor and Finance.

REALTY

The plan advanced by Realty approaches the back-to-building problem from the large-scale housing angle, an approach which to date has been financed with only limited funds and largely by Government. Doubly significant, therefore, is the billion-dollar scheme sired by Realty Factors of America, Inc., a private corporation formed in May, 1937, by 25 of the nation's leading real estate firms. Originally organized to stimulate activity, initiate new types of business, and promote cooperative transactions among its members, this real estate clearing house did not come prominently before the public until three months ago. At that time Realty Factors clambered aboard the housing band-wagon, opened a branch office in New York City, announced that they would help brother realtors build during the next five years houses for 250,000 families.

The Man. Forthwith the Factors called to Chicago a hand-picked group of the best real estate brains from about 45 leading cities, expounded to them details of their would-be end-all for Building's difficulties. Expounder and founder of the plan was Cincinnati's Walter Seton Schmidt, president of Realty Factors of America, first president of the National Real Estate Foundation, 1935 president of the National Association of Real Estate Boards. Year ago Factor Schmidt pondered the problem of housing and Government's proffered solution. To him the problem was one of high building costs, and experiments to date convinced him that real low-cost housing is impossible with a profit and therefore unattractive to capital. In the face of such an analysis, it was logical that his thoughts should turn to a solution embracing two broad hypotheses: 1) that building costs must be lowered; and 2) that housing for profit aim at the middle income group, not the low income group. This, of course, meant the erection of large-scale projects.

The Plan. Incorporating these two hypotheses is the drive by Schmidt's Realty

Factors to interest reputable realtors in initiating projects in their communities. Slum clearance is not considered. Preferably, projects will be large subdivisions containing \$5,000 to \$10,000 houses or garden apartment developments to rent at \$12.50 to \$17.50 per room per month, well up in the profit brackets.

Once a local realtor has been accepted as a member of Realty Factors of America,



Harris & Ewing

Realty's Schmidt

he will survey housing conditions and needs in his city, obtain an option on what he considers the most suitable site, appoint an architect to supervise design and construction and submit to the New York City office of the Factors detailed answers to their Site-Selection Questionnaire. With this information in hand, experienced housers will prepare preliminary plot plans and floor plans. Architect Louis Justement, designer of Washington's prosperous Falkland Village, has joined the movement as consultant for housing of the apartment type. Single-family house-planning will be supervised by Architect Arthur Edward Allen of Long Island fame, who at the age of 37 has designed some 18,000 homes. The Factors are assembling for general use twelve standard floor plans with 75 exterior variations, intend to include several already prepared by Architect Allen. Local architects will bring the plans into accord with community regulations and customs, will then complete the design. Thus fees, as well as work, will be spread.

Construction advice will come from some of the nation's prominent contractors. Ten-

tatively lined up for this purpose are Hegeman and Harris of New York City, Turner Construction Co. of Philadelphia, Consolidated Engineering Co. of Baltimore and Penker Construction Co. of Cincinnati. They will also handle actual construction of projects if contractors are not locally available. Advice of specialized nature is to be supplied by engineers of several large manufacturing companies. Such pooling of talent and experience is aimed at production of better and cheaper building in the comparatively new field of housing.

Cost reduction will also be effected by mass purchasing of materials and equipment. Before sending plans back to local builders, Realty Factors will note the quantity of bricks, slate, bathtubs, stoves, etc., required. When requirements for several projects have accumulated, they will be filled at prices considerably below wholesale, leaders in the manufacture of building necessities having expressed their willingness to enter into such contracts. Herein lies one of the plan's greatest attractions, most practical contributions.

Further cost reduction is anticipated through municipal cooperation. It is hoped that many cities will contribute streets, sewers and other utilities to the projects, perhaps reduce taxes or give tax receipts equal to cost of installing utilities. Optimistically it is held that Labor, to be handled locally, will do its part to reduce construction expenses. The Factor's plan calls for steady employment of building labor, a higher annual income for the individual workers, but at hourly rates below the present scale or with a longer day's work at present day wages. This feature seems over-optimistic.

Finance. Backbone of the entire scheme is private capital. Realty Factors are currently raising a campaign fund of \$1,000,000 which will be used for propaganda to educate private investors in the "sound values of building for profit" to the extent that they will put up in the next five years the \$200,000,000 equity necessary for FHA-insured loans on \$1,000,000,000 of housing. Locally this money will be advanced by individuals for small projects, by limited dividend corporations for larger rental projects. On the other hand, Realty Factors are to receive for their part in the operations a certain amount of the stock to be issued by local corporations. The plan of the Factors, all of whose stock is restricted in ownership to its members, admittedly is not philanthropic, will likely net them a tidy sum.

Outlook. To date no limited dividend corporations have been organized, no mass purchasing accomplished, no municipal and labor contracts signed—not because of failure, but rather because operations have not

progressed that far. Several projects, however, are in the preliminary planning stage, several are now in Realty Factors' central office for approval. Outstanding among these projects in preparation are the following:

Chicago, Ill.—\$5,000,000; 4,000 rooms; realtor: Bills Realty, Inc.; architects: Holabird & Root.

Buffalo, N. Y.—\$1,000,000; 150 houses; several apartments; realtor: Harvey B. Harrison, Inc.

In nature and operation this billion dollar housing drive of Realty Factors of America, Inc. corresponds closely to that initiated in 1936 by the late Allie S. Freed's Committee for Economic Recovery (ARCH. FORUM, April 1936, p. 366). Hope that Schmidt's plan will produce more housing than Freed's lies in the personnel behind the former—the leaders of men vitally interested in building. Thus, cooperating with the Factors are Joseph W. Catharine, NAREB's president, Paul E. Stark, retiring NAREB president, and a trio of other past presidents.

LABOR

Second plan for bigger and better building is that advanced by men who do the actual construction. Several efforts have been made to encourage Labor's cooperation in reducing costs and stimulating building, notably the President's proposal of a guaranteed annual wage (ARCH. FORUM, March, 1938, p. 207). Invariably, however, these suggestions from outside interests have met with a cold reception, have never had concrete results.

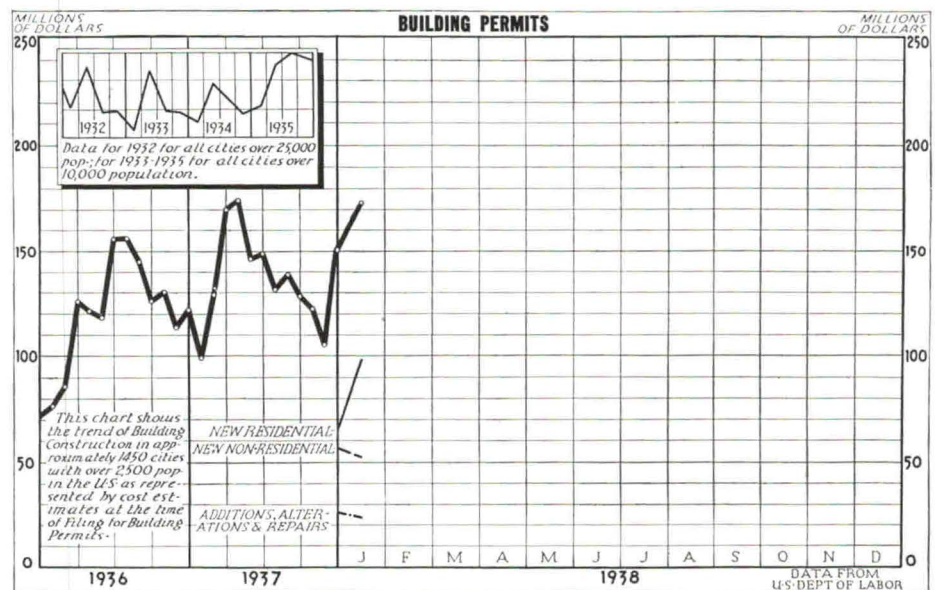
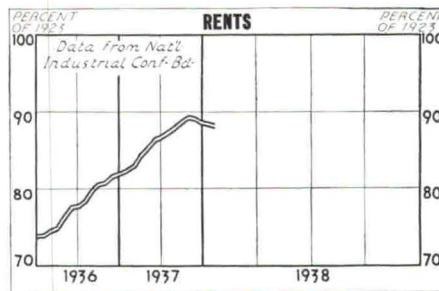
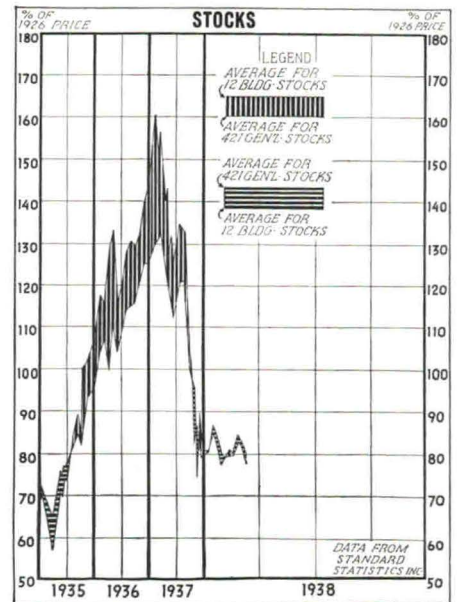
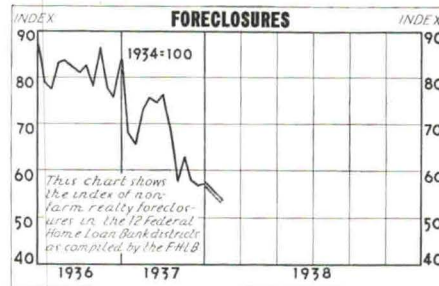
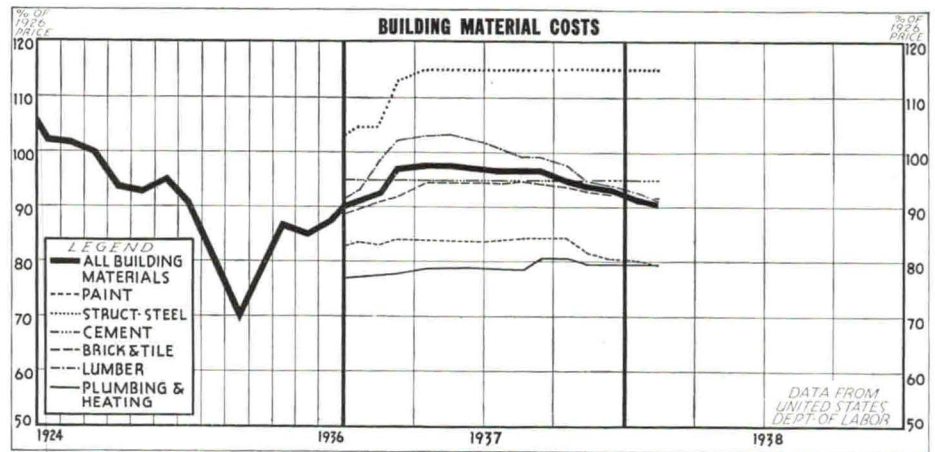
Last month Labor itself took the initiative, formally offered its own plan. Thus, the Building and Construction Trades Council of Cleveland adopted a program of sales promotion called Build America. Its aims are three: 1) to promote a more favorable public acceptance of the building trades organization, 2) to generate improved relations between labor and management in the building field, and 3) to kindle revival of construction activity and general business. Like the Factors, Build America is eventually to be projected on a national scale.

The Build America idea first came to James G. Caffery, one-time Cleveland realtor and sales manager of the Van Sweringen Co., parent real estate operating company of the vast Van Sweringen interests. Recently FHA's Ohio director, he now is president of Build America, Inc. With him in official capacities are: Albert Dalton, business representative of the Council and president of the Cleveland Federation of Labor; Frank Carnahan of Washington, secretary of the National Retail Lumber Dealers Association; Ralph P. Stoddard, secretary-manager of the

(Continued on page 50)

COSTS, FORECLOSURES, RENTS

all go down with stocks. Residential building permits take another jump.



BUILDING COSTS CONTINUE DOWNWARD

FHLBB's small house index shows three-month decrease of \$93, but

labor and materials still cost more than a year ago.

SINCE November 1937 the trend of material prices has been downward, the trend of Labor's wages comparatively steady. Composite of these two factors is the Federal Home Loan Bank Board's monthly small house cost index, which for February covers 23 cities in the Pittsburgh, Cincinnati, Little Rock and Los Angeles Districts. In comparison with figures reported last November, month of the preceding sampling in these Districts, February costs were lower in seventeen of the reporting cities, higher in only six. Average change in the four Districts during the three-month period was a decrease of \$93.

Better indication of the general downward trend is seen in a comparison of actual prices. Thus, while none of the six increases exceeded \$200, five of the decreases were \$200 or greater. Further dis-

counting the importance of the increases is the fact that in two instances the change did not bring the cost up to the August 1937 figures. Largest decrease on a percentage basis occurred in Nashville where a drop of \$332, or 6.1 per cent, from \$5,476 was reported. Second largest decrease came from Columbus where cost of the Board's base house was \$343, or 5.6 per cent, lower than the November figure of \$6,134. Also over the \$300 mark was the 5.2 per cent decrease in cost indicated at Harrisburg.

New Orleans and Jackson (Miss.) shared the distinction of reporting the largest increases, costs at both centers having advanced about \$135, or 2.2 per cent, since November. Trend of the index at these two Southern cities and at Wilmington is noteworthy, for in each case it established a new high in the two-year

history of the FHLBB compilation. The Los Angeles District is outstanding for two reasons: 1) average cost was higher than that in the other three Districts and 2) individual costs remained comparatively steady between November and February.

Cost of building the hypothetical house is still above that of the corresponding period last year, as witness the comparison of cubic-foot costs. Most significant of the three year-to-year declines in unit costs was registered in Columbus where the drop was one cent; less significant were the other two at Nashville and the city of Little Rock. Average cubic-foot cost in the four Districts was 25 cents for February, 1938, an increase of 1 cent over the average for February, 1937. The Board's base house contains 24,000 cubic feet.

The House on Which Costs Are Reported is a detached 6-room home of 24,000 cubic feet volume. Living room, dining room, kitchen, and lavatory on first floor; 3 bedrooms and bath on second floor. Exterior is wide-board siding with brick and stucco as features of design. Best quality materials and workmanship are used throughout.

The house is *not* completed ready for occupancy. It includes all fundamental structural elements, an attached 1-car garage, an unfinished cellar, an unfinished attic, a fireplace, essential heating, plumbing, and electric wiring equipment, and complete insulation. It does *not* include wall-paper nor other wall nor ceiling finish on interior plastered surfaces, lighting fixtures, refrigerators, water heaters, ranges, screens, weather stripping, nor window shades.

Reported costs include, in addition to material and labor costs, compensation insurance, an allowance for contractor's overhead and transportation of materials, plus 10 per cent for builder's profit.

Reported costs do *not* include the cost of land nor of surveying the land, the cost of planting the lot, nor of providing walks and driveways; they do not include architect's fee, cost of building permit, financing charges, nor sales costs.

In figuring costs, current prices on the same building materials list are obtained every three months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders.

FEDERAL HOME LOAN BANK DISTRICTS, STATES, AND CITIES	CUBIC-FOOT COST		TOTAL BUILDING COST									
	FEB. 1938	FEB. 1937	FEB. 1938	NOV. 1937	AUG. 1937	MAY 1937	FEB. 1937	NOV. 1936	AUG. 1936	MAY 1936	FEB. 1936	
NO. 3—PITTSBURGH:												
DELAWARE												
WILMINGTON	\$0.246	\$0.225	\$5,914	\$5,811	\$5,784	\$5,737	\$5,406	\$5,258	\$5,259	\$5,290	\$5,213	
PENNSYLVANIA												
HARRISBURG	.238	.236	5,716	6,031	6,186	6,186	5,668	5,408	5,405	5,439	5,371	
PHILADELPHIA	.229	.228	5,508	5,720	5,948	5,944	5,483	5,010	4,929	4,870	4,584	
PITTSBURGH	.273	.257	6,543	6,715	6,781	6,730	6,179	5,920	5,433	5,405	5,474	
WEST VIRGINIA												
CHARLESTON	.261	.237	6,260	6,312	6,350	5,857	5,696	5,696	5,564	5,477	5,476	
NO. 5—CINCINNATI:												
KENTUCKY												
LEXINGTON	.228	....	5,484	5,635	5,721	5,887	....	5,223	5,237	5,120	4,993	
LOUISVILLE	.242	....	5,811	5,883	6,066	6,111	....	5,456	5,338	5,326	5,384	
OHIO												
CINCINNATI	.271	.244	6,504	6,689	6,711	6,321	5,849	5,748	5,932	5,827	5,809	
CLEVELAND	.276	.263	6,627	6,827	6,981	6,756	6,320	6,213	6,165	6,147	6,028	
COLUMBUS	.241	.252	5,791	6,134	6,536	6,352	6,052	5,778	5,850	5,529	5,522	
TENNESSEE												
MEMPHIS	.233	.228	5,591	5,748	5,752	5,704	5,462	5,092	5,080	5,120	4,841	
NASHVILLE	.214	.219	5,144	5,476	5,504	5,421	5,267	5,094	5,096	5,089	5,030	
NO. 9—LITTLE ROCK:												
ARKANSAS												
LITTLE ROCK	.215	.216	5,164	5,186	5,208	5,285	5,195	5,136	5,202	5,215	5,215	
LOUISIANA												
NEW ORLEANS	.264	.233	6,340	6,204	6,027	5,911	5,601	5,395	5,124	5,075	5,075	
MISSISSIPPI												
JACKSON	.255	.234	6,115	5,981	6,112	5,849	5,607	5,412	5,365	5,333	5,319	
NEW MEXICO												
ALBUQUERQUE	.278	.248	6,680	6,653	6,744	6,358	5,948	5,827	5,779	5,625	5,625	
TEXAS												
HOUSTON	.252	.247	6,046	6,047	6,073	6,391	5,935	5,809	5,809	5,933	5,464	
SAN ANTONIO	.255	.245	6,111	6,250	6,284	6,284	5,884	5,538	5,532	5,532	5,464	
NO. 12—LOS ANGELES:												
ARIZONA												
PHOENIX	.280	.245	6,730	6,706	6,814	6,742	5,885	5,843	6,032	6,112	6,044	
CALIFORNIA												
LOS ANGELES	.245	.242	5,885	5,833	6,001	6,015	5,800	5,489	5,301	5,239	5,316	
SAN DIEGO	.251	.256	6,024	6,218	6,181	6,141	6,137	5,581	5,361	5,381	5,385	
SAN FRANCISCO	.265	.263	6,363	6,375	6,452	6,407	6,319	6,107	6,039	5,907	....
NEVADA												
RENO	.276	.265	6,623	6,677	6,677	6,641	6,360	6,354	6,313	6,324	6,097	