

November 1954

house + home

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Quality plus power equipment helps St. Louis builders to grow steadily (p. 128)

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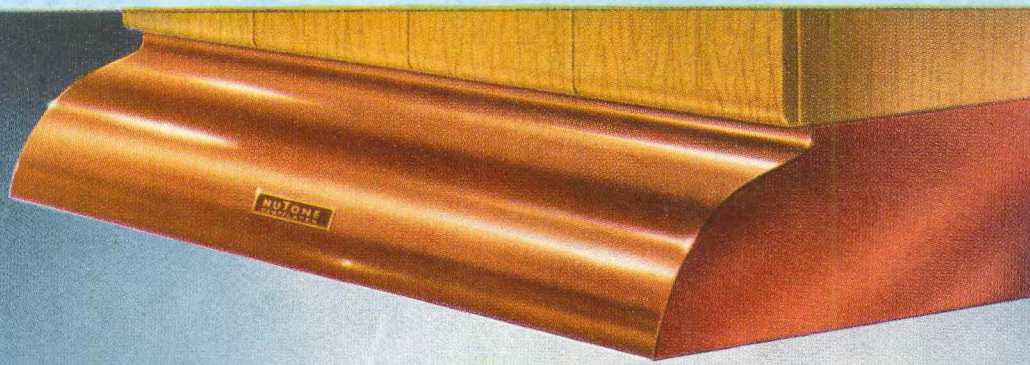
Quality Parade of Homes in Wichita gets the whole city excited over better houses (p. 118)

Frank Lloyd Wright gives design ideas for architects and builders (p. 98 and below)



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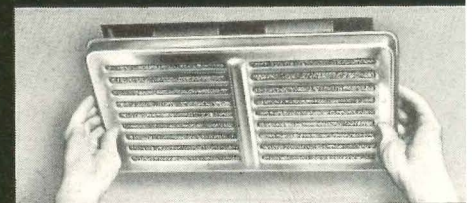
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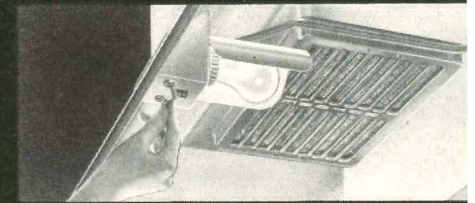
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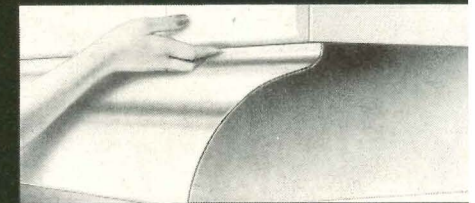
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State of homebuilding

Sales continue strong under stimulus of easy money, new Housing Act. Insurance companies sock away more funds in mortgages. Will the federal money policy shift?

Heavy and light construction forged ahead in the third quarter, accompanied by expectations of firmer money rates to come and an astonishing increase in nonfarm mortgage investment by insurance companies. Residential building scored high in number, with a preliminary total of 114,000 starts (private starts reached 111,900, 1% from last September's count), putting total units to date 5% above what they were last year. Combined residential and commercial building in September matched the record peak volume of \$3.6 billion reached in August.

John Dickerman, executive director of NAHB, summed things up this way: "Sales are good. Mortgage money is in reasonable supply. Costs are fairly well controlled, although there is a tendency for them to creep up in a few areas. Competition has eliminated marginal operators whose activities have reflected adversely on the industry in the past." Tom Coogan, former NAHB president, narrowed homebuilding's problems to financing: "Easy money has some defects. Easy money goes into the usual channels. The same segments of the housing market that have had an easy time are having an easier time. The segment of the market that is hardest to serve has seen very little improvement. If we are to prevent overbuilding in the type of house builders like to build and bankers like to finance, we must do a better job of serving remote areas, small cities, minorities, aged housing and in areas under domination of a bank or banks which do not cooperate with FHA and VA programs."

One question was: would the easy money policy last? Treasury Secretary Humphrey's \$1 billion piece of deficit financing at the lowest interest rate in a decade—and for only seven years, seven months—smacked of a practical continuation of the administration's policy of active ease in the money market. But some housing economists foresee a turning ahead, perhaps in December when \$10.5 billion in privately held government securities come due. Experts of the persuasion that interest rates will go no lower than the Treasury to turn them to refunding on an intermediate or long-term basis. The result, under present conditions, would be stability rather than disruption, they contend. An influential group of life insurance companies are arguing for the desirability of increasing the volume of longer maturity bonds. It also appears that life insurance companies as a whole are putting a larger volume of money into mortgages. For the first six months of 1954 (latest data available) nonfarm mortgage acquisitions by life insurance companies were 8% above the same period in 1953. More striking, the record nonfarm mortgage investment by 40 major companies, through September of this year, exceeds the 1953 period by 30%. There was one potential drain on these funds. The possibility exists that bond issues to finance the President's \$50 billion highway plan would draw money away from construction. Investment money from ever increasing government funds (see p. 48) would at least partially offset such a drain.

FHA acts to cut huge backlog of applications, makes unpopular 'escape clause' in appraisals

FHA was swamped with a rush of business and shut out most of its offices at least three weeks and jammed in processing applications and jammed with a ten-week backlog. Commissioner Mason, eyeing the flood of housebuilding cut off by easy mortgage money and the new Housing Act, said he felt "like a storeowner nearly trampled by intruding customers while still in the act of posting the 'Big Sale Signs.'" Mason, a candid Yankee lumberman, also admitted: "The backlog in processing has us over a barrel in some spots." To ease the crisis, FHA took four steps: 1. Wangled approval from the Budget Bureau

(after lengthy hassles) to break with tradition and use fee appraisers temporarily to handle part of the work load. They will be used only on existing property at least a year old, at the lender's option and expense. As FHA General Counsel Frank Meistrell noted, FHA will reserve the right to modify or reject their appraisals. Moreover, the regular FHA processing fee of \$20 will still be due. FHA began using the VA list of appraisers.

► Began hiring 300 new employees for field offices, although, as Mason pointed out, 300 more men among FHA's 84 offices "does not mean many new ones in each office."

► Wangled Budget Bureau approval for backlogged offices to work nights and told all its field offices to remain open Saturdays until further notice. This and the 300 more employees will be financed by \$1.2 million from FHA's budget for April-June '55, which means FHA will have to ask Congress for a deficiency appropriation next spring.

► Adopted, apparently temporarily, a new "conditional-commitment" procedure. Under this, FHA architects will check plans submitted by builders against FHA's minimum property requirements, but underwriters will not take time to estimate cost. If plans meet FHA standards, the agency will issue a conditional commitment leaving the valuation open until the backlogged underwriters can get around to it. How much this will help, FHA officials themselves were unsure.

"By Christmas," predicted Mason, "we'll have the backlog problem licked."

Whose fault? The blame for the backlog seemed to rest pretty squarely on Congress. First, it wrote a requirement into the 1954 housing law that buyers must be given a look at the FHA appraisal before they buy a house.* When FHA interpreted this into a seven-day free option for buyers to back out of deals (to the dismay of realtors), the industry turned to the next best course of action: it was demanding conditional commitments on every piece of existing property which might be sold under FHA—the only visible way to have the FHA appraisal on hand when a buyer appears. In September, FHA applications covering old houses were up 40% from August; applications on new houses were up only 8%.

Second trouble was that Congress, as usual, was too stingy with FHA's appropriation, although the agency operates at a profit. FHA, seeing the rush coming in August, asked for \$4 million more to hire 500 more appraisers, inspectors and processors. Congress voted only \$1,250,000.

* Responding to industry appeals, FHA announced it will amend the legal form on which home buyers must certify they have seen the FHA appraisal. The new form will provide for a seller's estimate of what the FHA appraisal will be. This will be signed when the sales contract is written. If the actual FHA appraisal is no lower than the estimate, the contract will remain binding. If not, the seven-day escape clause will apply. Commented General Counsel Meistrell: "I don't think Congress intended to let buyers get out of deals because the wife decides she doesn't like the view or the color of the bathroom."

FHA, VA, warranty goes into effect on new homes

Although somewhat tardy in telling its field offices last month how to carry out the builders' warranty requirement of the 1954 housing law, FHA did not think the program had been seriously inconvenienced. Reason: the provision only applies to commitments issued on or after Oct. 1 on one- to four-family housing involving construction not yet started. FHA pointed out that houses which

must be warranted still had to be built and sold. VA, which also must require a warranty, had its documents out on time.

Identical warranty certificates will be used by FHA and VA. It is a fairly comprehensible federal form to be signed by both the builder and purchaser stating that the construction is in "substantial conformity with the plans and specifications." If the buyer feels that there has been noncompliance, he must notify the builder in writing within one year. Redress, if a builder fails to respond to legitimate complaints, is primarily up to the federal courts, not FHA or VA. But both agencies have made it clear they will blacklist bad actors.

The two agencies decided the warranty will remain in force for the full year even if the house involved is sold. Some builders think this is stretching the law a bit. But they are not inclined to make an issue of it. There is no rule to stop a builder from giving a separate warranty of his own providing it does not alter or void the one required by the government. But builders are not expected to continue issuing their own guarantees; it would be too confusing.

The year's warranty will begin, FHA ruled, on one of three dates: 1) if the sale is after completion but before occupancy, on the date of title conveyance, 2) if construction is completed and the house occupied before title conveyance, on the date of initial occupancy, 3) if title is conveyed prior to completion, on the initial occupancy or completion date, whichever is first.

Can a builder charge a customer, who insists on having his own, for a set of blueprints? Builders who put the question up to FHA's General Counsel Frank Meistrell and VA's T. B. King got this advice: "If you sell a house under the group plan, tell the man to see the plans at the VA office. If he still wants his own, give him your architect's name and address" and let him buy a set. Will FHA and VA recognize the extra cost of servicing warranty complaints? Even unmerited gripes will have to be investigated by homebuilders; some builders figure they must allow \$100 a house to cover the contingency. Opined FHA's Meistrell (without actually ruling on the question): "There is a good deal of merit in the point." Said VA's Bert King: "I don't think we can do it."

National Homes to build \$1 million plant in Dallas

Shooting at a 1955 output target of 30,000 homes, National Homes Corp., the nation's biggest prefabricator, announced plans to build a \$1 million plant at Dallas (250,000 sq. ft., work force: about 500) to produce some 75 houses a day starting next spring. Last fiscal year (ended June 30), National sold 14,127 nonfarm houses, an 11% jump over the 12,738 for fiscal 1952-53. For calendar 1954, President James Price figures National will produce 2.16% of the nation's nonfarm single-family houses.

SIDELIGHTS

'Look-alike' homes banned

Princeton, N. J. (pop. 12,230) has become the second municipality near New York to adopt an ordinance banning construction of "look-alike" houses—a step which town fathers expect will prevent mass-produced housing. (A recent Gallup Poll showed 47% of persons in general are in favor of such legislation, 37% opposed and 14% in the dark; feeling in favor was much stronger in the suburbs.) Princeton was roused to action by a development of ranch houses. The outcome (there was virtually no opposition) was described by the Princeton Herald as an "attempt to deal with the intricate problem of encouraging growth while maintaining the esthetic beauty of a small country community." The law requires that "no building shall be like or substantially like its neighbors" in more than three of six respects: 1) height and 2) length of the roof, 3) angle of the roof, 4) length and width of the house, 5) relative location of windows to each other and to the door, 6) relative location of attached garages or porches.

To fall outside the "look-alike" ban, differences in dimensions must exceed 2'. And houses with end-to-end or side-to-side reversal do not qualify as different. The new rule applies to a house within two lots in any direction of the one it resembles. Princeton patterned its law after an ordinance adopted by Scarsdale, N. Y. in 1950.

Return to yield insurance?

FHA Commissioner Mason named an intra-office committee to see what can be done with yield insurance—an old (1948) system under which FHA would insure bonds for financing rental housing, guaranteeing the investor his payments. FHA is mulling over the gimmick as a means of bringing fresh (and conservative) money into the dormant multifamily field. It is probable, however, that the conservative money (i.e., insurance companies) is less than wild about yield insurance because of its small return. The committee will have to do a deal of refurbishing of the program before it gets near application.

Public housing income limits

The city of Bridgeport, Conn. seemed to be getting too fat for its public housing. It has plenty—one out of every six rental units was built under either federal or state subsidy. The trouble has been to keep this 16% filled. Last month, spurred by increasing vacancies, the Bridgeport Housing Authority and the regional office of PHA squared off with opposing solutions.

Harold Poole, executive secretary of the local authority, argued at a meeting in Bridgeport that the only way to fill the proj-

ects was to raise the ceiling on income. The federal units—where the ceiling is \$ a year for a couple with three children—according to Poole—have been the hardest. Some 270 units in four projects (total 2,539) are already vacant. Within the few months, said Poole, another 300 will come vacant when the Housing Authority cracks down with court action to evict a number of families as being over the income ceiling. The 1,400 state units had vacancies a month ago, but Poole has started filling them by doing two things: increasing the maximum income level to \$6,000 a year, cutting the rents \$5 to \$8, to between \$69 a month. He has not been able to do so on the federal level. His view: "The existing federal income levels for admission are unrealistic and ridiculous."

Nothing doing, replied Herman D. Hillman, director of the New York field office for PHA, covering New England, New Jersey and Pennsylvania. The law is explicit, said Hillman, that the highest income charged in federally subsidized housing projects must be 20% under the rent charged in similar quarters in standard type private dwellings. Said Hillman: "Bridgeport's high-earning industrial workers is unique. It's like any other American community. Let's not beat that dead dog around."

Hillman charged the local authorities with failing to create a "climate of livability" in their projects so that tenants had begun to feel that the public housing was not a good place to live. Poole replied that the improvements the PHA director had suggested—employment of maintenance superintendent, rehabilitation of grounds and buildings, etc.—would mean undue expense.

Poole said he wants to operate the projects as businesses and show a return. (Two years ago the authority scored a first in showing a net profit of \$10,000 in operation of four federal projects.) He does not believe that under present rent ceilings Bridgeport will ever have enough eligible families to fill its public projects. The possibility of raising the ceilings seemed slim. Hillman's optimistic comment was that this might be done "if the findings of an economic study suggest such a change."

Sell public housing? (cont'd)

Public Housing Commissioner Charles Slusser, a realtor himself, replied last month to NAREB's suggestion that state legislatures be pressured to enact laws requiring sale of public housing if local voters approve (FEB. 10, '54, News). Said Slusser: "In their eagerness to produce and slay a dragon to improve the paid-up membership, they have taken a useful cow, painted it black and hung a socialistic tail on it." The commissioner added that he was all for letting every city decide on whether it wants to deprive itself of public housing." Reason: he doubts any would.

INS



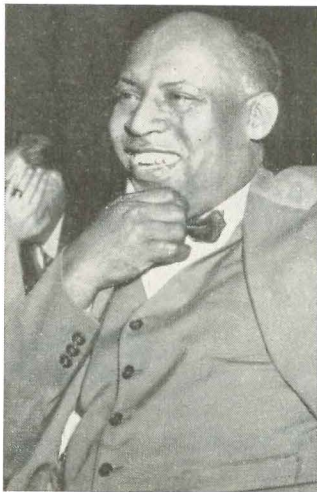
WARDWELL DEXTER
Powell's bets

INS



NAHB'S MANILOW
Loaned Powell \$7,500

AP



ARCHITECT CASSEL
A \$10,000 bribe?

AP



JOHN BARD OF GAO
Checked Powell's bankbooks

Quarter: senators keep FHA probe popping

Justice Dept. forms criminal and civil divisions to examine housing; Clyde Powell goes before a grand jury

Senate banking committee's artillery found its range. After six months of practice, the big guns were finally in and witnesses on the receiving end taking cover in everything from protests of loss of memory to the foxhole of the Fifth Amendment. What was more, Capehart had just begun to fight. The barrage: Nov. 9 in Washington. The man (who had in effect been running a show during the summer) said somewhat tantamount to the fact that he would not go out along these lines if it took all year. He also announced he would ask Congress for another \$70,000 so the banking committee keep a small staff (present strength is 40, including borrowed men riding herd on FHA. He has not been investigated during the 20 years it has been in business," said Capehart, "its record stinks."

material that was stimulating the roiling Capehart to keep the ball rolling—and the investigation was beginning by its very weight and momentum to do increasingly real damage to the housing industry's prestige—was about evenly divided between testimony from the housing profession and from erstwhile FHA employees. The nub of the nastiness was suspected collusion between the two. If this kind of collusion could be proved, there would be nothing to stop the investigation. The strongest move was toward proving it was Atty. Gen. Brownell's order for a grand jury investigation that thought it had been a long time coming to see whether at this date, when the limitations may have run on many cases, anybody can be indicted.

Re-barreled battery. The astonishing news last month was that in addition to setting up a special criminal division to probe housing, Brownell ordered a new civil division formed "to coordinate all civil matters arising out of the recent FHA investigation." It will make a study of "windfall"

projects and determine whether the rents in same can be reduced. Asst. Atty. Gen. Warren E. Burger is in charge.

On the other side of the fence, HHFA administrator Albert Cole set up his promised civil compliance organization to watchdog everything in HHFA under two heads—inspection and special investigation. Under the guidance of Acting Director David Allshouse (he has been assisting Investigator William McKenna) the two-pronged body will report on the effectiveness of the compliance machinery in the agency, audit reviews, check office operations, and at the same time conduct investigations rising from complaints and if necessary refer them to Justice.

Top of the barrel. No. 1 object of attention remained Clyde L. Powell, assistant FHA commissioner in charge of Sec. 608 rental housing during its entire life (he resigned while being ousted last April 13). Since the investigations began, Powell had been the chief target for insinuations by investigators. Last month he graduated—out of insinuations and on to the mat. In the process, he was charged with contempt of court.

Powell—who looks like a shaven Santa Claus—was up against interesting testimony about his finances in the Senate hearing and also up against the grand jury. In the latter instance, he was under the scrutiny of Max H. Goldschein, a top prosecutor with the Justice Dept., assigned to assist US Atty. Leo Rover in presenting this case (and other housing cases) to the jury. One of Goldschein's first moves was to get Powell before District Court Judge Dickinson Letts and have the judge tell him (Powell) that he could not invoke the Fifth Amendment (which he has repeatedly done before) in a case where "official documents" were concerned. The questions: did Powell take such documents with him when he left FHA? Any appointment books? Any desk calendars?

Powell's new answer: "I have answered your questions." He was then charged with contempt. In the event of conviction, a jail sentence or fine is possible, although there is no minimum or maximum sentence fixed by law.

The Senate hearings were treated to some testimony from a parking lot operator named Wardwell Dexter (see cut) who took horse bets from Powell. The bets averaged \$100 to \$120 a day for a nine-months period in 1940 and 1941, said Dexter, and on one losing \$1,500 bet he was never able to collect.

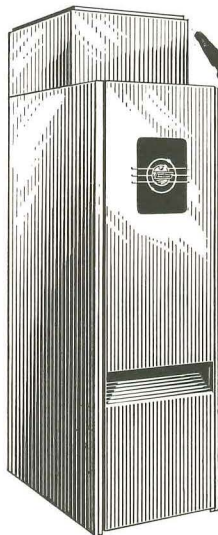
Spread of the web. With such a focal point as ex-commissioner Powell, there was bound to be fringe testimony of all sorts. The banking committee was told by Government Auditor John Bard (see cut) that during the years 1945 to 1954 Powell's bank accounts showed he had received some \$138,000 more than his salary and travel allowances for that period. An architect named Albert Cassel (see cut) who helped develop a large Negro apartment house venture in Washington, testified that he gave Powell \$10,000 to get the mortgage raised from \$2,800,000 to \$3,509,000. Chicago Builder Nathan Manilow (first vice president of NAHB—a fact the newspapers did not record) said he lent Powell \$7,500 when the late Edward F. Kelley, Illinois state FHA director, told him Powell was "in a difficult situation." A few months later Powell authorized Manilow to collect two months advance rent from tenants in his Park Forest; Manilow said the money went into school bonds for the development.) Powell paid back \$2,000 and then paid the remainder to Manilow in a Washington hotel, said Manilow. Capehart challenged Manilow's statement, said he had carried the \$5,500 as a bad debt on his 1949 income tax return but that IRS had disallowed it because he could show no effort had been made to collect the debt.

"That might be their position," said Manilow, one of the plainest-spoken of builders. "I don't know what prompted me to overlook

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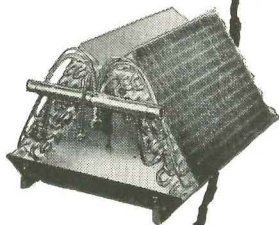
Chrysler Airtemp introduces the "SPACE SAVER"

...a year 'round air conditioner that requires only inches of floor space!

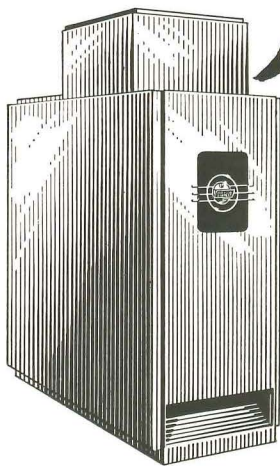


Hi-Boy "Space Saver."

New, inverted "V"-type cooling coil looks like this inside.



Lo-Boy "Space Saver."



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BUILDERS STARK AND BART
No taxes on \$790,000



BUILDER KASKELL
\$1 million for what?

didn't advise my people in the office had received this money."

at made Capehart hit the ceiling, h, was a press release Manilow issued, ning: "It was impossible for Clyde L. l, chief of the rental housing division IA, to determine the size of a housing . . ." Capehart thought the fact that ow had issued something that had not brought up at the hearing was "repre- able," called the press release a "100% e screen."

swipes at large. Some of the data around was not so clear cut. In Chicago, xample, Mortgage Banker Ferd Kramer (ident of Draper & Kramer) had to clear lf when an erroneous newspaper account a building corporation he headed as g received a \$100,000 windfall. Untrue, hart himself agreed. Sen. Paul Douglas (Ill.) joined in Kramer's defense when came aware of as neat a piece of party- trumpery as had cropped up in days. was that the story got booted into print gh a letter from James C. Moreland, r GOP ward committeeman in Chicago ow FHA chief there, to Sen. Everett en (R, Ill.), noting the miscalculated s and also noting that Kramer was an supporter of Douglas.

e phony "windfall" was actually con- with \$100,000 in rents that the Kramer ing was collecting as the result of an sive cost estimate the Chicago FHA made at time of construction. Kramer estimated the cost at \$7.2 million (which d about right) and was unable to argue FHA out of an \$8.7 million estimate ch meant that the building corporation o put up more cash). No question of dfall," said Kramer. "We were limited t FHA loan to \$8,100 an apartment. This to \$6,354,000, which was nearly a million han our construction costs."

ed up money. The Woodner case was fattened into a prize guinea pig of a rn for suspect construction and operating ds. The General Accounting Office came th assertions that proceeds of the FHA- ed mortgage on the Woodner apartments een "improperly used," that the corpo- 's propensity for mixing business and nal accounts "inflated costs," requireduxe rental rates" and "jeopardized the nment's interest as insurer." Items: de-

tective fees of \$87,000, which Counsel Simon contended were used mainly for private purposes; a "promotion" check for \$2,000 that Woodner wrote himself for a trip to Nassau.

More interesting was the fact that in 1952 Woodner hired Franklin D. Richards—a month after he had given up his FHA commissioner-ship—to help out in getting FHA to reverse itself and permit some of the accommodations in the Woodner apartments to be used for hotel purposes. Woodner told the committee that the agreement called for paying Richards \$5,000 right away and another \$5,000 after the ruling was reversed. Actually, the FHA did change its mind and approved the new setup. But Richards later testified that he had not contacted FHA officials in the matter, had merely agreed to "consult with the attorney [for Woodner] and Mr. Woodner."

In other action, the Justice Dept. filed suit against two Woodner companies to seek recovery of some \$500,000 allegedly advanced them by the Air Force in 1952. A suit was filed in Danville, Ill. against the Chanute Gardens Corp. and the Chanute Apts. Corp., asserting that said amount is due the government on a loan the Air Force made to them to keep rental housing projects going at Rantoul, Ill. It is further charged that the Jona-

than Woodner Co. received approximately \$200,000 in funds illegally transferred to that company from the others. Other items:

▶ Dr. Samuel D. Gottlieb of Washington, D. C. (see cut) said he switched from dentistry to building in the late thirties, put up \$4,000 as capital to build a project in Maryland and collected a profit of about \$1 million. Under questioning, he said he had paid no tax on the sum and had put \$90,000 of it in racehorses.

▶ Albert Stark and Harry Bart (see cut), big Baltimore builders, told the committee they had realized \$1,115,000 on five rental projects there and had not paid an income tax on \$790,000 of that amount.

▶ Scheduled to appear this month: Richard Traub, attorney for Alfred Kaskell (see cut), a 608 developer in the New York area. Traub had been questioned at previous meetings, but had yet to explain to Capehart's satisfaction transactions in excess of \$1 million between himself and Kaskell. And Capehart was still complaining that Kaskell had not kept exact enough records on \$32 million worth of apartment construction.

Old wine with new flavor. As the six-month anniversary of the great blowup arrived, Capehart grew more articulate in his exasperated protests at the workings of the building industry. He was spurred to speech recently when a general contractor in Washington named William Magazine made the mistake of commenting that if builders had to put up 10% on a project there would not be any rental housing. "I am tired of listening to that story," rumbled Capehart. "If it is true that the government has to guarantee profits, it means the end of the private enterprise system." He added that no one had fought harder to preserve private enterprise than he and that he still did not like the thought of "socialized housing."

FHA blacklists Sec. 608 'windfallers'; Denver victim sues and FHA backs down

While the Capehart committee ground its heavy way through FHA's past, FHA had refused to do any present business with alleged windfallers. As FHA General Counsel Frank Meistrell told NAHB's northeastern conference last month in an apparently unguarded moment: ". . . It seemed expedient to place certain individuals on a list" and require that their applications for commitments be referred to Washington.

On one list, issued June 4, were the names of principals in 70 Sec. 608 projects—all projects which, Commissioner Mason told FHA field offices, "have been, or are being, referred to the Dept. of Justice for such civil or criminal proceedings as may be indicated. . . ." HHF Administrator Cole handed Capehart's investigating committee a second list Sept. 14, naming 40 more projects which allegedly mortgaged out.

What is wrongdoing? With the original list, Mason wrote his offices: "The fact that a Sec. 608 mortgagor received a mortgage loan in excess of the cost of the project does not, of itself, imply wrongdoing." But neither then, nor up to mid-October, had FHA or HHFA got down to specifics about "wrongdoing" of which blacklistees were accused. On July 28, Mason announced, in a press release, that "those who are not involved in sharp practices will, within the discretion of FHA, be encouraged to add the fruits of their professional efforts to the inventory of American housing. Those cases receiving negative decisions will be given a full opportunity to present any such further evidence which bears upon the case." Mason added that where FHA decides not to approve further applications, "the persons and firms affected will be given the opportunity to pre-

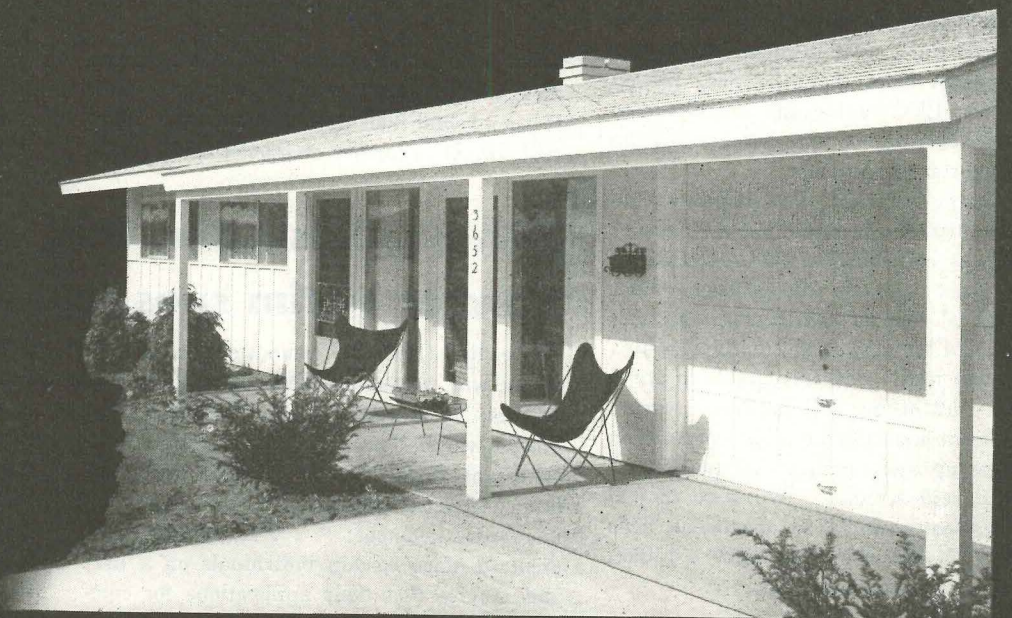
HERE AT LAST, IS A PACKAGE HOME WITH

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applications, "the persons and firms affected will be given the opportunity to present their case in due course of law. . . ."

to mid-October, said industry sources. The picture, that was where the action rested—no hearings, no specific actions. Meanwhile, the 1954 Housing Act came into effect, providing that FHA, in blacklisting any firm, must notify in writing, and, if asked, furnish written indications of the charges "in reasonable detail," and hold a hearing on the case.

in court. Did the FHA have a legal right to cut off accused windfallers from their dealings without formal hearings? One thing, many 608 promoters sharply questioned the accuracy of "windfall" figures reported to the Senate—and the public. For another, the two lists include some who have not appeared before the Senate probe, omitting those who have. The first court test came in the month in Denver—and FHA lost. Garrett-Bromfield & Co., one of Denver's biggest building firms, sued in federal district court for an injunction canceling an FHA order preventing the firm from applying for FHA financing on new projects. A Sept. 17 letterhead decision by W. S. Newlin, deputy asst. FHA commissioner for operations, had said: "Information contained in our files with respect to Garrett-Bromfield & Co. shows that Mr. Harold Bromfield is a principal in said company and in view of the fact that this individual is named as a principal in a Section 8 transaction now under investigation, we are not very much to inform you that until further notice, Garrett-Bromfield & Co. is prohibited from filing applications for mortgage insurance with insuring offices of this company. This restraint . . . does not remove the company from its status as an approved mortgagee. . . ." The order followed a ruling by HHFA's Albert M. Cole (in his 14 list given the Capehart committee) that Bromfield and four other Coloradans had made a "windfall profit" of \$226,600 on a Colorado Springs apartment in 1949. The company incidentally, denies the accuracy of this.)

Confronted with the suit, FHA withdrew its action against Garrett-Bromfield. The firm had agreed to dismissal—with the right to withdraw its suit if necessary. Said the federal prosecutor: "The commissioner of FHA did not intend by the letter to deny Garrett-Bromfield & Co. the benefits of participation in the FHA Act. . . . The company shall be permitted to file applications for mortgage insurance without limitation, and after having accepted the applications for mortgage insurance will receive the same processing and approval without undue delay as all other applications filed by other approved mortgagees."

New York, General Counsel Meistrick said: "There is no such thing as a blacklist at FHA. . . .an unfortunate term. . . . Nobody on our list is free to write me or my office and ask to resume business. We will give you a very prompt reply."

H&H staff photos



MIDWAY of model rooms and houses, designed by consumer magazines, was major first for lumber dealers' show, and big attention getter. Lu-Re-Co panel house, across far end of walkway, can be put under roof in one day.

Retail lumber dealers move into big-scale promotion with ten-day New York show

Some 3,500 lumber dealers from 48 states—members of National Retail Lumber Dealers Assn.—gathered in New York City last month and discovered the magic of big time public relations. As they ambled among the displays—ranging from compelling to routine—of 172 exhibitors at their association's first national Modern Homes Exposition, they began to understand why baseball's World Series, for example, gets far more attention than ten thousand times the same number of bush-league games. One feature of the exposition alone, a midway of modern rooms, designed and decorated by 14 big consumer magazines (cut, above), assured NRLDA national coverage in the magazines for months to come.

The only magic missing from the ten-day show was the magic that brings out throngs. Said NRLDA Executive Vice President H. R. (Cotton) Northup: "Public attendance was very disappointing." He estimated consumer turnout at 50,000. Some exhibitors who rented space in the vast drillhall of turreted, out-of-the-way Kingsbridge Armory in The Bronx * said the gate had been advertised in advance at 500,000. Despite the small crowd, most lumber dealers apparently felt they had had their money's worth (about \$250,000). NRLDA's 108 dealer board of directors voted its executive committee blanket approval to hold another show next year.

Know-how on parade. Aside from what the retailers, who represent more than 7,000 yards across the nation, learned from the exposition about uses and display techniques of both standard and brand-new building materials, there was plenty of money-making knowledge to take to their home towns from forums, clinics and talks. Items:

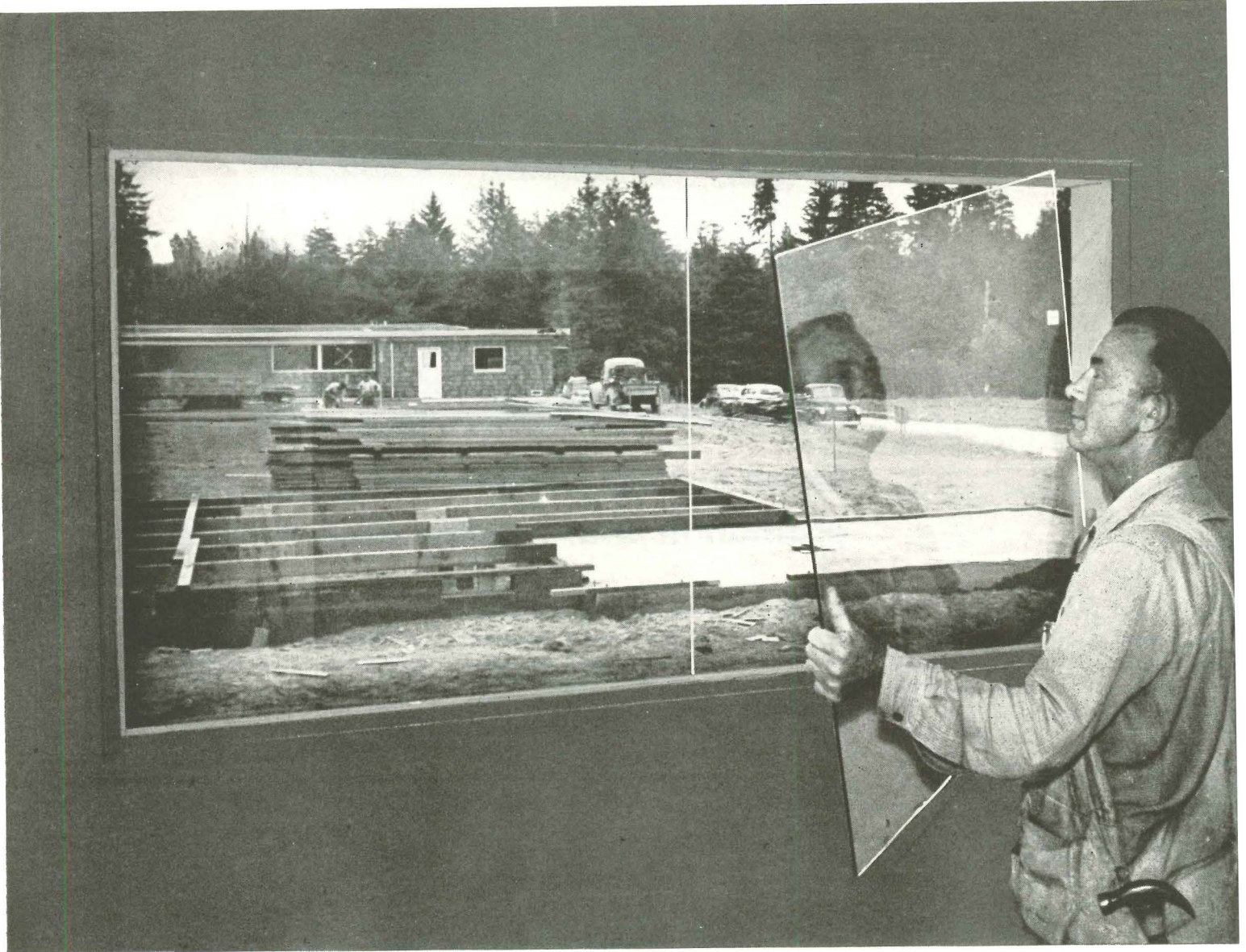
▶ The do-it-yourself movement sweeping America was poked into thoroughly at one clinic, and its profit potential was found to be enormous. Retailers from cities reported suc-

cess in holding classes jointly or sponsored by a single dealer—to teach home owners how to handle building materials. Indianapolis, Ind. dealers had so many (7,200) applicants for a do-it-yourself training course that they had to rely on the local newspapers to relay instruction beyond the classes, which could handle only a few hundred amateur builders. ▶ More and more lumber dealers, individually or through their local associations, are helping buyers—and even banks—process FHA and VA mortgage applications in many villages where, several dealers reported at a meeting of NRLDA's board of directors, banks shy away from federally backed loans because of the amount of paper work involved. The tone of discussion and the variety of materials on display made it clear that the days were ending of the lumber dealer who was simply a warehouse and dispenser of lumber, cement and other building materials stocked to meet average local demands and tastes. Many dealers left New York with the conviction that they were well into a new era of aggressive merchandising of the ingredients for better housing.



LIKE OTHER COUPLES in market for houses, Fanny and Edgar Peppard, Palisades Park, N. J., culled decorating and room use ideas from magazines' displays. They looked to manufacturers' exhibits for construction gimmicks: windows, insulation, new materials.

* Until its Coliseum is completed in 1956, Manhattan will have no big convention-exhibition hall.



No sash to obstruct the view. Glass lifts out when painting or cleaning.

Sashless window—true functional unit

Eliminates sash, sash puttying and sash painting

The Pierson Sashless Window is probably the most purely functional window unit known to the building trade today. It is simply 3/16" crystal glass, sliding in a redwood frame. There are no sash sections around or between the glass—thus eliminating balances, putty, sash painting and all hardware except the lock. The frame is 2" x 6" redwood and is moulded so that the inside trim is complete for wallboard or plaster—and outside, for siding or stucco. The price is low because the buyer is paying for good materials rather than labor. The window comes in 22 sizes up to 8 feet long, and from 2 to 3½ feet high. We know of no other sliding window on the market with full picture-view vision.

Inquiries from architects, builders and dealers, regarding the Pierson Sashless Window, may be addressed to **Ernest Pierson Co.**, 4100 Broadway, Eureka, California. A few select areas now are available for distributorships.



FROM LEFT HEARD FHA'S MASON, MBA'S CLARKE, HHFA'S COLE, MBA'S NEAL

New mortgage warehouse plan aims at evening off the bumps in flow of money

Big news at the Mortgage Bankers Assn.'s annual convention in Chicago was not discussed on the convention program: a handful of the nation's top brokers and lenders have developed a new system for warehousing mortgages which promises to ease the start-or-famine tendency of mortgage money. The plan, hailed by experts with enthusiasm ranging from "very helpful" to "major innovation," works this way: an insurance company bank (the ultimate buyer of the mortgage) asks a commercial banking house a firm commitment that it will buy, say \$20 million worth of specific FHA and VA paper over the next three years. The commercial bank, in turn, agrees to warehouse these mortgages—on such a price has been agreed and which the ultimate lender agrees to take in even if they default in warehouse. The insurance company's originating correspondents (those who are party to the arrangements, that is) put their mortgages into the warehouse pool. The insurance company has the right to draw mortgages out of the pool when it chooses. For the first time, this promises to put mortgage officers on an even footing with bond

officers; normally, an investor who suddenly finds he has, say, an extra \$5 million to invest cannot find just that amount in ready-for-delivery mortgages so the money may lie idle a short while.) The commercial banking house, with the gilt-edged security of the big insurance company's (or savings bank's) promise to buy the mortgages, lends the originating broker a sum equal to the face value (providing the deal is at par) of the mortgages it is warehousing. The broker gives the money to the builder who thus gets it when he needs it. The bank lends to the broker on either an open or collateralized note at a rate something in excess of the prime rate for business

CLOSEUP: Wallace Moir, first Californian to head MBA, is a conservative who sees peril in FHA, VA programs

"Conservative," a campaigning politician observed not long ago, "is one of those labels that, like an umbrella, can be made to cover most anybody." But in Chicago a few weeks ago, the Mortgage Bankers Assn. of America installed as its new president a man who appears to fit under it comfortably and with more than usual conviction. He is 53-year-old Wallace Moir (rhymes with lawyer), president of Wallace Moir Co., Beverly Hills (current portfolio c. \$90 million), and the first Californian ever to head the MBA. Considered one of the best minds in the housing industry, stolid, stocky (5'-8", 175 lb.) Wally Moir does not take his convictions lightly. Among them:

▶ "If a man is keen on the private enterprise system, he ought to work for it in his own business. Builders in particular, and all of us in general, should be satisfied with good profits instead of stupendous profits. Greed . . . is the principal reason for more and more governmental control."

▶ "The trouble with us is we're all security salesmen. The thrill in this business is to go out and look at a building, work it over and really underwrite it. The man who does that is my concept of a mortgage man. This FHA

loans—an attractive deal for the commercial bank except for the imponderable difficulty of the unspecified term. The broker profits on the point or half-point spread between the interest he is paying on the commercial bank loan and the 4½% FHA-VA rate, which he is collecting while the mortgage is in warehouse.

Some of the first, experimental arrangements under the new plan were worked out by MBA President Will A. Clarke with Metropolitan Life and Pittsburgh's Mellon Bank, and by Bowery Savings Bank, J. P. Morgan Co. and some of their correspondents. Some other commercial banks, say other sources, have turned the deal down because of the indefinite term. But so many experts—even some who are not in a position to profit by it themselves—call the idea "highly workable and beneficial" as to suggest that Vice President Mil Vieser of Mutual Benefit Life (also experimenting with the plan) may well be right in suggesting the scheme will become common practice "in ten years."

The convention elected Wallace Moir, president of the Wallace Moir Co. of Beverly Hills, as president, (see below), succeeding Will A. Clarke of Philadelphia. Moir, a strong advocate of lending without government help, pointed out in his first speech as MBA chief: "It is still legal to make conventional loans. This is the loan, you remember, without any governmental subsidy. . . . To talk rugged individualism or free enterprise, and make only government-insured loans, is rather unconvincing."



WALLACE MOIR

business is like selling bonds."

Like his predecessor, able Philadelphian William A. Clarke, Moir has a discomfiting penchant for riding his principles straight to the end of the trolley line. His portfolio, which is split about evenly between residential and nonresidential, carries only about \$12 million in FHA loans, is handled by a completely separate staff. "The same man can't handle conventional and FHA loans," he explains, "they are entirely different in tech-



FROM LEFT: VICE PRESIDENT, Lindell Peterson (l), president of Chicago Mortgage Investment Co., in a private chat with Guy T. O. Hollyday, former FHA commissioner. Hollyday, whose name rankled MBA, was greeted with a stand-ovation when he appeared as a panel speaker during FHA Sec. 220 (urban renewal) which he helped create.



P. S. Knox, Jr., President,
Knox Corporation.



A typical Knox home in Bloomfield Subdivision, Macon, Ga.

"Knox and owners are delighted with Mosaic Clay Tile in Macon pre-fab homes,"

... says K. Knox Withers, Knox Corporation, Thomson, Ga.

Of the many Knox Corporation pre-fabricated homes now under erection, 61 are up—or building—in Macon, Ga. Prices range from \$11,000.00 to \$14,000.00. Every Knox home in this Macon development is enriched with a

Mosaic Clay Tile bathroom. Mr. Withers also states, "Mosaic Tile's luxury appeal to the customer outweighs the slight additional initial cost. We have found Mosaic Tile a strong selling point in our new Knox homes."

Bloomfield housewives certainly like their Mosaic Clay Tile . . .



"We're crazy about our ceramic tile," says Mrs. Theo. Johnson, 2971 Emerson Circle. "It sold us on the house because we know it will last far longer than any 'substitute' material."

Mrs. David O'Neal, 2904 Nisbet Drive, whose daughter, Rachel, is shown here, told us, "Our tile bathroom is no work at all to clean. Just take a wet cloth and, in a minute, you're through!"

Knox Homes pictured here built by Standard Development Co., Macon, Ga. Pickard Manufacturing Co., Macon, Ga., Tile Contractors.



Whether you build single units or develop large tracts, by conventional methods or pre-fabrication, it will pay you to study the value of Mosaic Clay Tile in your homes. See Mosaic Tile today at your

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and thinking." Speaking to Ohio sav-
and loan men last month, Moir com-
ed: "There is a steady drift away from
pts of sound credit as determined in the
et to concepts of credit based on the
ower's inability to measure up to the
ards of the market." This "drift toward
lfare basis for credit," said Moir, could
t in socialization of housing. "As govern-
displaces the function of the private
er to forward its objectives, it will also
in on the private builder. If govern-
is going to take the risk and direct the
of credit, it is also going to be concerned
the character of the house . . . and
ations of the builder whose pockets it
. . . what he shall build and how he shall
it, what he may fairly charge. . . . In
end, government may find this compli-
and resort to hiring its own contractors,
the manner of most British and nearly
ontinental homebuilding today"

touch. No gravy train rider himself,
was only 33 when he set up the com-
bearing his name. He came to Cali-
a from his birthplace, Ashland, Wis., at
California Institute of Technology and
his degree at Stanford. Then, while
g an unsuccessful fling at his father's
nsurance business, he met a friend who
an appraiser for Metropolitan Life. Moir
ned him appraise some homes, liked the
and taking advantage of his engineering
ng soon became an appraiser himself.
1930, when he was only 29, Moir was
vice president of Pacific Mutual Mort-
Co. The depression, however, caught up
the company and four years later it
dated. Moir bought its business with John
ock Insurance Co. and set up shop for
elf. Although it had been one of Moir's
hood ambitions to become a professional
cian he had given it up after watching
f his idols flub an act. However, he kept
t touch. In his first year of business he
\$4 million in loans; last year he was
ing new loans at a \$1-million to \$1½-
n-a-month clip.

right desire. Moir's convictions, as one
friends puts it, "run deep." But so does
illness to study issues closely before
ping on either side. Unlike trigger-
red skeptics who wrote the new Housing
ff even before it was announced, Moir
ds it as being at least "a workable piece
gislation" that should be given every
ce. "One may wish that portions of it
d be changed," he notes, "but the impor-
hing is that mortgage bankers, govern-
officials, builders and home buyers want
on with the job. And a right desire will
s find a right way."

his own estimate, Moir is a conserva-
of the old school, and his views on parts
e Housing Act show it. He does not think,
xample, that cost of certification require-
s of FHA Sec. 207 will cut down apart-

ment construction volume. "The tolerance of
loan to value is high for this type of property.
Investors have heretofore expected to make
an investment and not receive a gift." By the
same token, Moir is against 100% loans:
"When loans equal sales price, there is little
competition for value, only competition for
terms. The only victim is the home buyer; he
is left with a gassed-up mortgage."

Takes it easy. Amid an industry noted for
its freneticism, Wally Moir takes things re-
markably easy. As one of his closest friends
puts it: "Wally used to try to run things all
by himself, but he found he wasn't making
too much progress. Now he's got an organi-
zation that can run without him being there;
he does the thinking and delegates the chores

Private industry faces 'last chance' to meet minority, low-cost housing need, says Cole

HHF Administrator Albert M. Cole showed
both a carrot and a stick to homebuilders last
month. In a plain-spoken talk to NAHB di-
rectors in New York, he:

▶ Called the 1954 Housing Act private indus-
try's "last chance" to cope with the unmet
needs for Negro housing, housing for low-
income families, rehabilitated homes.

▶ Criticized homebuilders for not responding
faster to the "challenge" posed by FHA Secs.
220 and 221—the new sections aimed at re-
building problem areas in cities and in pro-
viding new homes for families displaced by
urban renewal.

▶ Predicted that—if private industry will
tackle these problems seriously—"it is wholly
possible not only to eliminate public housing,
but in ten years time to withdraw government
entirely from the field of housing subsidy."
Cole added: "I'd like to see that done. But
you and I know it will take a lot of doing.
Until it is done, we will have continued and
growing pressure for government housing
subsidy."

Market that will not wait. Cole de-
scribed housing for minorities, for low-income
families and rehabilitation in urban renewal
as "by-passed markets that aren't going to wait
any longer. . . . You have received the new
Housing Act with real enthusiasm, but gen-
erally it has been because you see in this Act
the means to continue to produce and sell
homes for the market you have been serving—
to continue . . . business as usual. . . .

"You, as individuals and as firms, cannot
simply applaud the pious principles and hope
George will do it. You should know that you
are being watched; you are being tested.
Many both in and out of government are
skeptical. There are even many who want to
see you do the job who are wondering if you
can and will do it. . . . People want to know
how you are going to produce an acceptable
house for low-income families at a cost these
families can afford."

to his staff." Moir lives with his wife and un-
married daughter in a spacious Beverly Hills
home. Some of his "best decisions," he says,
are made via the telephone next to his swim-
ming pool.

Moir conducts his life as judiciously as he
guides his convictions. A devout Christian
Scientist (he served three years as a reader,
the maximum the church allows), he neither
drinks nor smokes, but does not take a dim
view of those who do. From college baseball
(third base) he has switched to paddle tennis
at the Bellaire Bay Club and golf (14 handi-
cap) at the Los Angeles Country Club. He
has settled for becoming an amateur
magician, is in demand at parties as much
for his dry wit as his sleight-of-hand.

Some of Cole's plea for private enterprise
to get busy before a rising tide of social wel-
fare engulfs the industry with complete gov-
ernment control was aimed over the heads of
his builder audience—at the men who lend
mortgage money. But Cole urged homebuild-
ers to "find out more" about the low-income
and minority markets "than you know now."
He warned: "You are going to have to pro-
vide housing for all of these people—or you
and I are going to fail."

Where is the money. Cole's concern
was echoed the next day by builders at
NAHB's northeastern conference. Warned
Ex-NAHB President Tom Coogan: "If we are
to prevent overbuilding in the type of house
builders like to build and lenders like to
finance, we must pay more attention to remote
areas, small towns, minorities, the aged and
areas under domination of a bank or banks
that are not cooperative with FHA and VA
programs." Several other builders complained
they could find no private mortgage money for
minority housing, especially, except at exces-
sive discounts. Asked one builder, angrily:
"Whose fault is it then if the industry fails to
build minority housing?"

Behind the scenes, the big question was
whether Nate Manilow, NAHB first vice presi-
dent, would withdraw from the race for presi-
dent next year, because of the publicity over
his lending Clyde Powell, the former asst.
FHA commissioner, \$7,500 only a few months
before Powell authorized Manilow's Park For-
est project to collect two months' advance rent
from its tenants (see p. 39). If Manilow does
step aside, the question was whether Second
Vice President Paul Burkhard, former mayor
of Glendale, Calif., would be rushed into the
top job, whether Earl "Flat Top" Smith,
chairman of NAHB's research institute trust-
tees, would be drafted for it, or whether
some dark horse would be picked. A decision,
said sources close to the situation, will prob-
ably not come until January.

HOUSING STATISTICS:

Will billowing investable cash soon force pension funds into the mortgage market?

Circumstances will soon force private industrial pension funds to look more favorably upon real estate mortgages, particularly FHA and VA mortgages, as an investment outlet. In the next few years, pension funds may be expected to become an important factor in the home mortgage market.

Pension funds now accumulate some \$3 billion a year—a little less than one fifth of the total *new* money that goes into the investment market. According to Charles L. Dearing, in a study recently completed for Brookings Institution,* the annual pension fund accumulation available for investment by 1960 will reach \$6 billion—probably close to a third of the total new funds.

Now, pension funds are almost exclusively invested in government bonds and corporate stocks and bonds. These account for only 50% to 60% of the major new outlets available for each year's new money. The remaining major source is real estate mortgages, mainly residential.

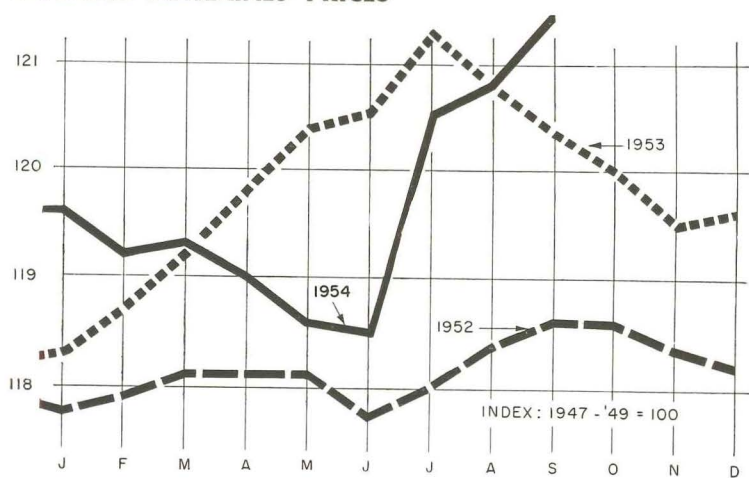
In the next few years, the dollar volume of new corporate issues is likely to fall. The federal government may venture further into long-term financing, but it is improbable that this will offset the decline in corporate issues. Under these circumstances, if pension funds continue to concentrate in the areas of government and corporate bonds, three possibilities arise: 1) interest rates on these issues will be forced down, 2) insurance companies and savings banks will be forced to place a larger share of their funds in mortgages, or 3) the pension funds themselves will put part of their billowing resources into mortgages, especially FHA and VA.

To some degree all three possibilities are likely and the third possibility, despite the present coolness of bond-conditioned fund managers to mortgages, seems ultimately certain. Long-term amortized mortgages, especially when carrying a government guarantee, are well-suited to pension fund requirements because of their yield, safety and gradual repayment. Fund managers shy away from mortgages largely because they anticipate trouble placing their funds and servicing the portfolio. Such problems are not insurmountable. The expected pressure on the bond market can be counted on to stimulate a solution.

—MILES L. COLEMAN.

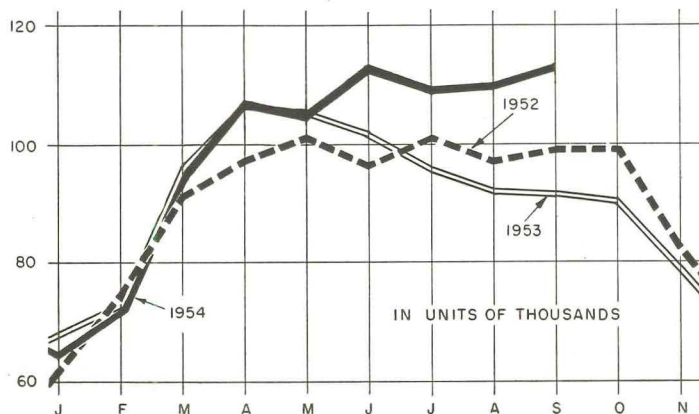
* Charles L. Dearing, *Industrial Pensions*, Brookings, 1954.

BUILDING MATERIALS PRICES



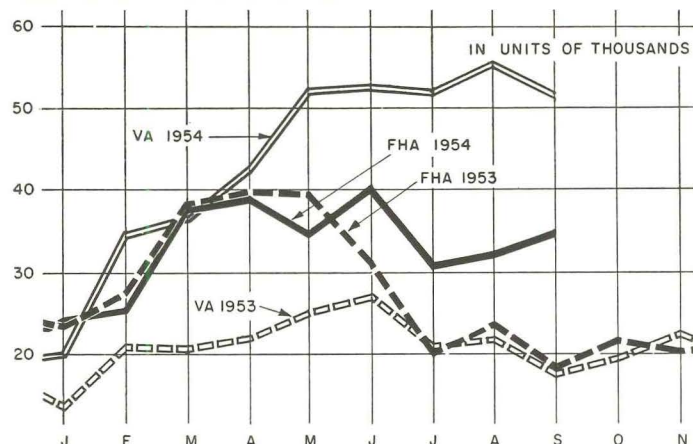
BLS' index of wholesale building materials prices hit an all-time high. The September level was 121.4, up from 120.8 in August. Continued gains in lumber and wood products were largely responsible for the increase; structural clay products also moved higher. In the Pacific Northwest lumber market, fir plywood was steady at \$85 Msf, \$5 below the peak reached during the recent strike. Heavy demand, however, brought sheathing panels up to the strike's high of \$90 Msf.

PRIVATE HOUSING STARTS



Private housing starts totaled 111,900 units in September, up from August. It was the sixth month in which private starts tot 100,000 and brought the nine-month level to 889,400, 7% above same 1953 period. Total September starts were at 114,000 units, over August; the nine months total of 906,500 was 5% above 1953.

FHA AND VA APPLICATIONS



Reversing a recent trend, FHA applications increased 2,602 in September while VA appraisal requests declined 4,085 to 5. FHA business volume was sustained by Sec. 203 applications; were only 64 project mortgage requests—all under Sec. 207.

MORTGAGE MARKET QUOTATIONS

(Originations quoted at net cost, secondary market sales quoted with servicing by sell. As reported to HOUSE & HOME the week ending Oct. 15)

City	FHA 4 1/2's		5% equity or more VA 4 1/2's		No down pay VA 4 1/2's	
	Origina-tions	Secon-dary	Origina-tions	Secon-dary	Origina-tions	Sec-dary
Boston: local	par-101	a	par-101	a	par-101	a
Out-of-state	a	99-par	a	99 1/2-par	a	97
Chicago	97-99	99-par	97-99	99-par	96-97	98-
Denver	99-par	99-par	99-par	99-par	99-par	99-
Detroit	97 1/2-99	a	97 1/2-99	a	96 1/2	a
Houston	par	par	99 1/2-par	99 1/2-par	98-99	98-
Jacksonville†	par	par	par	par	98 1/2-99	98-
Kansas City	99-par	par	99-par	par	96 1/2-97	par
Los Angeles	99-99 1/2	99-99 1/2	98-98 1/2	98-98 1/2	97-97 1/2	97-
New York	par	par	par	par	par	par
Philadelphia	par	par	par	par	99-par	99-
Portland, Ore.*	par	par	par	par	99	99
San Francisco	par	par	par	par	96 1/2-98	96 1/2
Washington, D.C.	par	par	par	par	99-par	98-

* No market.

* Probable prices throughout Pacific Northwest.

† Probable prices throughout

SOURCES: Boston, Robert M. Morgan, vice pres., Boston Five Cents Savings Bank; Chicago, Maurice A. Pollak, vice pres. & secy., Draper & Kramer Inc.; Denver, C. A. Bacon, vice pres., Mortgage Investments Co.; Detroit, Robert H. Pease, pres., Detroit Mortgage & Realty Co.; Houston, Donald McGregor, exec. vice pres., T. J. Bettes Co.; Jacksonville, John D. Yates, vice pres., Stockton, Whatley, Davin & Co.; Kansas City,

Byron T. Shutz, pres., Herbert V. J. Co.; Los Angeles, John D. Engle, pres., Finance Funds Mortgage Co.; New York, Halperin, pres., J. Halperin & Co.; Philadelphia, W. A. Clarke, pres., W. A. Clark mortgage Co.; Portland, Franklin W. White Securities, Inc.; San Francisco, Will Marcus, senior vice pres., American Co.; Washington, D. C., George W. D. ceaux, pres., Frederick W. Berens, In

OPLE: Arthur Viner to run Voluntary Credit Committee; Edgerton to head US Savings & Loan League

opinion," President **Will A. Clarke** of the Mortgage Bankers Assn. observed last month, "the mortgage fraternity has got itself really over a hump. It has said there is no necessity for government action." Clarke was discussing the National Home Mortgage

Program, through which lenders aim to channel private funds into small remote areas and types of housing — the types where FHA and VA loans are hardest to get. Whether or not, the HHFA-financed program moved last month with appointment of **Arthur W. Viner**, a Washington banker, as the Committee's executive secretary. Viner, 32, is a former New York security analyst. His eye will operate 16 regional subcommittees of 7 to 14 members, each with an executive secretary.



VINER

Edward Edgerton, of Los Angeles, was nominated for the presidency of the US Savings & Loan League, and slated for election at the league's convention this month. At 46, Edgerton is the second youngest man ever to hold the office. In the savings and loan business since 1938, Edgerton is now president of the California Home Savings & Loan Assn. in Los Angeles. He will succeed **Ralph R. Crosby** of Providence, R. I., who was slated for vice president: **Walter H. Dreier**, president of the Union Federal Savings & Loan Assn. of Evansville, Ind. A director of the US Savings & Loan Assn. since 1954, Dreier has also served as a director of the Federal Home Loan Bank in Indianapolis.

Winners of the second annual Acapulco Derby homebuilders who will get a nine-day free trip to Acapulco, Mexico—were announced by

Walter Duran



LEADERSHIP SHIFTS: After 15 years as president, **Walter Duran**, 61, (left) stepped into the long tradition of chairmanship of American Houses, Inc., one of the top five prefab manufacturers. He was succeeded as president by **Horace N. Durston**, 66, (right) production vice president since 1954. The move, occasioned by Taylor's health, was Durston chief executive officer of the company. Durston started working for Taylor in 1938 when Taylor was president of Fort Worth's Century Houses, Inc., a licensee of American Houses. Taylor became American's president with the merger of the two companies in 1959, brought Durston in as purchasing agent. Durston was president of the Prefab Institute in 1952.

cosponsors, NAHB and Minneapolis-Honeywell Regulator Co. Twenty awards were for the best merchandising of homes:

Louis Beckenstein, West Hartford, Conn.; **Fred P. DeBlase**, Rochester, N.Y.; **Leon N. Weiner**, Wilmington, Del.; **Henry J. Rolfs**, Washington, D.C.; **Charles C. Lucas**, Charlotte, N.C.; **Vincent J. DeMeo**, Miami Shores, Fla.; **Fred C. Garling**, Detroit; **Bruce S. Biletz**, Wilmette, Ill.; **James H. Furney**, Minneapolis; **Richard Moseley**, Kansas City, Mo.; **N. O. Simmons**, Corpus Christi, Tex.; **Melvin H. Jensen**, Salt Lake City; **Russell Udovick**, Denver; **Donald J. MacGilvray**, Spokane; **John Boswell**, S. Pasadena, Calif.; **Stanley Trezevant**, Memphis, Tenn.; **L. P. Smith**, New Orleans; **Dale J. Bellamah**, Albuquerque; **Chris Finson**, San Mateo, Calif.; **Joseph Scullin**, Trenton, N.J.

For the first time, five builders won the free vacation (paid by Minneapolis-Honeywell) for doing most to boost the trade-in market: **Lee Construction Co.**, Dallas; **Allen K. Davidheiser, Inc.**, Pottstown, Pa.; **John R. Worthman, Inc.**, Ft. Wayne, Ind.; **Albert Balch**, Seattle; **Edward Rose & Sons**, Detroit.

New president of NRLDA is **Watson Malone III**, 44, Philadelphia, an active spokesman for big-city lumber dealers. He has worked on advisory



MALONE

committees to the War Production Board, Office of Price Stabilization and Commerce Dept., is a director of Pennsylvania Lumberman's Mutual Fire Insurance Co. Other officers: **R. A. Schaub**, Whiting, Ind., first vice president; **Paul Ely**, North Platte, Neb., second vice president; **H. W. Blackstock**, Seattle, re-elected treasurer. Two Washington

staffers, **H. R. (Cotton) Northrup**, executive vice president, and **Edward H. Libbey**, secretary, were re-elected.

At its midyear meeting in St. Louis, the Associated General Contractors nominated **George C. Koss**, current vice president, as president for 1955. **Frank J. Rooney**, Miami building contractor, was nominated for vice president.

Elected for a two-year term as president of the Porcelain Enamel Institute: **Glenn A. Hutt**, vice president of the Ferro Corp. in Cleveland.

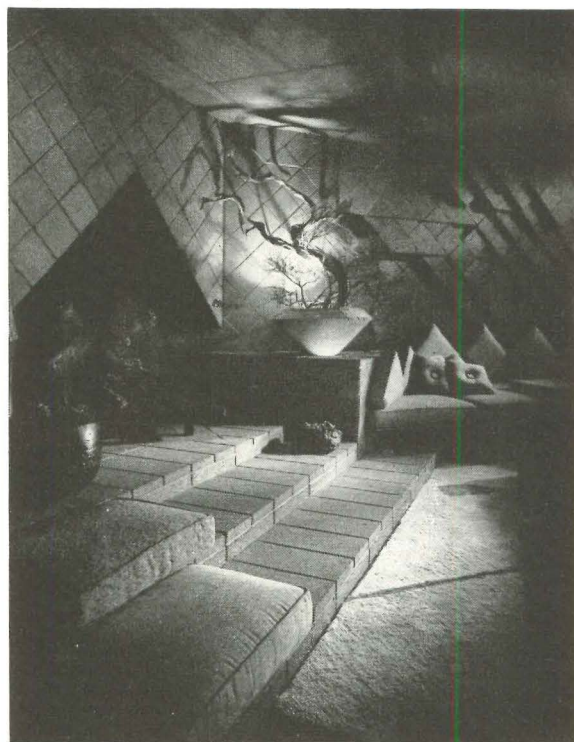
The 55th and 56th FHA field directors to be appointed under the Eisenhower administration were named by Commissioner Mason: **Arthur E. Young**, 50, of Attleboro, Mass., who started to work in 1923 as a carpenter's apprentice, became director of the Boston office, filling the vacancy left June 30 with the resignation of **George A. Cahill**. **Robert T. Carson**, 48, will head up FHA operations in Hawaii, replacing **J. Stowell Wright**, who resigned. Montana-born Carson is a former president of the Honolulu Stock Exchange.

Probably the trickiest problem US cities must hurdle to qualify for federal money to fight slums under the 1954 Housing Act is the requirement that a city first have a "workable program" for attacking blight on all fronts with its own resources. Last month, Washington, D.C. called in two of the nation's leading experts to advise what it must do to achieve a "workable program." The

experts: **James W. Rouse**, Baltimore mortgage banker who was a chief architect of the Eisenhower administration's new approach to fighting slums, and **Nat Keith**, former HHFA slum clearance and redevelopment chief. Their \$12,000 report is due Dec. 31.

DIED: **Charles Edwin Wire**, 77, for 50 years a developer of Washington, D.C.'s residential districts, Sept. 14 in Washington; **Robert Lee Cooper**, 79, NAREB director and a past president of the Georgia Assn. of Real Estate Board, Sept. 15 in Savannah; **H. S. Gorgas**, 60, senior partner of New York's Gorgas, Thomas & Co., mortgage investment firm, Sept. 23 in Garden City, L.I.; Brig. Gen. **Nathan W. MacChesney**, 76, drafter of NAREB's original charter, constitution and by-laws, who wrote the first model real estate license act which served as the basis for laws now on the books of 40 states, Sept. 25 near Libertyville, Ill.; **Clarence C. Zantinger**, FAIA, for many years chairman of AIA's committee on architectural education, designer of many civic buildings, Sept. 26 in Philadelphia; **L. Louis Gairaud**, 58, NAREB director and past president of the National Institute of Farm Brokers, 1947 president of the California Real Estate Assn., Sept. 27 in San Jose, Calif.; **Ed Porth**, 84, a founder of NAREB who helped organize the association's mortgage and finance division, Oct. 6 in Milwaukee; **George W. Mason**, 63, president and chairman of American Motors, recently formed as a merger of Hudson Motor Co. and Nash-Kelvinator. Since 1936 Mason had been president (he later added the duties of chairman), of Nash-Kelvinator, manufacturers of electrical appliances as well as autos, Oct. 8 in Detroit.

Maynard L. Parker



PUBLIC INTEREST in good design was dramatically demonstrated at the Los Angeles County Fair, where an exhibit of 22 rooms (including the one pictured above) drew more visitors than the horse races. The exhibit, created by "House Beautiful" magazine, aimed at demonstrating—among other things—what can be done when architecture and room furnishings interlock. It was Frank Lloyd Wright who first projected such use of concrete block in 1922 in a house for Owen D. Young. The principle was carried out in the exhibit by John Hill, a Wright disciple who designed the room.



GAY WHITE WAY FOR 26 BUILDERS IN SACRAMENTO



FINALISTS AMONG 88 BEAUTIES AT THE SEATTLE PARADE

BUILDERS AT WORK:

Parade of homes (cont'd.)

More reports of better-than-ever house shows, crowded with balloons, bathing beauties and potential home buyers, arrived from the four corners. The Seattle extravaganza, under the general chairmanship of Builder **Albert Balch**, gained a reported \$7 million of sales on 88 models in 15 days. For each of the parading homes, builders picked a beauty contestant. The finalists (see cut) made such an intriguing picture that local newspapers splashed it across quarter and half-pages. . . . *Washington, D.C.* (**James Pearson** in charge) counted 200,000 visitors in two weeks and estimated sales at \$10 million. . . . "Substantial negotiations" were under way after the *Cleveland* show (attendance: 175,000) according to **Harry Fagin**. . . . The *Alameda (Calif.)* and *Contra Costa County* combined parade, sporting such California amenities as outdoor dining rooms and elevated flower beds, chalked up 200,000 with **John I. Hennessy** coordinating things. . . . *Salt Lake City* builders got 22 homes up in the foothills of Mt. Olympus, including a three-bedroomer (by **Bettilyon's, Inc.**) equipped with a heat pump for heating-cooling. . . . **T. C. (Buddy) Brennan** and **Paul Wolf** ran a month-long parade in *Houston* with 66 homes in 25 subdivisions. About 350,000 attended and two of them won a prize home—a three-bedroom brick model patterned after the *Better Homes & Gardens* "Home for All America." . . . **Jack Heckes** of *Sacramento* estimated 350,000 also turned up at the parade (see cut) he managed for 26 builders. . . . The *Milwaukee* parade drew 75,000 persons one Sunday, filling a 60-acre parking lot to overflowing. Top crowd at a *Milwaukee* Braves baseball game this year: 46,000.

Little Rock bonanza

In Little Rock, where homebuilders are having a good year, two builders of contemporary homes are selling them faster than anyone has ever before sold houses in the area. Between them they have grossed over \$1 million in sales in only two months. **Paul Spikes** has sold more than 30 three-bedroom Pace Setter Homes in his new 40-site Sunnyvale development south of Little

T. Harding Jr.



OPEN PLANNING PREFERRED

Rock. All are \$11,200 and \$12,000 post-and-beam contemporaries. **Bralei Homes** has taken orders for 75 houses in a six-week period during most of which it did not even have pilot models to show. Its 140-acre Meadowcliff development on the south side of town eventually will include 400 homes (and possibly a shopping center). The first 75 range in price from \$8,990 to \$9,450.

Bralei offers two basic designs of its three-bedroom house—a ranch style with a 3' in 12' pitch roof and a contemporary with a 1' in 12' pitch. More than half of the first buyers chose the contemporary. (Originally, Bralei also offered the ranch house with a higher pitch roof but nobody wanted to buy it.)

The Bralei house is an improved design of the house it built in a Title IX defense rental project last year in Pine Bluff, Ark. The 150 Pine Bluff houses were put up for sale not long after they were completed and were best sellers (*HOUSE & HOME*, Sept. '53).

That Little Rock home buyers offer a big market for contemporary design is also evident in their choice of open planning in the new Bralei house (designed, like the Pine Bluff houses, by Architect **Yandell Johnson Jr.** of Little Rock). All buyers were offered a choice of a kitchen completely enclosed by walls to the ceiling (as in home shown below, left) only partially separated from dining-living area and hallway. Not one of the first 75 buyers of either the ranch or contemporary home preferred the completely enclosed kitchen, though the price was the same in either case.

Another move: **C. V. "Cotton" Barnes**, president of the Arkansas Home Builders Assn., has formed **C. V. B. Developers** for a new contemporary project.

Pulse of the market: Miami

Miami ranks with Phoenix as one of the lowest-priced house markets in the nation. Both are winter resort and retirement towns, with not much industry and moderate incomes. A good weekly income: \$75 to \$80. Both towns build homes almost entirely of concrete block and stucco. **Jack Beatty** (son in law of **Tom Coogan**) reports that the most popular price range in Miami is \$9,000 to \$11,000. . . . In the **Byoir-Stolkin-Gaines** Carol City development,* best seller to date has been the Garden City model with down payment of \$500.

* The project name was changed from *Coral City* to *Carol City* after *Coral Gables* threatened suit for name-stealing. In its charter, *Coral Gables* was assured by the State of Florida that no other municipality would be allowed to use *Coral* or *Gables* in its name. . . .

Second best: one for \$150 down which far over a bigger, better home for \$300 down and the same monthly payments. . . . Beatty's new Housing Act provisions will have influence on the \$9,000 market (which has almost entirely VA) but will not help the \$1 to \$20,000 bracket. Some other builders disagree about the latter prediction, feel their sales in that bracket will increase. . . . Two curious effects of the new act: more two-bedroom houses (because they get as high a valuation as a three-bedroom) and fewer four-bedroom homes (since a builder can now get credit for a three-bedroom and would rather put in three good-size rooms than four small ones). . . . Other trends: more porches and patios, more variation in design, an influx of split levels, including some that merely raise the bedroom wing a couple of feet and make no use of the space beneath. One engineer, asked why he did not use the space, replied, "Wouldn't you prefer to have a big screened than a damp hole in the ground?"

Development in Denver

M. C. Bogue has started putting up two models with broad overhang in Virginia Valley a few minutes from downtown Denver. The points are 1,584 sq. ft. of finished space for \$950 (other models go up to \$14,650), a certain degree of indoor-outdoor living and a split



BROAD-BEAMED BOARD & BATTENS

level way just inside the entrance leading a few feet up or a few feet down. Bogue built three other contemplated models, sold 14 of them in the first two weeks along with a dozen of his standard models. Eighteen of the new ones are under construction and 50 more are planned at a hopeful construction rate of five a week. Two of the models (including *The Willow*, pictured) bear resemblance to **Carl Koch's** *Techbuilt* (*HOUSE & HOME*, Feb. '54) but closer examination clears the air of any too-strong similarity. Roof overhang, multilevel plan and vertical board-and-batten construction are common to both houses. But Bogue carries his upstairs window the way to the sides, while the *Techbuilt* has a facing wall showing; the Denver models use a different pattern of roof supports; and Bogue placed his upstairs bathroom in a corner of the house instead of dropping it into the long hallway as Koch did, for accessibility and convenience.

continued on

HAL ANDERSON Hal Anderson & Associates Dallas, Texas	CHARLES E. DeCUIR Charles E. DeCuir, Contractor Sacramento, California	MARSHALL J. REICHERT M. J. Reichert Construction Co. Waterloo, Iowa	CORNELIUS P. CONNORS Connors and Hudacek West Sacramento, California
FRED GARLING Garling Construction Co. Dearborn, Michigan	W. F. SEESE Seese Realty Fort Lauderdale, Fla.	CLIFTON CLEMENS Clifton Clemens Homes Wasco, Calif.	J. LEROY SMITH Smith Home Builders, Inc. Oklahoma City, Oklahoma
FREDERICK J. FALENDER Falender Realty Corporation Indianapolis, Ind.	M. L. BOSWELL Gilbert and Boswell Gulfport, Florida	JULE G. LEHMAN Excel-Construction Inc. Cincinnati, Ohio	EDWARD STOLL Ed Stoll Construction Co. Fairfield, Conn.

Weathermaker to air cc

CECIL B. HOLMES Suburban Builders Hyannis, Mass.	BILL MACGREGOR Bill Macgregor, Builder Bakersfield, Calif.	O. D. WILLIAMS O. D. Williams, Builder Bakersfield, Calif.	J. L. McNORRILL J. L. McNorrill, Contractor Tampa, Florida
FRANK D. GILES Frank D. Giles, Contractor Danville, Virginia	PAUL H. GUNDER Paul H. Gunder Company Toledo, Ohio	LEO C. BASH Leo C. Bash, Builder Bakersfield, Calif.	B. SHEPPARD GOLDMAN Sheppard-Scarsdale Corp. Scarsdale, New York
WALLACE M. ANTIN Saxon Manor Scarsdale, New York	HARRY WATSON Decatur Building Corporation Decatur, Illinois	ANGELO PELLILLO Wilmond Knolls Scarsdale, New York	DAVID ADAMS David Adams, Builder Phoenix, Arizona

Buy new house with old car

To pep up sales, homebuilders tried out these merchandising ideas:

▶ In Seattle, **Century Builders** teamed up with Majestic Furniture Co. to offer not only houses with no down payment, but all the equipment that goes inside them—appliances, draperies, linens, carpets, furniture, a TV set—at cut rates. President **George Rawley** of Century and Vice President **Gust J. Doces** of Majestic said the package plan will save 30 to 40% on the cost of furnishings. Homes originally designed to sell from \$8,900 to \$14,000 will cost from \$10,000 to \$15,000 completely furnished. Buyers select their furnishing designs from a library of floor plans. The appliances go into the house mortgage; the other furnishings are in a separate contract drawn for each buyer.

▶ In Kansas City, the **Winn-Rau Corp.** teamed up with the Rudy Fick Ford Co. to offer buyers of its \$10,600 homes in Highland Crest, Kan. subdivision the opportunity to buy a new Ford in a package financing deal under which the buyer's old auto covers the \$300 closing costs. Winn-Rau found 90% of its would-be buyers had three-year-old mortgaged autos, requiring monthly payments of about \$65. The \$65 plus \$72 a month for the house was \$137. Many could not afford it. Under the joint plan, payments on a new Ford would drop to \$45 a month, for a total of \$117, thus broadening the market. Winn-Rau will collect the payments for both house and car, turn over its share to the auto dealer. The day the offer broke in full-page newspaper ads, Winn-Rau sold all 26 of the two-story, four-bedroom houses the plan covered and has acquired priority to build more.

'Garden City' of Pittsburgh

After selling out their 550-house Eastmont project a year ahead of schedule, **Sampson-Miller Associated Companies** (H&H, June '53), western Pennsylvania's biggest builders, decided community planning and better design had passed the Keystone state test. The four Sampson brothers and associate **Russ Miller** ("the fifth Sampson") are now at work on a 1,500-house project on 500 acres of rugged Pennsylvania topography they call Garden City.

S-M plans 15 mi. of streets, 45 mi. of sewer lines, 20 mi. of water lines and 23 mi. of gas lines to service houses priced from \$11,500 to \$25,000. Now old hands at community planning, S-M plans a local shopping strip, apartments, parks and playgrounds. When completed, Garden City will have its own fire company, an elementary school, a Catholic school, two denominational churches. Most of the houses will be low-slung contemporaries; others will have two levels to take advantage of the sloping terrain. Architect **Richard Benn**, who designed Eastmont, will do the houses; **Jay Stright** is land planner.

Package in the Northwest

After manufacturing doors and windows for years, Portland, Ore.'s **Sam Lockwood** decided to put more of the house on a production line. Last year he started a full-blown house precutting operation. His new company, Lockwood Homes, sold 300 houses in ten months. Early this summer, Lockwood moved into a 40,000-sq. ft. building, began shipping a completely precut and packaged house on trailers. His Anita model, best value to date, has three bedrooms, attached garage, fireplace, sells for \$9,250 on a \$700 lot. The house is constructed conventionally on the site. Lockwood is now selling in several Oregon and Washington cities within 100 mi. of Portland, is building model houses in Salem, Eugene, Albany, Corvallis and Gresham, Ore., Vancouver, Wash.

Lumber consumption: 17% less in typical house seen by 1975

Changes in home design, plus price squeeze, will lumber out and competing products in, say researchers

The trouble with the lumber industry in 1975 will be nothing that could not be cured by a little cost-cutting. But since chances of the latter are virtually nil—in fact, it is estimated that costs are going to rise—the situation ahead is largely one of diminishing returns. Some projected developments:

- ▶ Annual production of lumber in the US will move up from its 1952 level of 38.2 billion bd. ft. to only 41 billion bd. ft. by 1975. This is because:
- ▶ The price of lumber will continue to rise more rapidly than the prices of competing materials; plywood and veneer will rise less rapidly than lumber; insulating board and hardboard least of all.
- ▶ The average dwelling in 1975 will contain 17% less wood than it does now. Main reason it will be a flat-roofed, basementless house, probably with a slab floor.

The foregoing predictions are contained in a 400-page survey made by the Stanford Research Institute in California for the Weyerhaeuser Timber Co. of Tacoma. The ideas in the report were the brainstorms of the economists and not of the Weyerhaeuser management. No matter whose, they provide food for second thought about the shape of homes to come. Items:

- ▶ Changes in house design have cut the heart out of the hardwood market.
 - ▶ Wood used in additions and alterations in 1953 accounted for only about 4% of lumber consumption in construction of all types.
 - ▶ There has been a 36% drop in lumber consumption for exterior walls during the last 30 years.
- The changes that have been wrought, and the changes that are to come, depend also upon the problems of cost.

Tough row. Peeling off the timber nearest the market cannot support the industry forever, and the report notes that the cost of producing sawlogs is going to rise in the next 20 years as the sawlogs become harder to get at. The Stanford group sees wage rates remaining stable, at best. And distribution costs will rise. The main trouble: these costs will

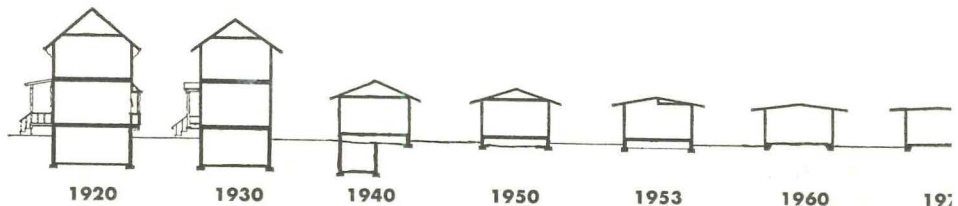
rise faster than production costs for competitive materials.

The loss of lumber markets will be offset, the Stanford economists think, by increasing markets for other products from trees. Total veneer production, ample, is expected to increase from 1 billion sq. ft. in 1951 to 34.5 billion sq. ft. in 1975. Softwood plywood, according to the report, will reach 7.2 billion sq. ft. in 1975. Insulating board as exterior wall sheathing (accounting for about 25% of such sheathing in 1953) will rise to about 34% by 1975, largely at the expense of lumber.

How much house? In 1953, about 10% of total US lumber consumption went into residential construction. This figure, according to the Stanford research team, can be expected to drop about the same in 1975, with some new contributions of the products. For example: "Lumber used in construction . . . is likely to be centered increasingly in new residential building (including additions and alterations) with a smaller share going into nonresidential construction, and about the same proportion of total lumber use going into maintenance and repair types of construction."

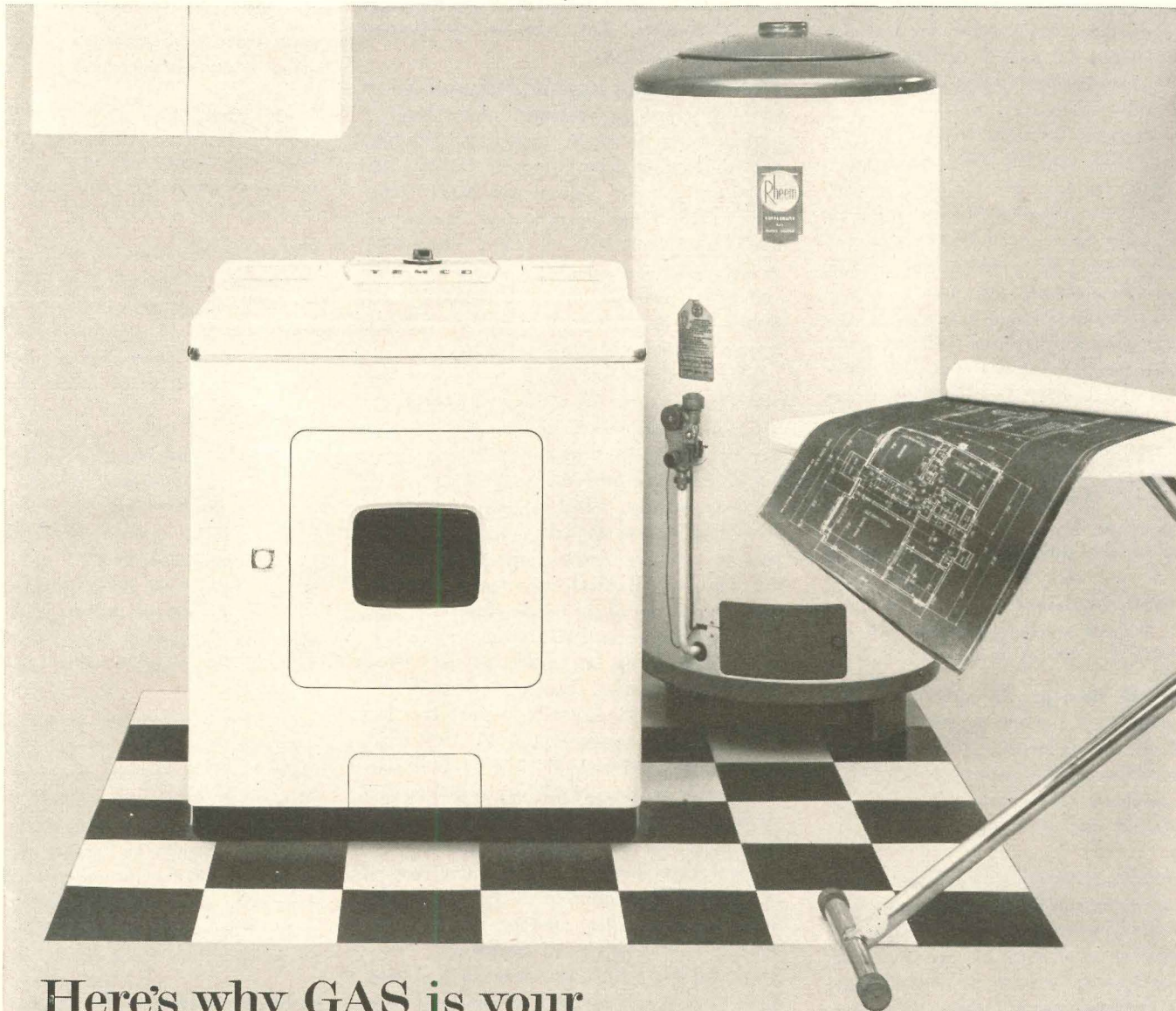
As noted, a drop of 17% in the amount of lumber used in homebuilding is projected by 1975. *continued on*

CHANGES IN DESIGN MEAN LOSS OF LUMBER



The changing face of the dwelling unit has cut into lumber consumption in homebuilding as has competition from other materials. The loss of basement and double floors has been most significant, especially since ground-level, hardwood floors today are losing out to slab construction. Moreover, however, is going into roofs. For itemized figures on lumber use, see chart, p. 68.

This New Freedom Gas Laundry* features a **TEMCO** automatic Gas dryer and a **RHEEM COPPERMATIC** automatic Gas water-heater. Cabinet by **REPUBLIC STEEL**.



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smartest buy to sell houses

*Reg. A. G. A.

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● Gas water-heaters offer every product advantage you can think of. For example, the one shown is particularly strong and long-lived. It features a rust-proof copper tank inside a "pressure-proved" steel tank.

● An automatic clothes washer (and what modern home doesn't have one?) definitely needs the speedy recovery rate of a Gas heater.

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wood used in the house of 1975 is expected. And the Stanford economists do not foresee a compensatory increase in either number of starts or in square footage per house in the next two decades. Their figure for nonfarm starts in 1960 is 1.3 million—a bearish estimate close to what is expected by other experts for 1955. With a gradual increase over the next 20 years, the report's total for 1975 is only 1,860,000, which is even more bearish. (Many other building experts foresee something closer to 2 million homes each year starting in the early sixties, when the war-baby crop that is now bulging US schools begins bulging the demand for housing. Moreover, income of the average family is rising between 2% and 3% a year. The average may well be nearly 25% higher in 1960 than it was in 1950 and it may be up another 25% by 1970. That change in income, say housing economists, is the big reason homebuilding has been running so much higher for several years than the rate of net new family formation alone would justify. The increase in the number of families with money enough to buy a new house on today's easy terms has been running several times higher than the population increase.) Stanford estimates that the average dwelling unit size will stabilize at 1,000 sq. ft. through 1975.

Changes in design. The projected drop in consumption of lumber in houses is compounded of the influences of architectural changes in homes and of increased use of competitive products (see chart). Of these two influences, the change in architecture is the stronger.

The present report uses a system of estimating the maximum possible lumber use in a house, based on a survey of the size, shape and characteristics of homes in various target years. These are the results: lumber consumption has declined steadily since 1920, from 18,900 bd. ft. per dwelling unit then to 10,520 bd. ft. in 1953 (a 44% drop). By 1975 it is expected that lumber consumption per dwelling unit will decline to about 8,700 bd. ft. Roughly half of this decline in lumber use between 1920 and 1953 was due to changes in the size and architecture of dwellings. Between 1950 and 1953 lumber participation

fell off more rapidly than it did in the previous thirty years. *This loss was largely attributable to the growing popularity of slab-type construction, which cut into lumber's market for foundations, floor framing, sub-flooring and finished flooring.*

Slab floors and asphalt. The roof is now the most important component of the dwelling unit in terms of actual lumber consumption, according to the report; next is the floor, followed by exterior and interior walls. Lumber's share of the potential floor market declined from about 96% in 1920 to about 60% in 1953; large-scale builders are installing about 80% slab floors and the Stanford group thinks that by 1975 possibly 60% of all new residential floor space will be in slabs.

There are, of course, changes in style which make for increased use of lumber. The shrinkage in the roof market, for example (because of decreasing dwelling-unit size and lower pitch) has been offset by a trend away from wooden shingles, which require only light sheathing, toward asphalt shingles and combination roofings, which require solid sheathing. The over-all effect, however, has been to push lumber out of the house. Hardwood lumber consumption in 1953 accounted for only about 64% of the maximum possible hardwood lumber market (flooring and millwork) as compared with about 98% in 1920. The Stanford group estimates that by 1975 hardwood lumber will have 39% of its total market, largely because of the loss of the flooring markets, but also because of stiff competition from other materials in millwork markets.

The loss of lumber markets in residential building to other forest products has been figured, based on the finding that in 1953 these products—plywood, hardboard, etc.—accounted for a little less than 12% of lumber's total loss of markets to such materials. By 1975, according to the report, the loss will be 15%.

Cost picture. The industry's fundamental cost problem—which will, according to the analysts, prevent lumber from competing successfully with other products—hinges on the production of sawlogs. Why the cost will rise: ▶ Costs of stumpage (stands of merchantable

timber) are likely to keep increasing as the supply of available and readily accessible timber is reduced.

▶ Logging costs are likely to rise as logging activity continues to shift to relatively remote areas or regions with rugged terrain.

▶ Manufacturing costs will probably be increased by the declining size of logs, rising labor costs (especially in the South) and an increased proportion of output from small, relatively high-cost mills.

▶ Distribution costs—which represent about two thirds of the cost of lumber to the consumer—will probably increase. A large component will be transportation costs of western lumber. (The latter now accounts for more than 60% of domestic softwood lumber production.)

Additions and repair. Wood used in additions and alterations in 1953 represented about 4% of total lumber consumption in construction of all types. The Stanford experts see a slight decline by 1975 in use of lumber in this category *per dollar of expenditure*, but feel that this decline will be offset by a probable increase in total expenditures from \$1.1 billion in 1953 to \$1.25 billion (in 1952 prices) by 1975.

Lumber consumption in maintenance and repair last year represented about 23% of lumber used in construction of all types. The Stanford men also see a slight per-dollar-of-expenditure drop here, but again figure that it will be offset by an increase in total expenditures, coupled with continuation of the do-it-yourself trend. Their prediction: an increase from the present 6.8 billion bd. ft. to about 7.2 billion bd. ft. by 1975.

Related products. The future for plywood, hardboard and insulating board appears brighter than for hardwood, especially as to their price increase relative to competitive substances. "It is entirely possible," according to the report, "that the heavy swing toward building board production will provide new capacity faster than the expected market growth. A major price drop may result." Plywood prices will increase in relation to prices of competing materials, but not so much as lumber prices will.

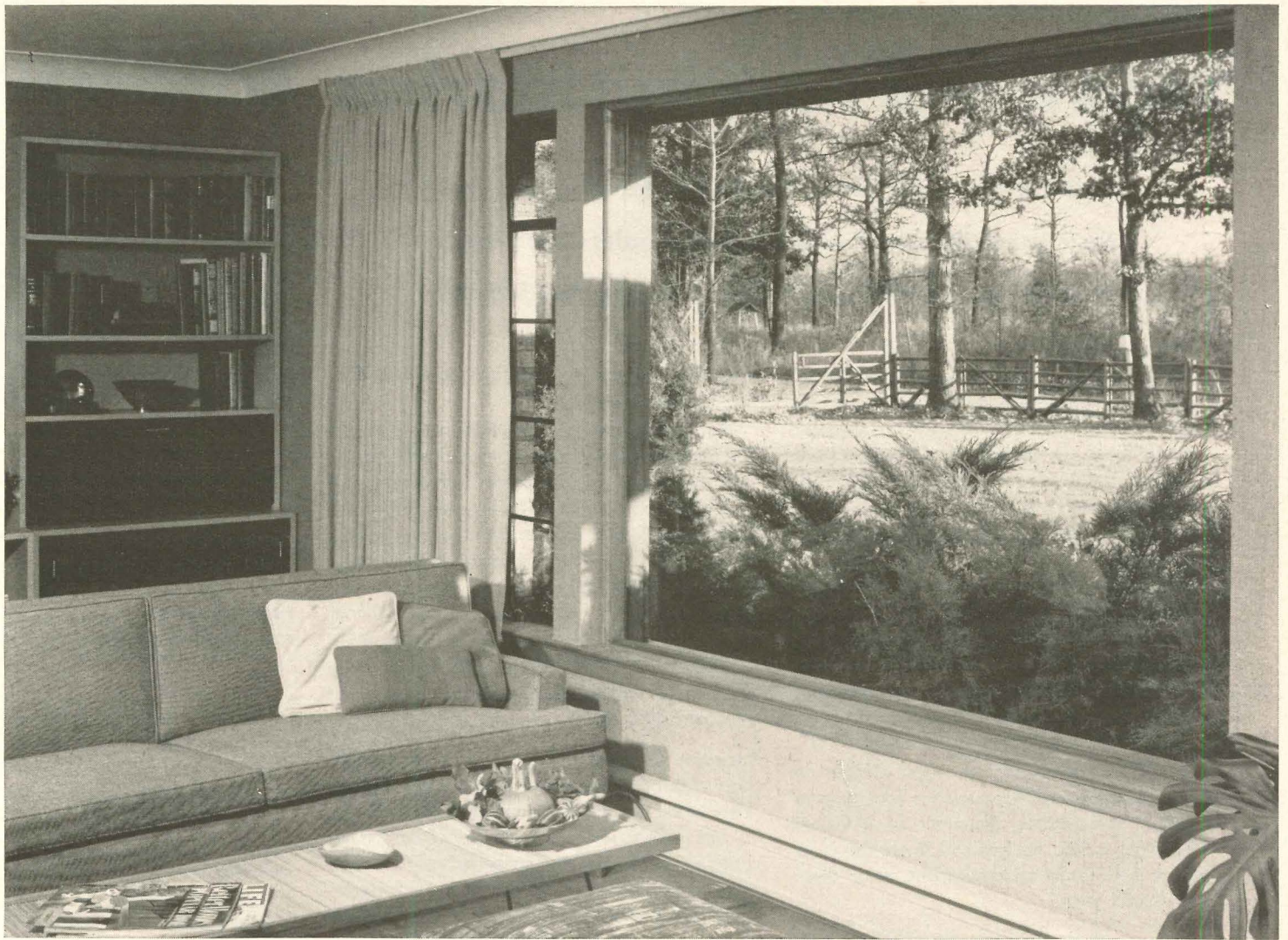
Consumption of building board has increased more than tenfold since 1929, with the greatest relative increase in hardboard—16 times as much consumed in 1953 as in 1929. Insulating board has shown a 700% increase during the same period. The use of plywood in roof sheathing has increased rapidly in the past few years and now represents about one quarter of the roof sheathing market. The use of plywood for exterior wall sheathing is expected to be slowed down by increasing competition from insulating board and its use as an underlay material will increase less rapidly in the next 20 years because of greater use of slab-type construction.

NEWS continued on p. 72

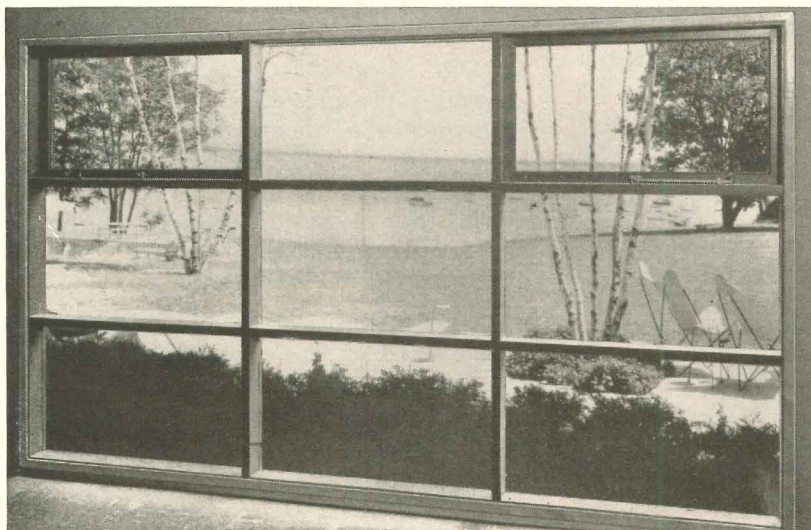
TOTAL CONSUMPTION OF LUMBER PER DWELLING UNIT BY COMPONENTS OF HOUSE AND IN TOTAL, 1920-75

	(board feet)								
	Foundations	Floors	Ceilings	Roofs	Exterior walls	Interior walls	Mill-work	Miscellaneous	Total
1920	1,720	4,270	975	2,790	2,520	2,930	2,621	1,076	18,902
1930	1,369	3,670	832	2,260	2,370	2,289	1,930	667	15,387
1940	1,280	3,320	798	2,540	2,100	1,712	1,398	750	13,898
1950	1,086	2,540	759	2,600	1,748	1,518	1,050	416	11,717
1953	895	1,970	793	2,400	1,598	1,529	930	405	10,520
1960	828	1,799	785	2,339	1,423	1,513	860	405	9,952
1965	762	1,590	776	2,310	1,420	1,534	815	405	9,612
1970	682	1,410	776	2,230	1,340	1,520	760	405	9,123
1975	610	1,240	769	2,200	1,262	1,505	715	405	8,706

Source: Stanford Research Institute.



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Nonwhite housing market

Two FHA studies, once 'for administrative use only,' forecast how many new minority units cities can absorb now: Baltimore 1,300, Los Angeles 1,500

For the past five years FHA has been trying to drum up interest in the nonwhite housing market, a neglected stepchild of the postwar housing boom. An important method has been to provide builders and mortgage lenders with market facts that might urge hard-to-get mortgage money (for the nonwhite market) into circulation. FHA has compiled some 50 statistical reports on such subjects as Negro median incomes (going up), their job situations (widening opportunities), and housing conditions (still so cramped that HHFA's Albert Cole last month called nonwhites' troubles at getting mortgage money "a serious failure" in functioning of the private lending market).

The FHA studies shed the kind of light on the market potential for minority housing that builders and lenders demand. In addition, FHA went a step further and made forecasts of just how many new nonwhite units these cities could absorb.

Until recently, however, an inbred caution about becoming involved in racial controversy led the housing agency to keep its conclusions secret. The data—although compiled at taxpayers' expense for the good of all and desperately in need of wider circulation—was not in suitable shape for release, FHA bosses held. Last summer HOUSE & HOME asked FHA Commissioner Norman Mason to reconsider the decision of his predecessors. The result was issuance last month of two of the reports (in somewhat revamped form) on the situation in Los Angeles and Baltimore—the first specifically concerned with the nonwhite housing market, the second a fuller job on the general housing market in Baltimore, with reference to the nonwhite sector.

In-town congestion. A characteristic of the nonwhite situation shared by these dissimilar cities (as by most US cities) is that nonwhites in both places live close to the center of the metropolitan area. In Los Angeles, where such groups make up 6.6% of the total population of the sprawling metropolitan area (their total: 340,000) some 76% reside in the City of Los Angeles. In Baltimore, downtown growth of nonwhites (almost entirely Negroes, in this instance) is equally evident. "A significant factor in connection with the shifting population trends," writes FHA, "is the tendency for nonwhites to expand within the central city and for whites to move to the outlying areas. From 1940 to 1950 about 83% of the metropolitan area's increase in nonwhite population occurred in Baltimore city, whereas

only 17% of the net increase in whites was within the city proper."

No US city except San Francisco (where the nonwhite population is numerically smaller) can touch Los Angeles' percentage increase in nonwhites: 115% between 1940 and 1950 and another 23% in the last four years. In the same period the nonwhite population increased in Baltimore by 36.9% and the white population by just over 20%. These growths brought the nonwhite population in Baltimore to over 267,000 in 1950 (about 20% of the whole population) and the proportion has increased since.

Income picture. There is good reason for Los Angeles' phenomenal influx of nonwhites. The western states have experienced the bulk of the population growth of the nation (nonwhites, incidentally, increased some 3% faster than whites during the last census period) and California has beckoned as a land where the climate and way of life are ideal. Recent figures for Los Angeles show that the median income for nonwhite families there is \$3,000, considerably higher than the national median figure of close to \$2,000. The disparity between white and nonwhite median incomes is less in Los Angeles (a 27% difference) than in Baltimore and it is estimated that 50% of nonwhite families have incomes of over \$3,000.

In Baltimore, about 27% of nonwhite families earn more than \$3,000 and the median is \$2,600. This figure, according to the FHA report, is about 60% of the white median income.

Supply and demand. Having established that nonwhites are entering both these cities, are mostly living within the municipal boundaries and in many cases (although not in a majority) have incomes of more than \$3,000, FHA takes a crack at estimating what their housing needs are. This is what they come up with: the effective demand for privately built new housing in Los Angeles in the next 12 months is estimated at 1,200 dwelling units for sale and 300 for rent. Also: "Perhaps three to four times as many additional units will be added to the nonwhite housing supply by transfer from white occupancy." About 50% of the demand for new sales housing appears to be in an \$8,000 to 9,500 range and another 25% in the \$9,500 to 11,000 bracket. About 75% of the demand for new rental housing falls in the range of \$55 to 70 a month, including utilities.

In Baltimore, the price of homes needed is

H&H staff photo



FACTS IN DEMAND: At their Chicago convention, mortgage bankers seized the chance to pick up proffered copies of FHA's surveys of the nonwhite housing market in Los Angeles and Baltimore. Dr. George W. Snowden, FHA's top racial relations adviser, told them: "The improved job status of nonwhites has resulted in relatively greater increase in earnings and income than for whites."

extremely similar to that for Los Angeles (\$8,000 to 9,000) but demand by sale and by rental is reversed. FHA puts nonwhite housing needs in Baltimore at an annual 300 sales and 1,000 rentals for the next two years. (Rentals should not exceed \$80 a month.) The reason that the estimated demand for sales in Baltimore is so low compared to Los Angeles is that nonwhites in the former city (as demonstrated by the population increase figures) have shown extremely small inclination to leave their midcity location. Some good rental units (about \$60 a month) in outlying areas are on the brink of foreclosure, although some experts think they would be filled up in a jiffy if they were just for white occupants.

In Los Angeles—a newer, more volatile city peopled with a variety of nonwhite races—there is demand for homes and still some land available for them. Other facts:

▶ In 1950 approximately 18.4% of nonwhite couples in Baltimore were sharing living quarters with other households, against a figure for white couples in Baltimore of 7.6% and a national figure of 5.5%.

▶ During the past four years in Los Angeles private builders have built over 3,000 houses in tract developments for minorities, and public housers have put up nine projects containing 4,357 units, most of which are occupied by minority groups.

▶ Owner-occupancy among nonwhites in Los Angeles rose from 25.7% in 1940 to 41.2% in 1950; in Baltimore, home ownership by nonwhites trailed—was still only 26.4% as compared with 21.1% in 1940.

The FHA reports promise mortgage bankers consolidated material to aid them in evaluating particular mortgage loans. And such consolidation, with attention to local markets, means another advance for housing statistics in general.

NEWS continued on p. 78

A monthly report on important developments in the modernization of mortgage credit, with particular emphasis on the expanding potential of the package mortgage, the open-end mortgage and the expandable mortgage.

Lenders pleased with FHA's new open-end rules, plan advances on old and new mortgages alike

As FHA moved forward into the open-end mortgage field under the provisions of the new Housing Act, it did so in a most cooperative and helpful manner. Its official instructions to lenders were all contained in a simple four-page letter. Its processing for open-end advances, it noted, "will closely parallel" its regular mortgage insurance procedures with which mortgagees are already familiar.

Pleased and gratified at the complete absence of booby traps or nuisance clauses in the FHA regulations, leading lenders who pioneered open-end re-advances on conventional mortgages prepared to put the same modern credit privileges into their new FHA mortgages and to modify existing FHA mortgages to allow such reborrowing for home improvements or expansions.

"Standard" for Prudential. One of the staunchest supporters of the open-end mortgage has been the Prudential Insurance Co. of America, which makes it "standard" to include a clause giving its mortgage borrowers this privilege in all states where this is possible. Last month Prudential headquarters sent the new FHA regulations and instructions to all field offices and correspondents so they could start adding such clauses to all their new FHA home mortgages.

Another open-end stalwart has been the Dime Savings Bank of Brooklyn, which also devised a simple "modification agreement" for open-ending a "closed-in" mortgage (H&H, Oct. '53). Highly satisfied with its experience with more than \$600,000 of conventional mortgage re-advances that averaged from \$1,500 to \$2,000 each, the Dime planned the immediate extension of open-end privileges to all its new and old FHA borrowers. The Dime, in fact, planned an advertising campaign to tell the public about its new FHA open-end policies.

From Montpelier, Executive Vice President L. Douglas Meredith of the National Life Insurance Co. of Vermont reported

that his institution would definitely extend its open-ending to FHA loans, both new and old. Concurring with mortgage officers of other institutions, he expressed great satisfaction with FHA's uncomplicated regulations, could see no obstacles to making open-end advances just as easily and efficiently on government-insured as on conventional mortgages.

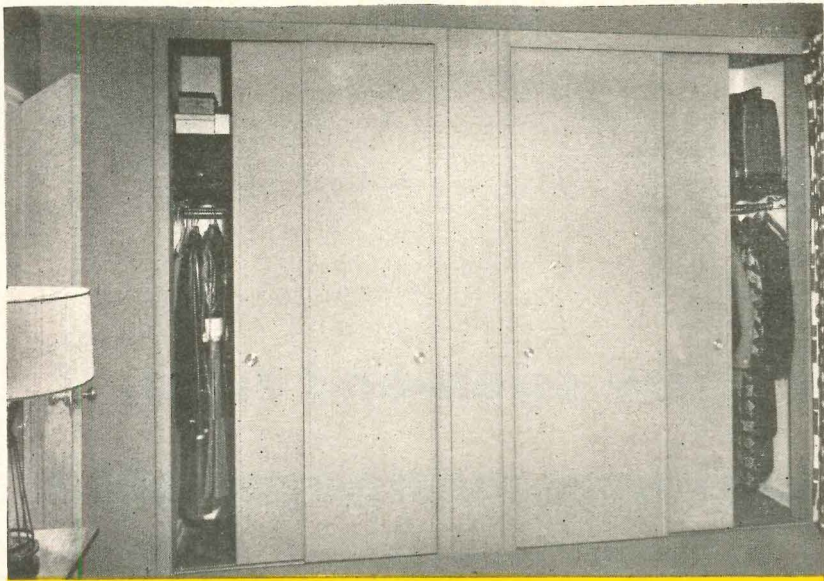
Basic FHA rules. Under the official regulations, lenders must send a \$10 processing fee to FHA with each open-end insurance application, but this will be refunded if the application is rejected on preliminary examination. During processing, the case number of the original mortgage will be supplemented with a temporary serial number, but after the advance has been made the lender will only need to refer to the original case number in any further correspondence with FHA.

Following its customary mortgage insurance procedures, FHA will issue commitment forms when it approves an open-end application, and the insurance will become effective when the lender returns these executed forms and the "initial insurance charge."

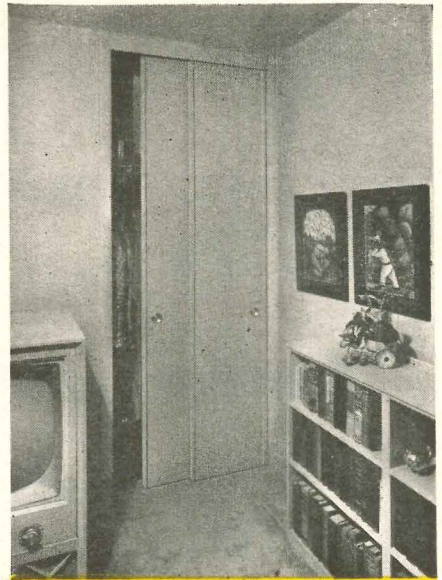
The regulations require amortization of the open-end advance within the remaining life of the original mortgage loan. FHA's instructions explain how to calculate the increased monthly payments that will be needed to cover the advance and make allowance for the interval during which home improvement work is still being done and amortization has not yet begun.

To reduce red tape, initial insurance charges will cover the interval until the next annual anniversary date of the original mortgage. After that remittances to FHA on both the original loan and any advances will be made together.

Advance repayments. When an FHA mortgage is paid in full before maturity, an open-end advance will not increase the prepayment fee, which will still be the lesser: either 1% of the original mortgage, or else the aggregate remaining premiums (not counting open-end insurance charges). The amount of partial prepayments that can be made without incurring a 1% penalty will be increased, however, to 15% of the original mortgage, plus 15% of the original amount of any advances, within any one calendar year.



◀ Double Wardrobe in this bedroom. Wall-to-wall. Floor-to-ceiling 8 feet high.

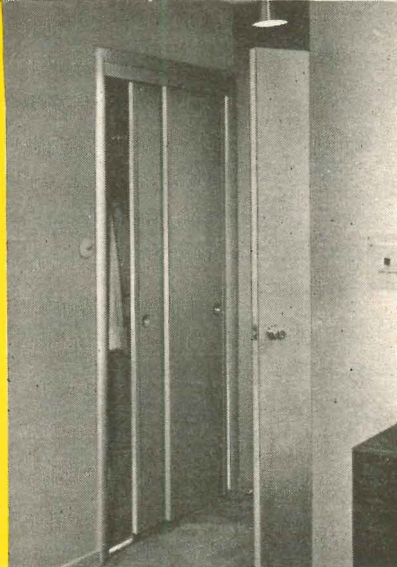


▶ Saves room in this small den. Large corner closet, 8 feet high.

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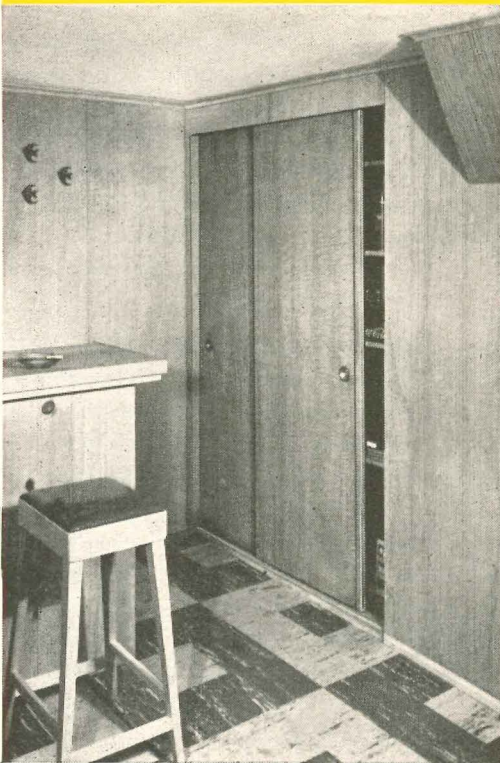
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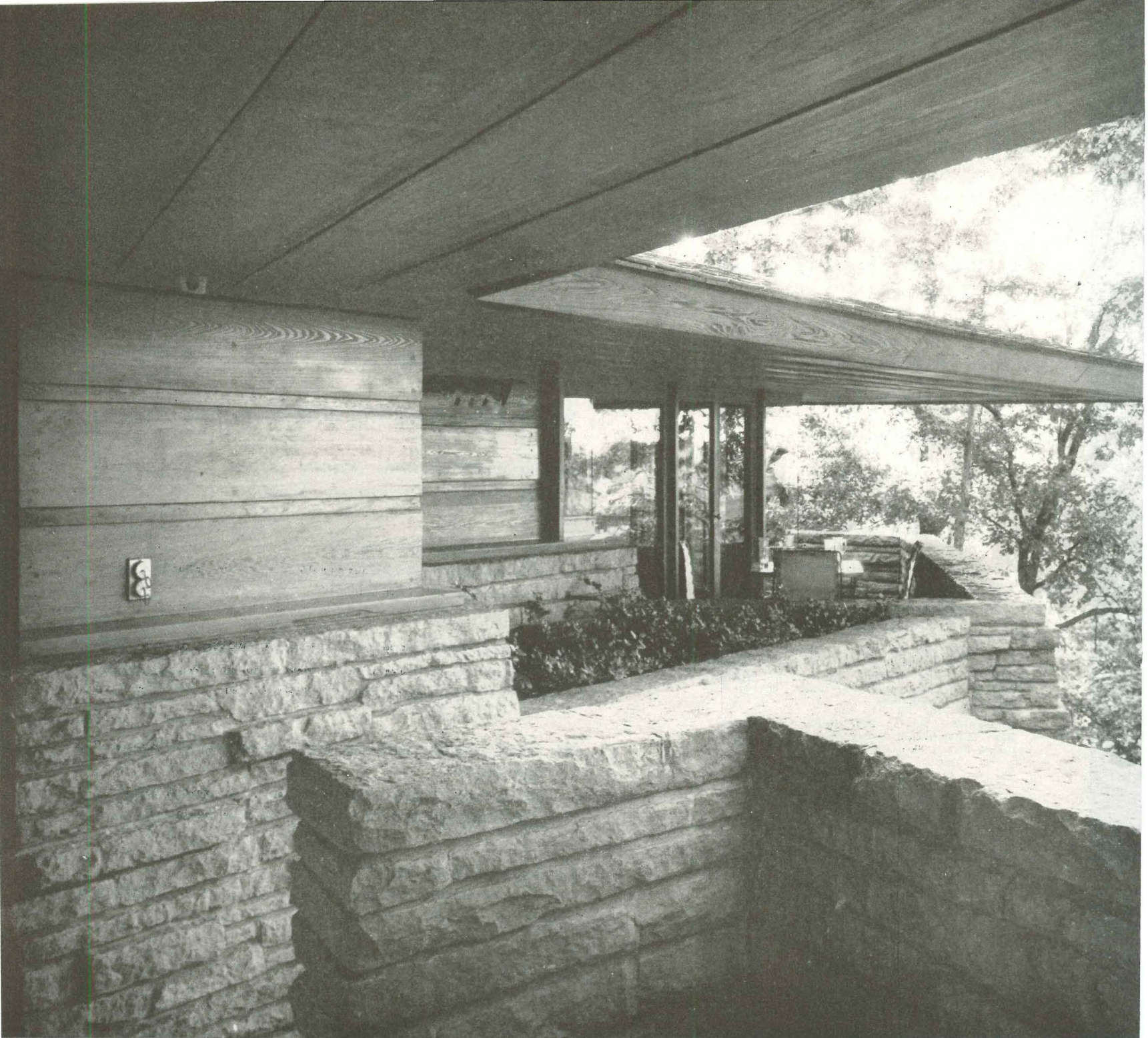
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Cover: a Michigan house by Frank Lloyd Wright; photo: © Ezra Stoller

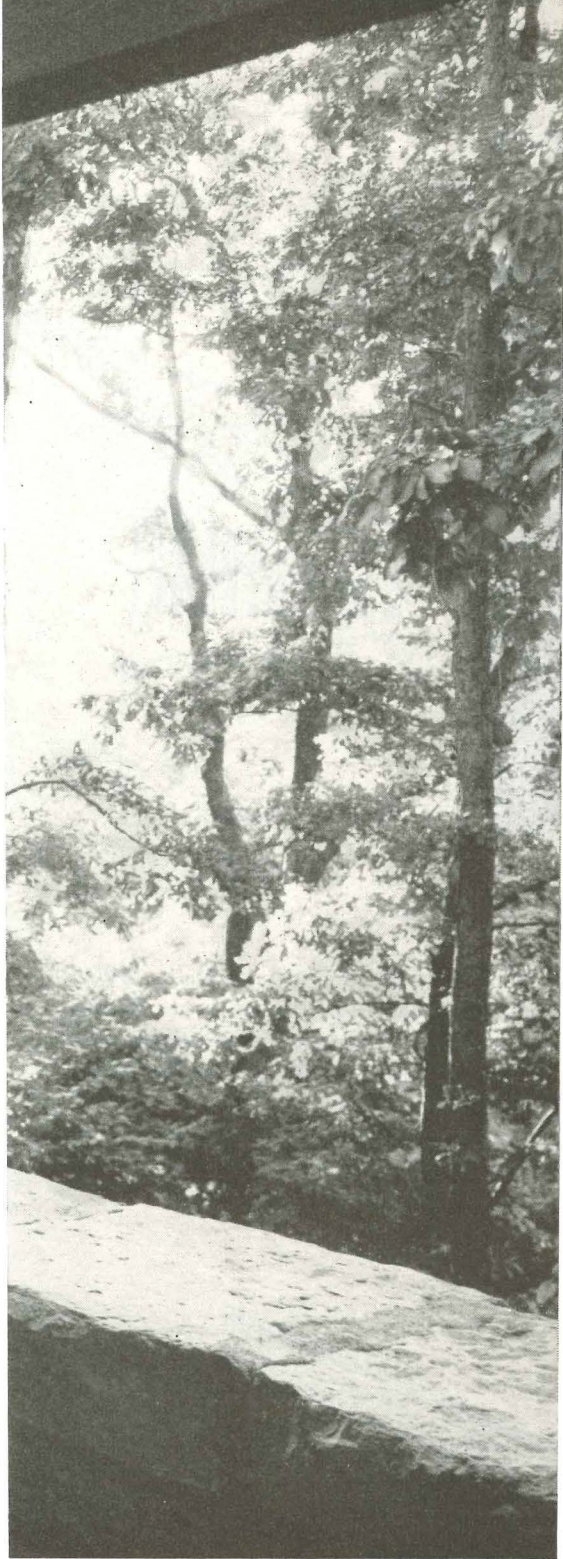


Seven lessons from FRANK LLOYD WRIGHT

Few builders and not all architects could tell you what makes this Frank Lloyd Wright house beautiful without first taking the house apart to see how it was put together.

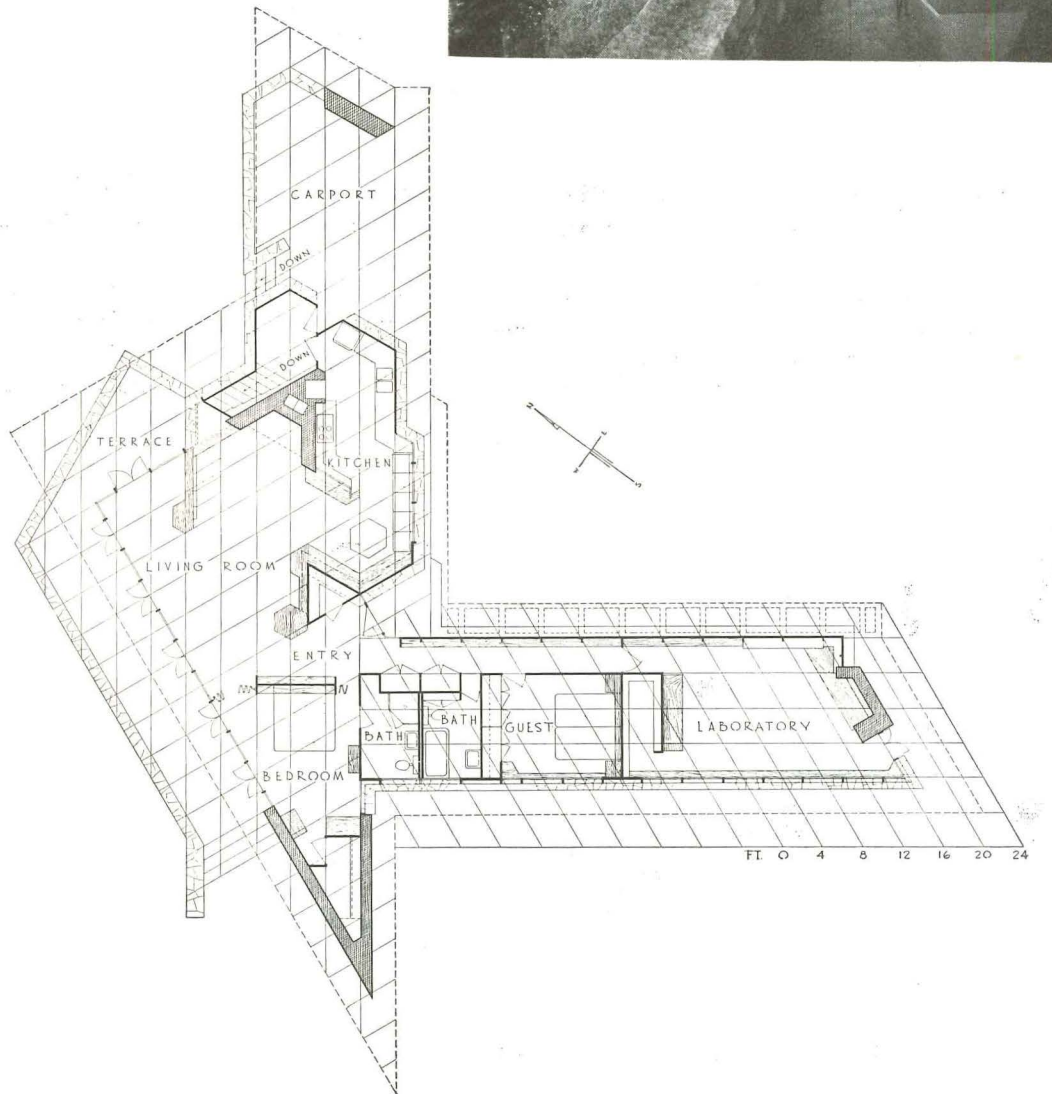
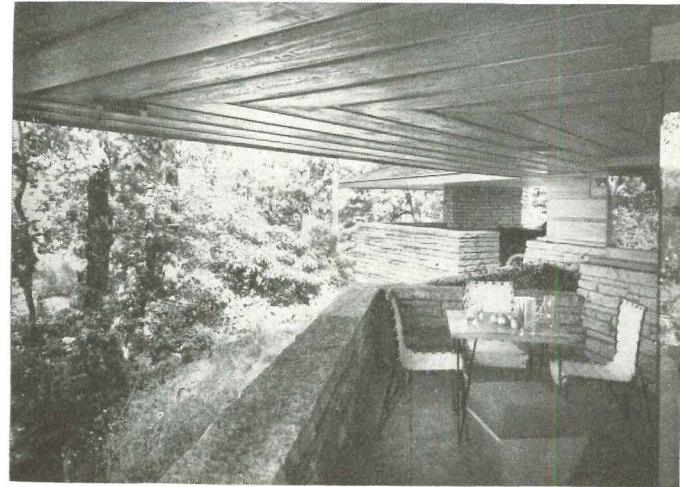
At a quick glance the house looks very complicated. But a closer look reveals the clarity of thinking and directness of approach found in so much of Mr. Wright's work.

On the next six pages we will take a close look at some of the devices Mr. Wright employed and consider how they contributed to the success of this house.

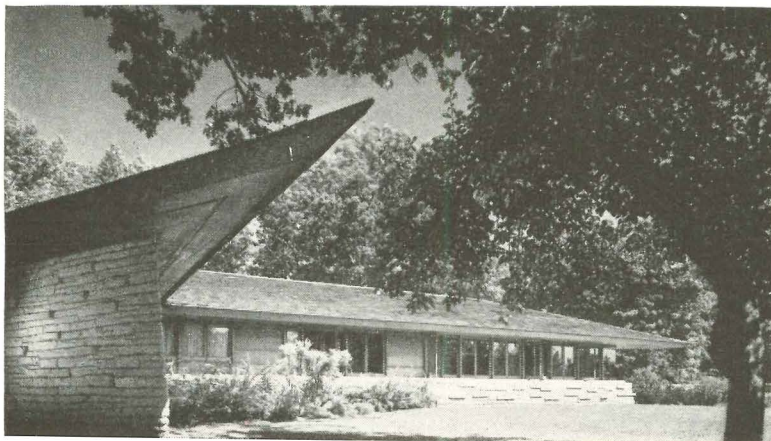


LOCATION: Michigan
FRANK LLOYD WRIGHT, architect
SETH FANDGREN, general contractor

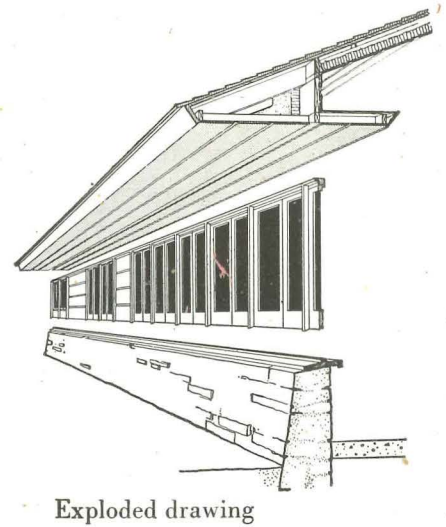
Photos: © Ezra Stoller



NOVEMBER 1954



1. NOTE how the walls were built in layers



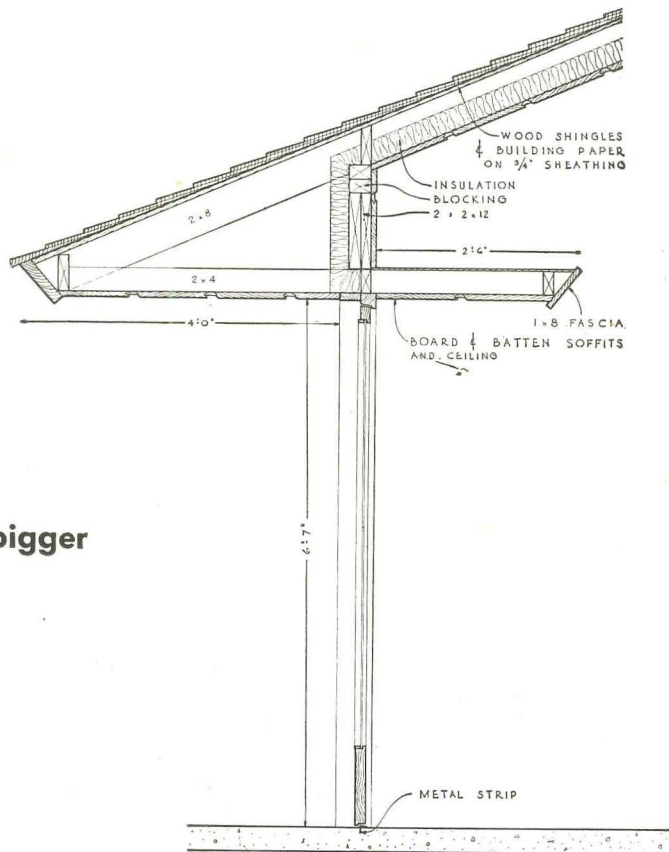
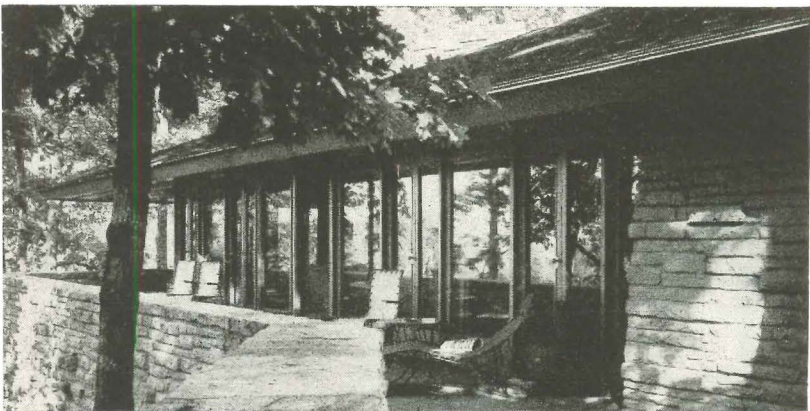
Most Wright houses are sharply stratified: a stone band reaches up to window-sill height (or slab); next, a wood and glass band up to the eaves; and roof layer sits on top of that.

This systematic way of building has three major advantages:

a. it gives the house a clearly expressed "waistline," making it look much longer and more elegant. The sill line is kept low (only 26") to make the wall less of a barrier;

b. it makes it natural to group the windows together—rather than building walls and then punching holes in them. As the Small Homes Council discovered, there is no easier way to save money. For all its 30-odd windows, this house has, in effect, only four window openings;

c. it separates different trades and different materials in sharply defined wall areas. This is a substantial economy.



2. NOTE how the big roof makes the house look bigger

The roof is at least 50% larger than the enclosed areas. Its overhangs vary from a minimum of 3' all the way up to 10' (they are reinforced with light steel where necessary).

The big roof gives a wonderful sense of shelter and a great deal of comfortable shade. It also eliminates the need for such separate (and often fussy) canopies over entrance, terrace, walks and carport as are needed with the usual shallow overhang.

NOTE how the low ceiling dramatizes the high one

The roof overhang turns back on itself and cantilevers right through the wall to form a 6'-8"-high ceiling shelf of varying depth indoors. As a result:

a. the continuous soffit carries the eye right through the wall, makes the separation of indoors and outdoors much less apparent;

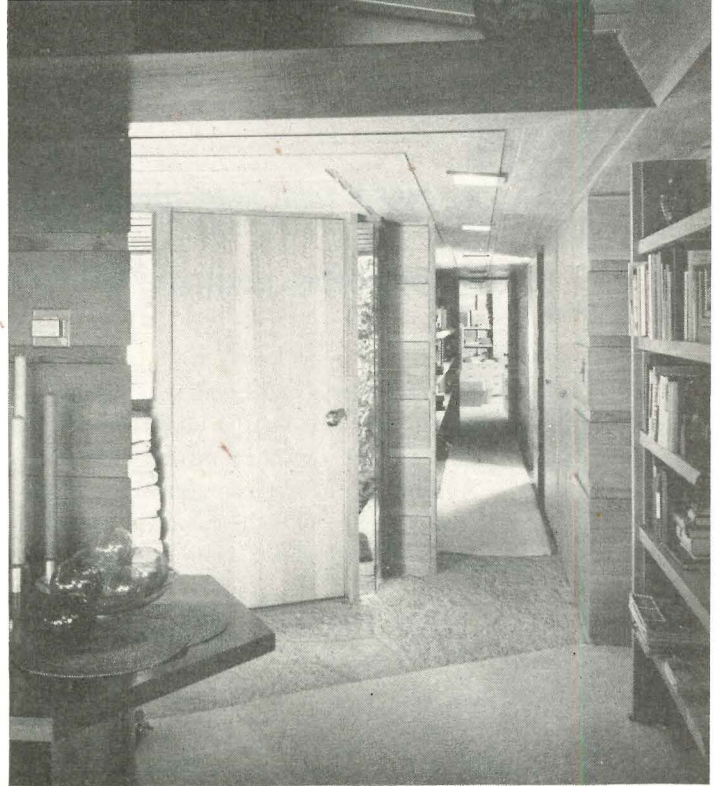
b. the 6'-8" height means stock doors run from floor to ceiling, eliminate fussy framing above;

c. there is no dark pocket above the windows;

d. the low ceiling saves the hallways from seeming uncomfortably narrow;

e. the shelves create a fine pocket for indirect lighting;

f. most important of all, the 6'-8" height of the little ceiling around the perimeter makes the "cathedral" ceiling look even higher than it is. You enter under a low protective ceiling before you step into the tall room.

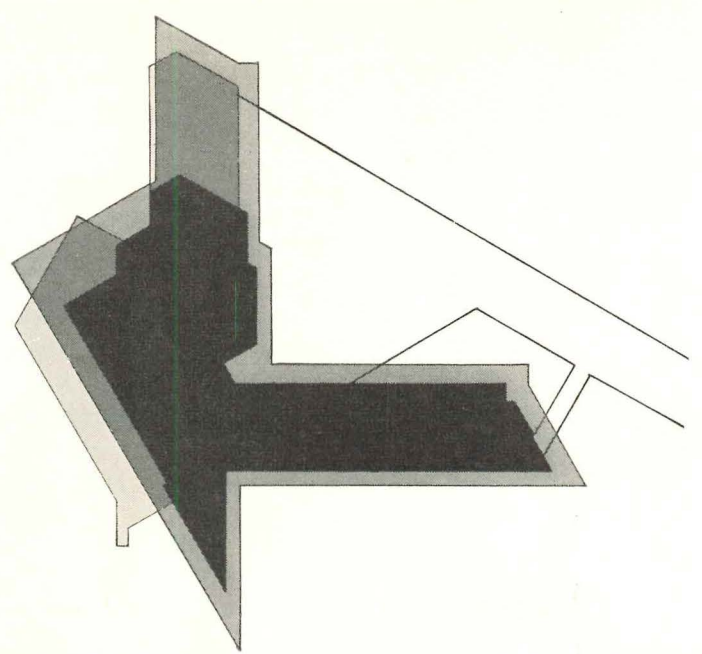


4. NOTE how roof edge

and planting edge go their own ways

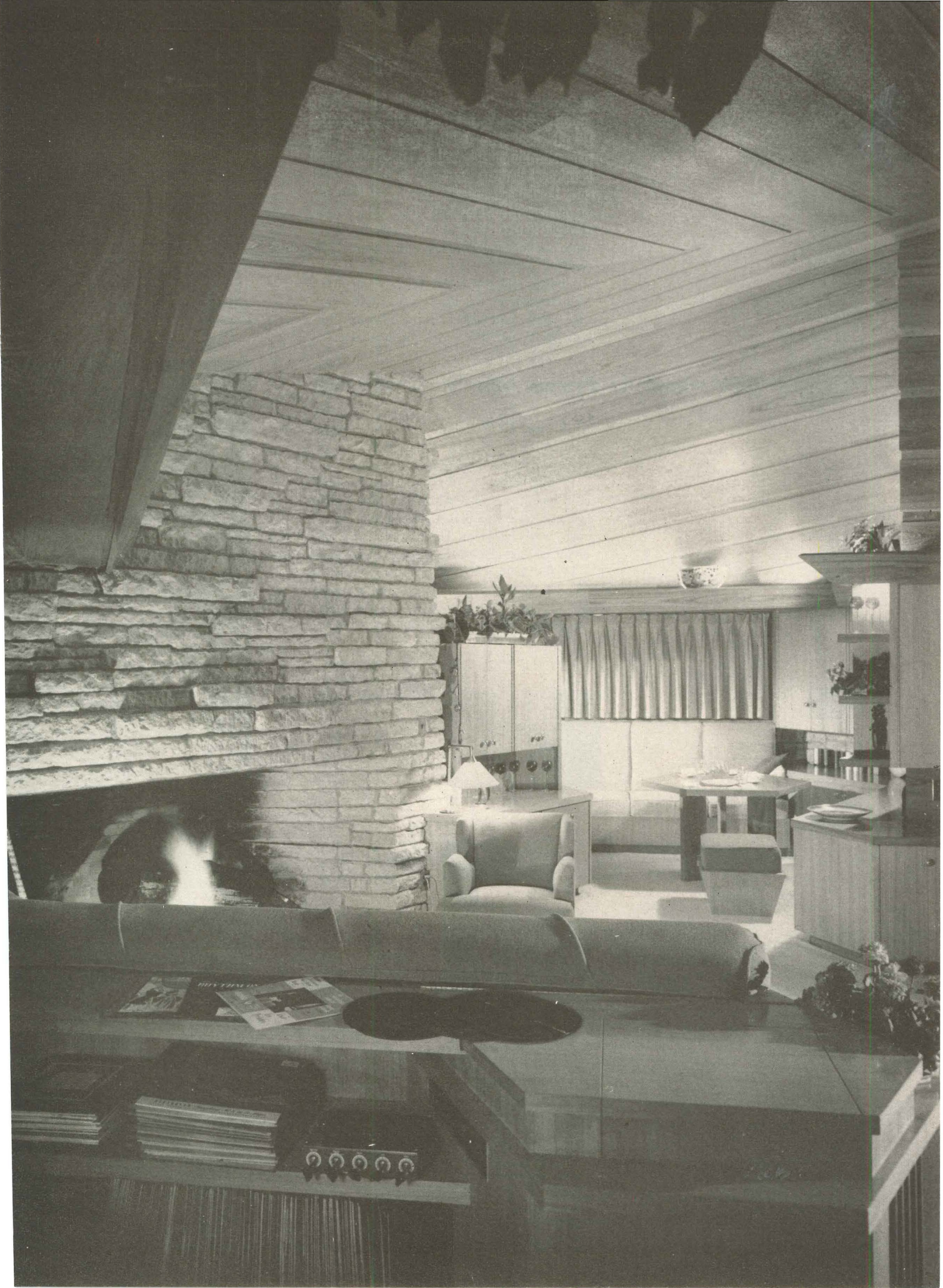
Most architects and builders, working with rectangles, make their roof line parallel their wall line and make their terrace edge parallel their house edge. But not Mr. Wright. In the diagram (right), see how the enclosed area (black) differs in shape from the roof (dark gray) and how both differ from the shape of the terracing (light gray).

These interlocking plans are one of the ways Mr. Wright uses to integrate indoors and outdoors.



5. NOTE how open the kitchen is, and yet how shielded

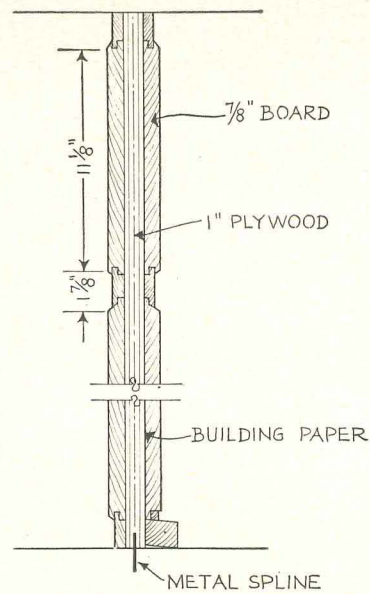
Most open kitchen-dining-living plans are too open: the kitchen is visible from the living area and vice versa. In this house, Mr. Wright used a V-shaped (rather than L-shaped) kitchen-dining-living plan that has the dining table in the crook of the V. Result: the table looks like part of the kitchen when you are in the kitchen (and cannot see the living room), and it looks like part of the living room when you are in the living room (and cannot see the kitchen). Reason: the diamond-module produces a sharp 60° angle between kitchen and living area, rather than the usual wide 90° angle—and this sharp turn screens kitchen and living areas completely from each other.



6. NOTE the studless wall

Indoors and outdoors, the wood walls are built up of $\frac{7}{8}$ " boards fastened to either side of a 1" plywood core (with layers of building paper in the outside walls). Specially milled hardwood battens, screwed to the plywood core, hold the boards in place, permit plenty of movement in the wood. The walls are assembled flat on the slab, then tilted up into place and mounted on a metal strip set into the concrete.

Studless wall panels will play an important role in tomorrow's house to save construction time, money and space; in this house the thin walls saved almost 50 sq. ft. of floor area.

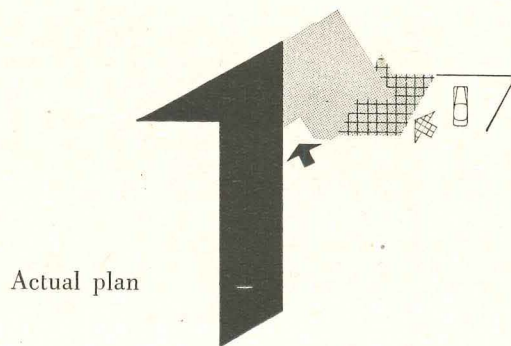
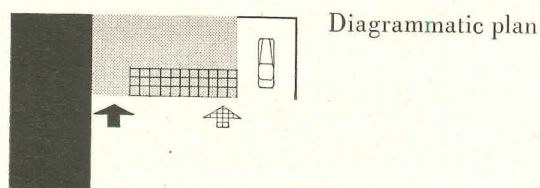
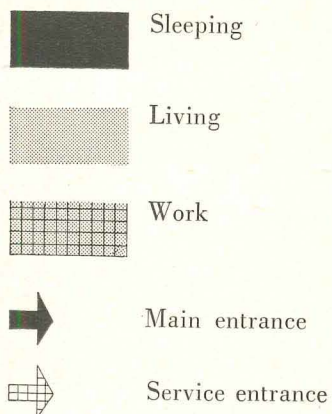


7. NOTE how Wright masters the diagram, never lets it master him

All his life, Mr. Wright has been an enemy of standardization of men, while advocating the standardization of building components.

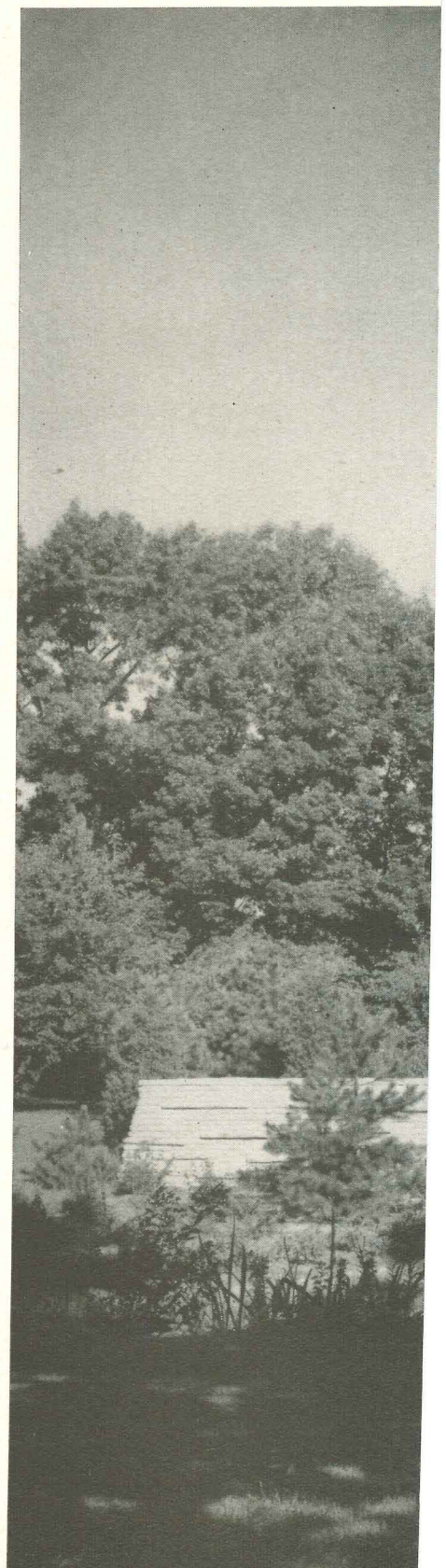
In this house Mr. Wright uses a 4' by 4' unit but it is diamond-shaped rather than square. Result: no prisonlike grid, but a free, open, workable plan. The unit works *for* the architect—not *against* the freedom of the plan.

In his houses Mr. Wright also follows a sound planning diagram: his sleeping, living and working areas are clearly separated; his entrances are properly located and controlled.



Yet the resulting architecture is never a diagram—it is as alive as the trees among which it seems to have grown up.

To Frank Lloyd Wright the demands of standardization and the demands of human freedom need not conflict. But if they do, then he, the architect, must always resolve them as he resolved them here.





Are you building for yesterday's market?

Or are you getting ready

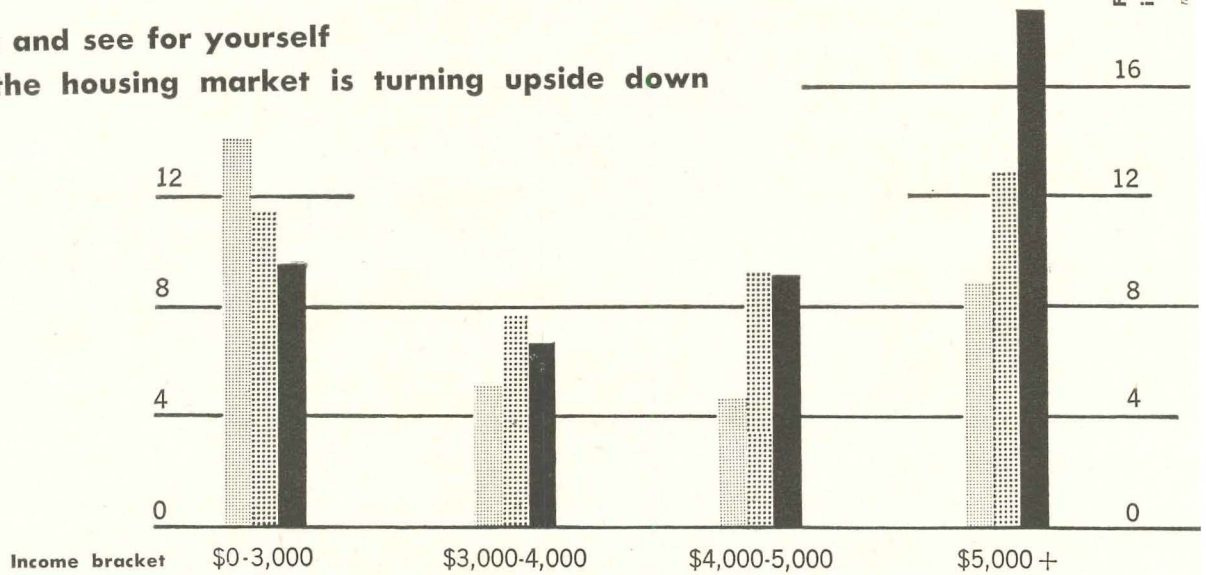
Every year the market for new low-priced houses gets smaller. Every year the market for new quality houses gets bigger.

America is wiping out poverty so fast that already more families have incomes over \$5,000 than incomes under \$3,000. But:

1. We already have at least 25% more low-cost houses than we have families who can afford nothing better.
2. We have nowhere near enough quality houses for those who could afford them.

Tomorrow's mass market is the quality house. By 1959 the low cost house market around most of our cities will be glutted even if no more cheap houses are built. By 1959 the big new problem will be what to do with the surplus of cheap houses left over from poorer days.

**Look at this graph and see for yourself
how the housing market is turning upside down**



Fifteen years ago the mass market was indeed the low-price market, for there were nearly twice as many families under \$3,000 as families over \$5,000. But five years from now—at the present rate of change—exactly the opposite will be the case. There will be twice as many families with incomes over \$5,000 as families with incomes under \$3,000!

Are you basing your plans as a builder, a realtor, a lender, or a supplier on the idea you can do more business in the dwindling market for cheap new homes? Or are you getting ready for the almost insatiable boom that is just ahead for quality houses and quality products?

Are you planning for yesterday's market? Or are you getting set for tomorrow?

the coming boom in quality houses?

The whole idea that the homebuilding industry must build cheap houses to tap a great new market is based on an obvious fallacy—the fallacy that the American standard of living ever has or ever can stand still.

Quite to the contrary, our American productivity is stepping up so fast that the purchasing power of the average American family has increased fourfold in the last 80 years—a compounded increase of about 2% a year. So says the current annual report of the National Bureau of Economic Research. And lately the income of the poorest fifth has been increasing twice as fast as the average.

If these two trends to increased purchasing power continue—and there is some reason to believe they are accelerating instead of slowing down—the average family income (in constant dollars after federal taxes) will shoot up from about **\$4,090** in 1950
to **\$5,000** in 1960
then to **\$6,100** in 1970
on to **\$7,400** in 1980
on to **\$9,000** in 1990
and reach **\$11,000** in 2000 **and by that time there will be
hardly any poor families at all**

Who then will live in all the cheap houses the homebuilders are still being urged and preached at to build? The American standard of living is going up 22% every decade; and the American standard of housing, which has lagged behind the rest of the American standard of living, must now rise even faster to catch up.

Until that Utopia is reached of course we must go on helping low-income families have better homes. But the homebuilding industry has gone on record not once but many times that “in most communities we can provide good housing for lower-income families much better and much faster by improving existing housing than by new construction.” Then what good will it do to build *more* minimum housing if our real problem is what to do with the minimum housing we already have, how best to modernize the best of it and how quickest to wipe out the worst of it?

The shortage of good houses is the most pressing of all American shortages today, the sure guarantee of homebuilding volume and prosperity for years to come. But the only shortages of low-cost housing now are 1) for minorities, for whom almost no new housing has ever been built, 2) for retirement, for which, again, almost no houses have ever been built, 3) around cities growing too fast to have their normal proportion of old houses available at low rents.

Look what a tremendous difference the known change in income pattern in just two years can make. If we project the 1960 housing need on the basis of the 1951 pattern instead of the 1949 pattern:

1. America would need to build 3 million *less* houses in the present decade costing \$75 a month or less (4,500,000 in ten years instead of 7,500,000);
2. America would need 8½ times more new houses costing \$90 a month or more (3,400,000 instead of 400,000)!

So the Senate banking committee was told last spring by Professor William L. C. Wheaton, top planning authority at the University of Pennsylvania and No. 1 forecaster for the National Housing Conference.

But why did Professor Wheaton stop with 1951? If the income pattern change in just two years cut the probable need for more low-cost housing by 40%, why did he not carry his studies further and show what the predictable increase in income for nine more years will do to the need—and the market—for cheap new houses?

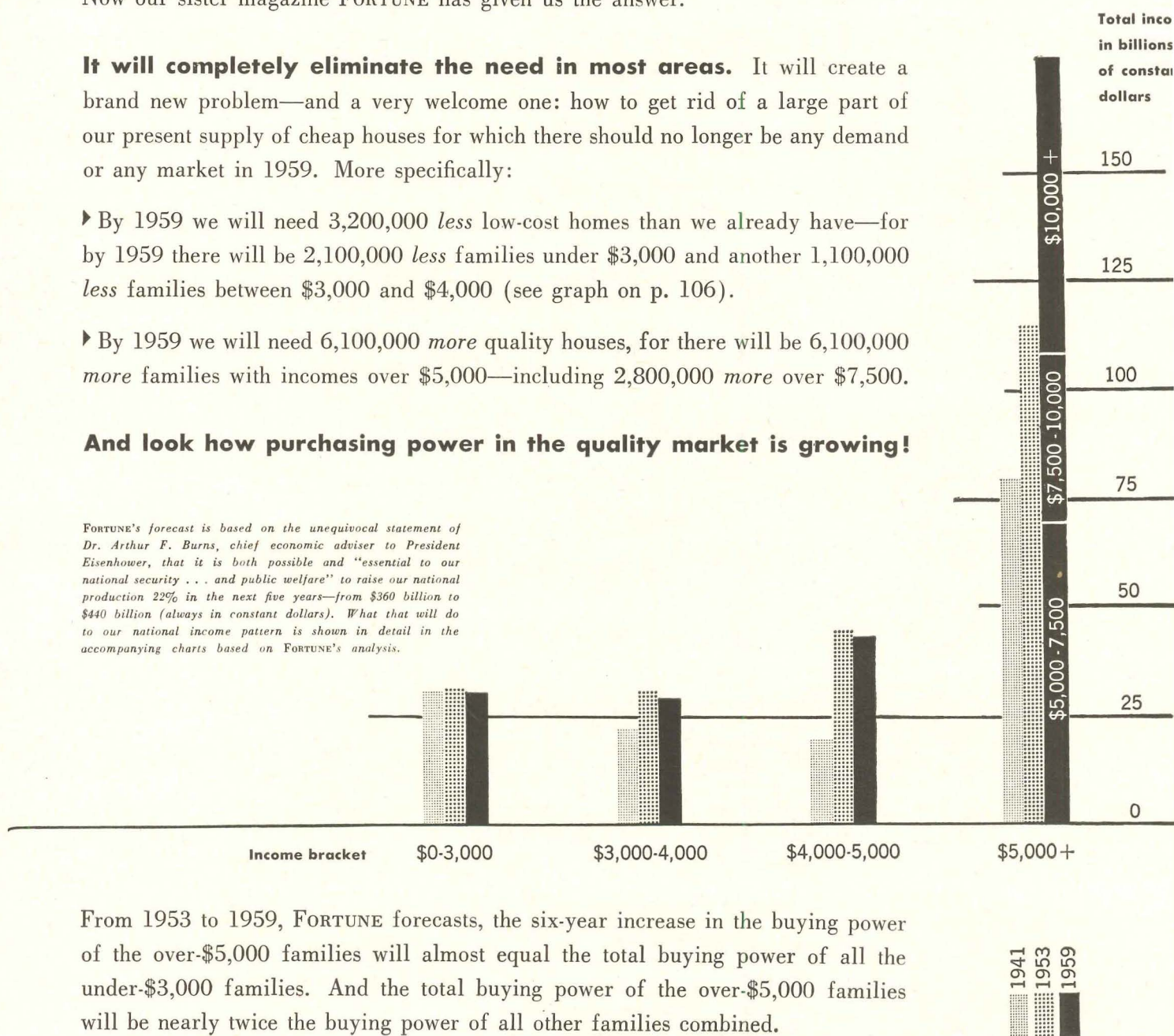
Now our sister magazine FORTUNE has given us the answer.

It will completely eliminate the need in most areas. It will create a brand new problem—and a very welcome one: how to get rid of a large part of our present supply of cheap houses for which there should no longer be any demand or any market in 1959. More specifically:

- ▶ By 1959 we will need 3,200,000 *less* low-cost homes than we already have—for by 1959 there will be 2,100,000 *less* families under \$3,000 and another 1,100,000 *less* families between \$3,000 and \$4,000 (see graph on p. 106).
- ▶ By 1959 we will need 6,100,000 *more* quality houses, for there will be 6,100,000 *more* families with incomes over \$5,000—including 2,800,000 *more* over \$7,500.

And look how purchasing power in the quality market is growing!

FORTUNE's forecast is based on the unequivocal statement of Dr. Arthur F. Burns, chief economic adviser to President Eisenhower, that it is both possible and "essential to our national security . . . and public welfare" to raise our national production 22% in the next five years—from \$360 billion to \$440 billion (always in constant dollars). What that will do to our national income pattern is shown in detail in the accompanying charts based on FORTUNE's analysis.



From 1953 to 1959, FORTUNE forecasts, the six-year increase in the buying power of the over-\$5,000 families will almost equal the total buying power of all the under-\$3,000 families. And the total buying power of the over-\$5,000 families will be nearly twice the buying power of all other families combined.

The American people need better homes. They can afford better homes. And it is high time everybody in homebuilding pitched in to sell them those better homes—instead of giving away cheap homes for nothing down.

From now on our industry will find its mass market in the quality house.

This is good news for everybody in homebuilding

It is good news for the architects—for the buyers of quality houses will not be satisfied with stock plans or even \$25-a-house design standards. They will insist on better layouts, better site plans, better appearance than the builder can offer without professional help. The AIA is right in believing the great new challenge and opportunity for the architect lies in working with the merchant builder.

It is good news for the mortgage lenders—for there is more profit and longer security in the larger loans on quality homes. The builder of a too-cheap house may sell it, take his profit, and forget about it. But the lender who takes a 30-year mortgage on a too-cheap house will have to live with it a long, long time—and so will the federal agency which insures or guarantees the mortgage.

It is good news for the realtors, for it promises an ever active market as each new quality house enables as many as 12 families to play musical chairs and each move to a nicer home.

It is good news for lumber dealers and building material manufacturers, who have always preferred to sell quality products.

It is good news for the homebuilders. It will give them new prestige in their communities as they build more homes in which everyone can take pride. It will make them more welcome in hundreds of towns which are now trying to freeze them out. It will help them give better value, dollar for dollar. It will free them from the dreary pressure to build for too low a price with rooms they know are too small, overhangs they know are too shallow, lots they know are too small, materials and equipment they know will wear out too soon.

Because the coming boom in quality houses is good news for everybody . . .

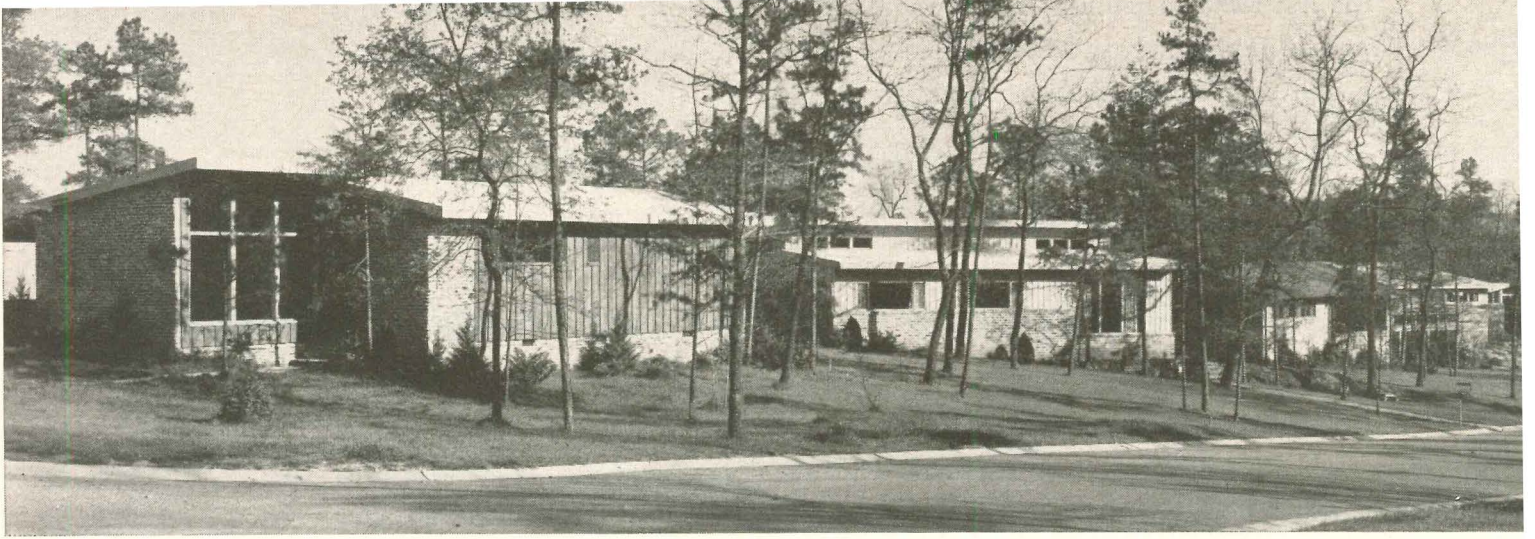
because FHA is reversing its whole appraisal policy to encourage quality homebuilding . . .

because the new housing act ends the discrimination against quality houses in the mortgage pattern . . .

because smart builders everywhere are upgrading their plans to enter the quality market . . .

this entire issue of HOUSE & HOME is devoted to

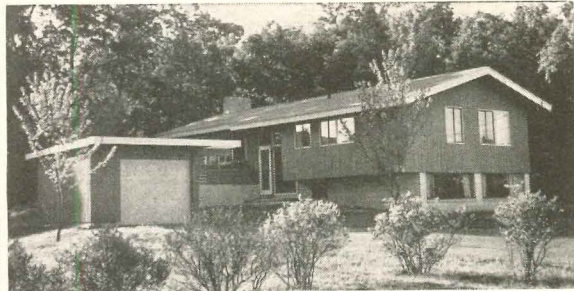
the quality house



Over 500 quality houses have been built by Chas. Byrd in Vestavia Hills, Birmingham, Ala.



Floyd Kimbrough's Jackson, Miss. version of BH&G house at \$26,000. He sold 25, expects to sell 100.



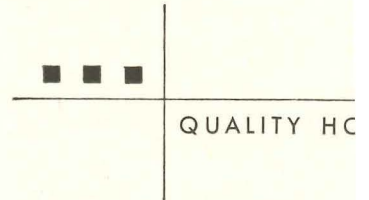
Architects Compton & Pierce, Lexington, Mass., are building 25 houses at \$20,000 to \$25,000, have several models.



All-gas house, a hit at Houston's Parade of Homes, was filled with many quality features and quality equipment.



In Colorado Springs Parade this house was designed by Dan Loewen for Keith Hook, built by Neil MacDonald.



Changing FHA policy boosts the quality house and quality products

Last spring, HOUSE & HOME reported its 35-man round table discussion on how to get better valuations for the quality house (H&H, March 1954). Recommendations were directed to FHA and VA from experts representing all phases of the homebuilding industry.

This all-industry round table took a fresh and dynamic approach to the basic problem of quality builders. Recommendations brought promise of immediate government action, were soon incorporated into the thinking of government housing officials and within the past few weeks have been given strong endorsement by FHA's top people. Seldom has there been such an immediate response by government to an industry's recommendations. The encouraging directive of "quality recognition" is being passed from Washington to its FHA field offices in a new program which could bring many improvements in US housebuilding.

Photos: A. C. Kelly; Hiatt Photo Service; M. Miller; A. L. Neuland; Roy Stevens; Remi; Leclair Studio.

**Said FHA Commissioner
Norman P. Mason**



What FHA is doing

at the round table members commended

new attitude throughout FHA and VA toward
y, a new willingness to accept change, and a
acceptance of contemporary design.

new issue of dynamic instructions to the field and
better supervision to assure more uniformity of
practical practice from office to office.

the completely new thinking about valuation. Is it
that a house cannot be worth more than it cost
small fixed profit?

new willingness in Congress to let FHA spend
h of its income to attract and hold architects
appraisers good enough to meet their difficult
responsibilities.

fresh revision of the minimum property require-
ments worked out in collaboration with the various
agencies that are contributing to homebuilding progress.

new program for continuing review of FHA-VA
standards. This program should take full advantage
of private enterprise research facilities as can be
obtained through the Building Research Advisory Board
and such field-testing facilities as are available
through the Research Institute of the National Associa-
tion of Home Builders.

deeper understanding that tomorrow's house will
require far more equipment and far more built-in
features and a greater willingness to include these
items in the valuation.

at HOUSE & HOME's annual marketing conference:

"The improvement in housing standards and conditions is the new direction of FHA. The law puts fresh emphasis on quality. There is a mandate to FHA to return to fundamentals, and to start raising housing standards.

"One objective of the revision in FHA standards is to give recognition to quality construction and to quality products.

"Another objective is to encourage improvement in the design of dwellings. It is not only what a house costs, initially, which is important. Equally important is what it will cost to live in it. FHA is going to take a good look at these other costs, such as monthly upkeep, fuel bills, depreciation, painting costs and that sort of thing.

"FHA can and should modify its standards to give greater recognition to quality construction and to improved design. You don't leave room for much imagination in design when you accent only the minimum. If you accent only the minimum, you probably get the 24' x 36' boxlike house that has become institutionalized in the last few years. I am not being critical of FHA homes that have been built to these dimensions. In the main, I know they have been well constructed, but they pinch costs to a point where buyers could afford more if only they had access to favorable financing terms, but were obliged to accept less than they wished.

"I hasten to add, however, that this does not mean that every contemporary fetish is sound, nor that FHA would go overboard to approve every innovation. It does mean that the home buyer will be given the opportunity to choose between contemporary and traditional design.

"We all recognize that it is more economical to insulate a house adequately when it is under construction than to attempt to insulate it after it is completed. We recognize that a well-insulated home will cost less to heat in the winter, and to keep cool in the summer."

Said Chas. A. Bowser, FHA asst. commissioner for tech. standards:



"In the past, and because of war conditions, lack of labor or materials or emergency conditions, FHA has had to operate on a cost concept. This practically threw the valuation concept out the window. Everything was based on cost.

"Today we're trying to get back to a valuation concept where cost is only one factor.

"We know that the builder will always build to minimums as long as he gets the maximum mortgage amount. How can FHA give him valuation over the minimums?

"We're getting into deep water now in trying to figure out what the amenities are that will produce value, so that the builders will receive valuations for the better quality over and above the minimums."

Said Neil Connor, FHA's director of architectural standards, to NAHB's directors in New York last month:

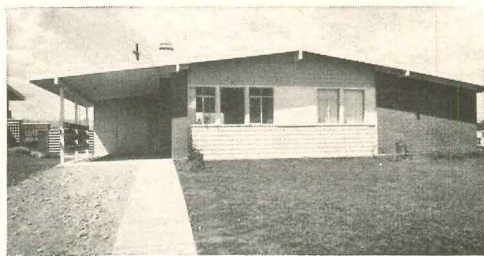


"With the new climate in Washington we are giving more consideration to quality and we plan to allow for it in valuations. FHA will now allow for things turned down previously, such as contemporary design or indoor-outdoor living. There is no problem now except getting the word out to the insuring offices."

Across the US, builders and FHA directors report a swing to quality houses

When FHA Director Ellis Charles of Dallas told HOUSE & HOME last month that the "new FHA regulations are causing a 50% increase in builder applications across the board, with a definite trend toward higher brackets and quality products," he summed up what is going on all over the US. Said Colorado Builder Lou Carey: "The biggest new and untapped market in Denver is from \$15,000 to \$20,000."

There is a new and powerful move by builders toward the higher priced house. While the new Housing Act is stimulating house sales in all price classes, the movement to better houses is growing so rapidly it may well cause major changes in the housing industry. The new thinking in Washington offers a possibility of removing the penalties that have existed on quality materials and equipment in houses over \$12,000.



Competition in Denver
forced Lou Carey
to build a better, larger house
with more features.
It is a big sales success at \$11,450 to \$14,850.

Long Island's Morton Bros.
moved up in price
and quality,
are selling new models well at \$16,990.



What builders say

Enterprising builders have been quick to get in the new quality market. Builder Ralph E. Staggs Phoenix is representative. "The new Housing Act will double or triple our sales," he says. We are moving away from the \$7,000 to \$10,000 market up in the \$10,500 to \$13,000 price. We have completely redesigned our house and can now sell houses the public has been wanting. For \$12,600 we give 1,579 sq. ft. house with three bedrooms, a den, two baths and a covered terrace. It is the best house for the money we've ever built."

W. T. Jameson of Norman, Okla. is moving up from \$10,000, to the \$12,000 to \$15,000 bracket. "We've been using floor and wall furnaces," he reports, "but will go to central forced air and use some air conditioning. Houses are already selling better and we plan to be more active next year."

In San Antonio Jimmy Burke plans to bring out some new houses that will sell for \$1,000 to \$1,500 more than his old line, will add more equipment, more expensive materials on the outside and generally improve them. This year his price range has been from \$6,000 to \$10,000.

In Salt Lake Lue Bettilyon has been building houses at \$12,000 to \$16,000, will move up to the \$25,000 and over market.

In West Hartford, Conn. J. R. Stich Associates will move up from \$11,900 to sell houses at \$12,000 to \$20,000, expect an increase in nonveteran sales.

Says Floyd Kimbrough of Jackson, Miss: "The public is demanding that we move up in the price field. He sold 25 houses at \$26,000 of his version of the BH&G house (see photo, p. 110), expects to sell a total of 100. "There are 20 million veterans who are potential buyers of better houses because either they never bought or bought too small a house."

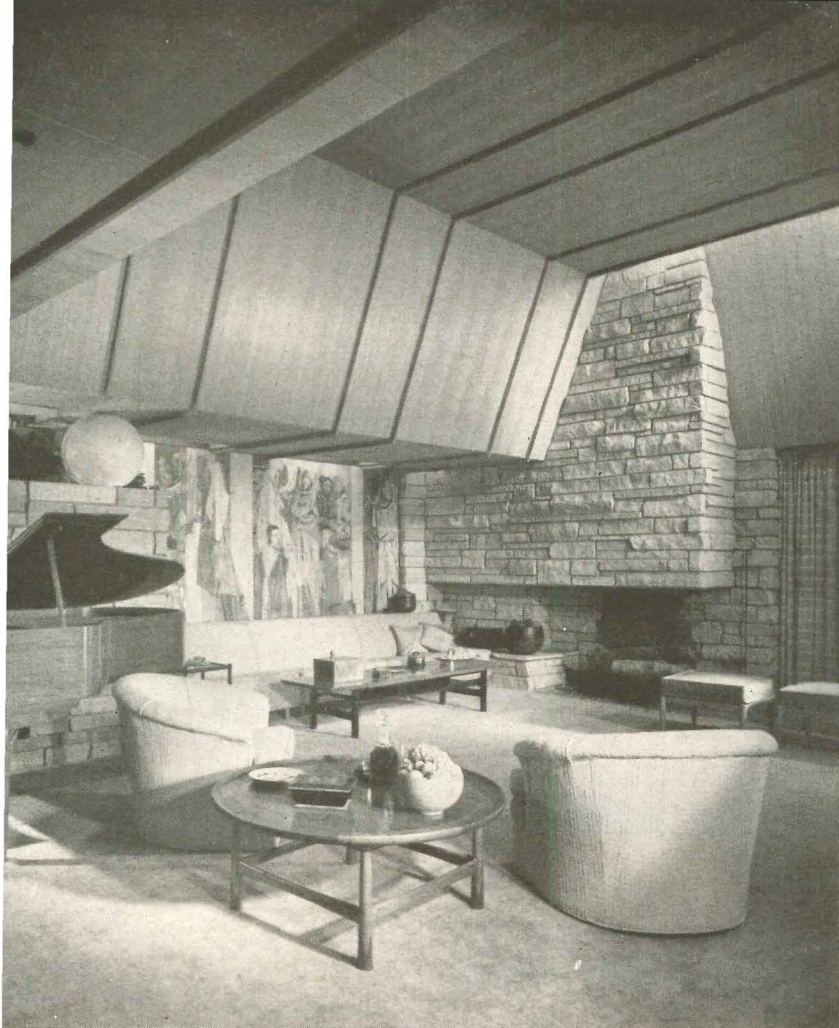
Prefabricators also are aware there is a growing new market for the over \$20,000 house. Next year both US Steel and National Homes will have more expensive houses. US Steel will call its house "The Visionaire" and says it will be sold for \$22,500 with land. National's house will sell at around \$25,000. Don Scholz's prefabs priced to \$30,000 have been selling well, may have influenced other producers.



QUALITY HOUSE

Photos: O. A. Sealy; County Photo Service





Houses are more interesting to people than horse races, a point proved at the Los Angeles County Fair in September when "House Beautiful's" handsome rooms, like one at left, were hit of fair and outdrew races.

Quality house has plenty of built-in storage, as in this house by Architect Richard Neutra.



Photos (top & bot.): Maynard Parker, courtesy of House Beautiful

What FHA directors told House & Home . . .



Storage cabinets with space for many types of articles cover an entire bedroom wall in house of Wm. Pfaus.

In Chicago, FHA Director James C. Moreland: "FHA volume for Sept. '54 is more than double that of last September. While lower price houses predominate, our participation in higher price homes is greatly accelerated. Buyers are demanding and getting more quality products as a result of the new Act."

In Birmingham, FHA Director C. A. Wiegand: "The new FHA Act has definitely stimulated the volume of applications, especially in the higher price range and for more quality products. Air conditioning leads."

In San Francisco, FHA Director Edward W. Briggs: "Builders here are building a higher priced house and are using more quality products as a result of lower FHA down payments."

In New Orleans, FHA Director Ralph H. Agate Jr.: "Indications are that builders are moving into higher priced housing and will use better quality products."

In Kansas City, FHA Director Herb Studer: "Builders are moving up into a higher priced house and better quality resulting from lower down payments. There is a tremendous increase in both existing home and new construction applications."

In Knoxville, FHA Director Sterling Roberts: "In panel sessions across the state we have stressed quality products and feel that builders will show more care and pride in quality. We have made builders aware that FHA will give higher ratings for quality."

In Indianapolis, State FHA Director Charles M. Dawson: "We are optimistic about the possibilities of improving housing standards at all levels under the new law. There is a definite trend for builders to move from the very low cost units to medium priced brackets. This move entails an increase in size, use of more equipment and better quality materials."

Beautifully designed house at right and below by Architect George W. W. Brewster of Boston won top award at Boston Art Festival this year.

Judges said it was "a good example of straightforward modern architecture with dignity and beautiful proportions. it avoids all the tricky clichés of many modern houses." House is on Buzzards Bay, Mass. Owner: J. Gordon Gibbs.



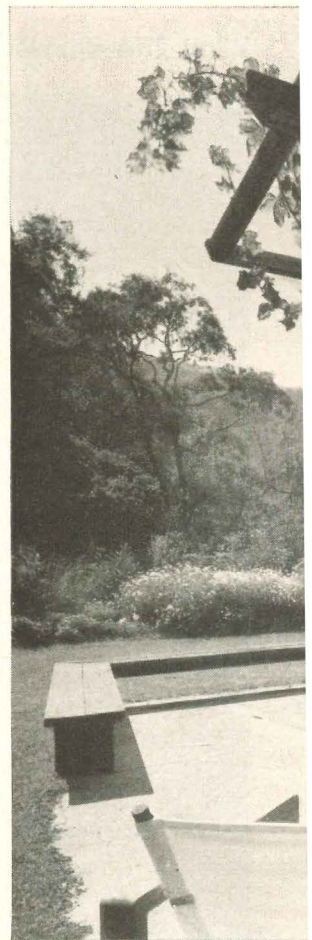
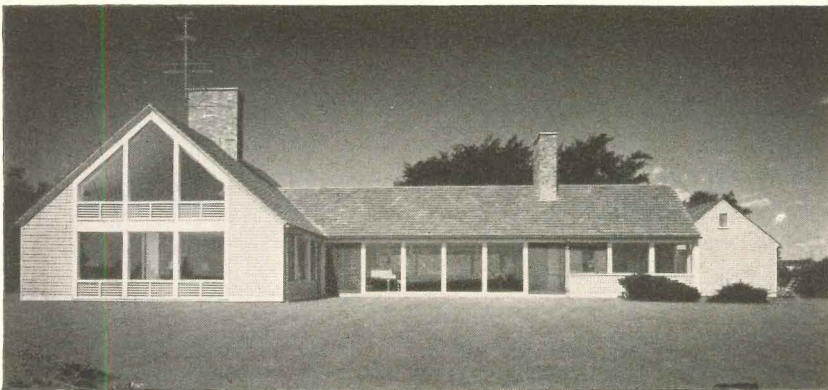
Photos: © Ezra Stoller, courtesy of House B

A quality house has quality materials

The case for the quality house and quality materials now depends on district FHA offices getting word from Washington that better housing is to be encouraged. There should be a whole new attitude about appraisals. At HOUSE & HOME's round table on valuations (H&H, March '54) it was said that a forced warm air heating system in Los Angeles goes into the cost estimate at \$237.50 (the lowest bid to be found) even though the builder may have paid \$400 for it. In Miami, all interior doors go in at a flat price per opening, all kitchen cabinets at the same price per running foot, all washbasins the same, regardless of size. In South Bend, all wiring systems go into the cost estimate at \$5 per outlet regardless of how well the builder has done a wiring job. Every builder knows these examples could be multiplied for other items.

It follows that in the past, FHA-VA valuation was almost bound to penalize the builder who installed a good furnace, who provided better materials and equipment.

Now, at last, there is a chance that the dream of quality builders and quality manufacturers can be realized. What the round table asked for is within reach. Said the panel members: "All we ask is that FHA and VA appraisals should be fair, understanding and farsighted, that appraisals should give proper credit to better quality, better design, better taste, more efficient planning, better neighborhood development, better orientation, better color, greater flexibility, more economical standardization, lower maintenance, better storage, less wasted space."

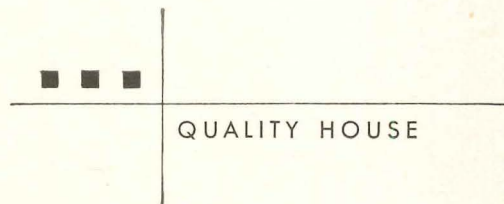


Buyers will pay more for quality

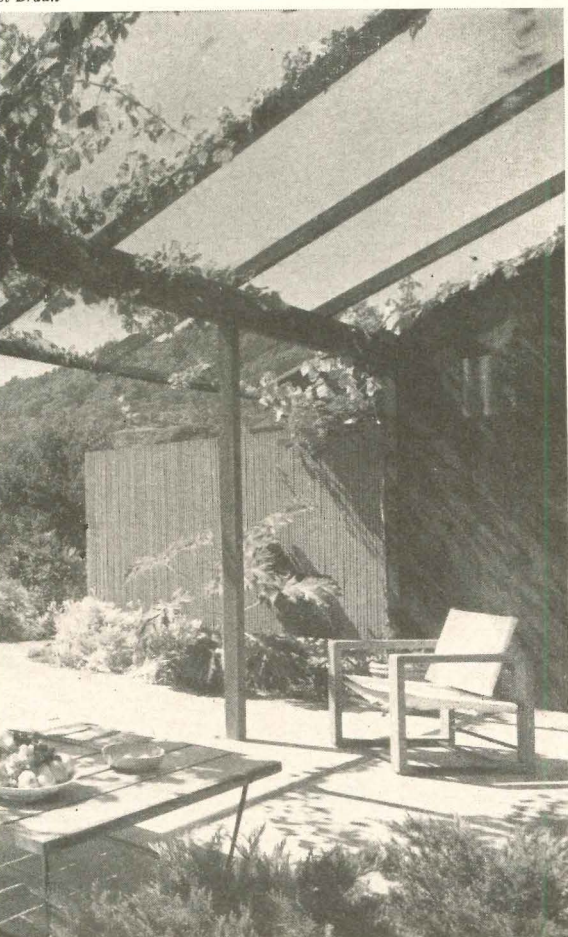
Several new surveys show that people will pay extra for quality materials. In Little Rock approximately 6,400 questionnaires were filled out by visitors to Paul Spike's house at the recent Parade of Homes. Most said they would pay more for quality items, varying from more and better bathrooms to air conditioning and better floors. Some 77% said they would pay \$300 extra for hardwood floors; 64% would pay \$200 more for ceramic tile in the bath; 65% preferred an extra half-bath to more floor space; 65% would pay \$700 extra for air conditioning; 88% would pay \$400 more for brick in contrast with frame.

To learn what items their past buyers would have paid more money to get, Builders Fischer & Frichtel of St. Louis (see p. 128) canvassed 181 families. More people wanted a fireplace and an extra half-bath than any other feature. Then came screen porches, recreation rooms, enclosed storage in the garage, a study or library, workshop, built-in oven and cooking top.

Additional evidence that buyers want features which characterize quality houses is found in a new and still unpublished HHFA report. When the Survey Research Center of the University of Michigan made visits to 1,000 representative families who had bought homes in 1949-50 it was learned that: 97% wanted a garage, 92% wanted a fireplace, from 70 to 100% a porch, 45 to 85% a laundry-utility room, 35 to 85% an extra half-bath, 27 to 47% a full second bath. Some 60% said they were not satisfied with their houses and would like to make changes which would improve their livability.

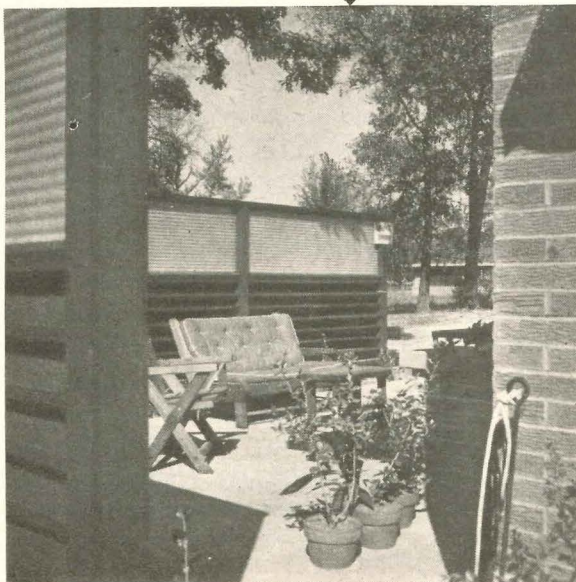
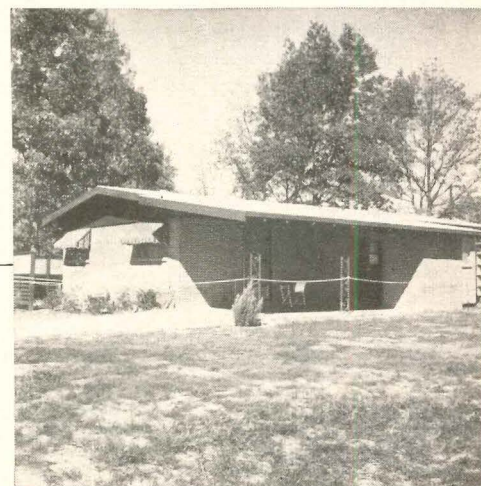


st Braun



first time FHA will now give valuation such features as outdoor living, which add to better living quality of a house. This house and garden are by Architect Rebecca Esherick.

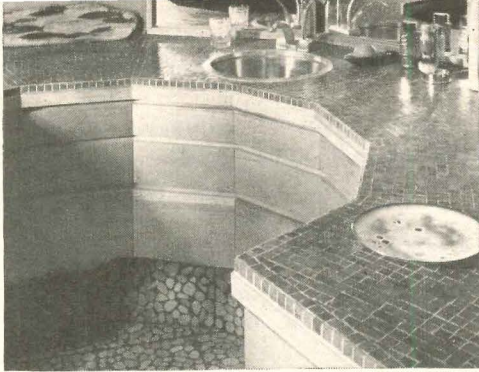
House, with garden (below) is Builder Paul Spikes' Parade house at Little Rock on which questionnaires were based. House is \$12,000; garden is \$250 more.



Photos: Maynard Parker, courtesy House Beautiful

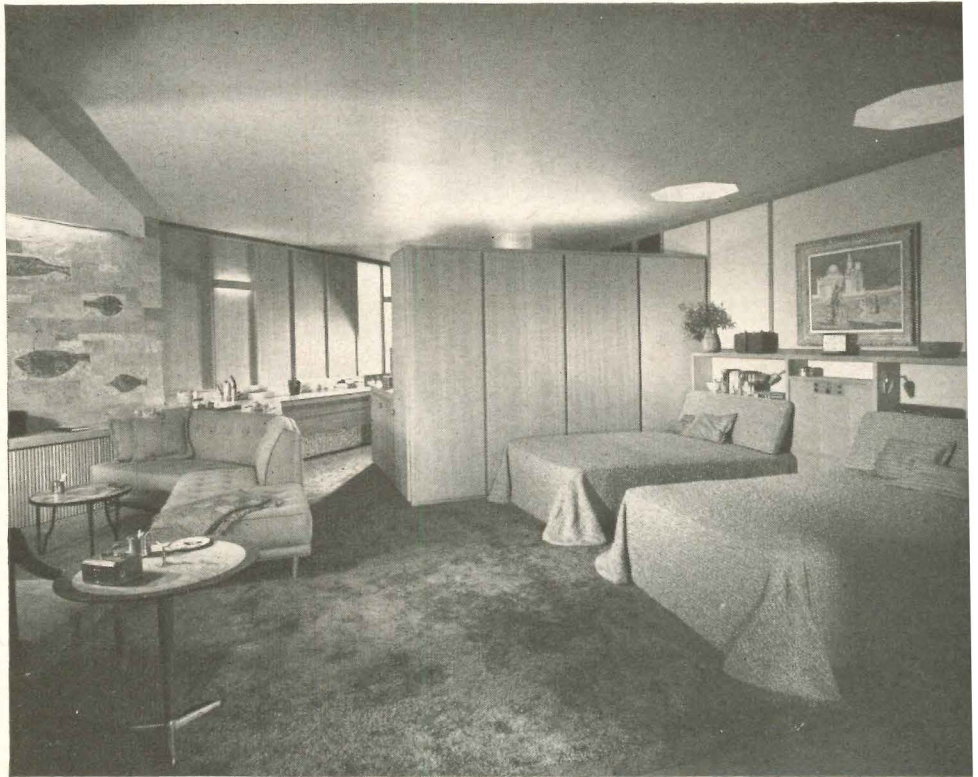


Shadowless daylight comes through sandblasted glass walls. Beautiful mosaic counter with redwood drawers beneath extends from bedroom into dressing room.



Two stainless-steel basins like this one are sunk in mosaic counter top. Bath and dressing room are to the right.

Lush house suggests w



Bedroom-bathroom suite for a luxury house by Architect Henry Eggers for "House Beautiful's" building at Los Angeles County Fair.

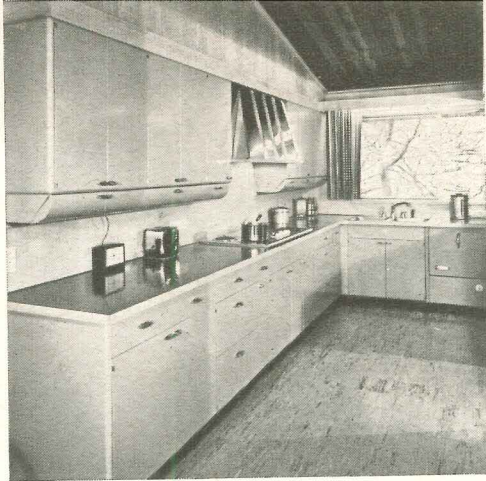
If people wanted new-model homes as strongly as they want new automobiles there would be more moving up from poor houses to quality houses. Luxury exhibition rooms, like the one above, inspire most people to want something better.

Progress has come to baths and kitchens because quality here is more readily seen than in other parts of the house. Women have learned more about what makes a good bathroom and a good kitchen than what makes a good heating system or better floors. Because many builders believe that the kitchen and the bathrooms sell the house, they have been quick to provide quality here, even though FHA or VA have not allowed full valuations.

Now under the new quality program, builders can improve their baths and kitchens still further. Better design, better materials, more appliances and better planning can be included which will keep up with changing trends. The photographs here show some of the features that women buyers want.



QUALITY HOUSE



Lyon Metal Products

...the work counters, plenty of cabinets, hooded cooking top
...in Spackman house by Architect Morgan Yost.

make people want better homes

Handsome storage cabinets, open shelves, high ceilings
add beauty to Roger Lee's open-plan kitchen for Glenn Wessels.

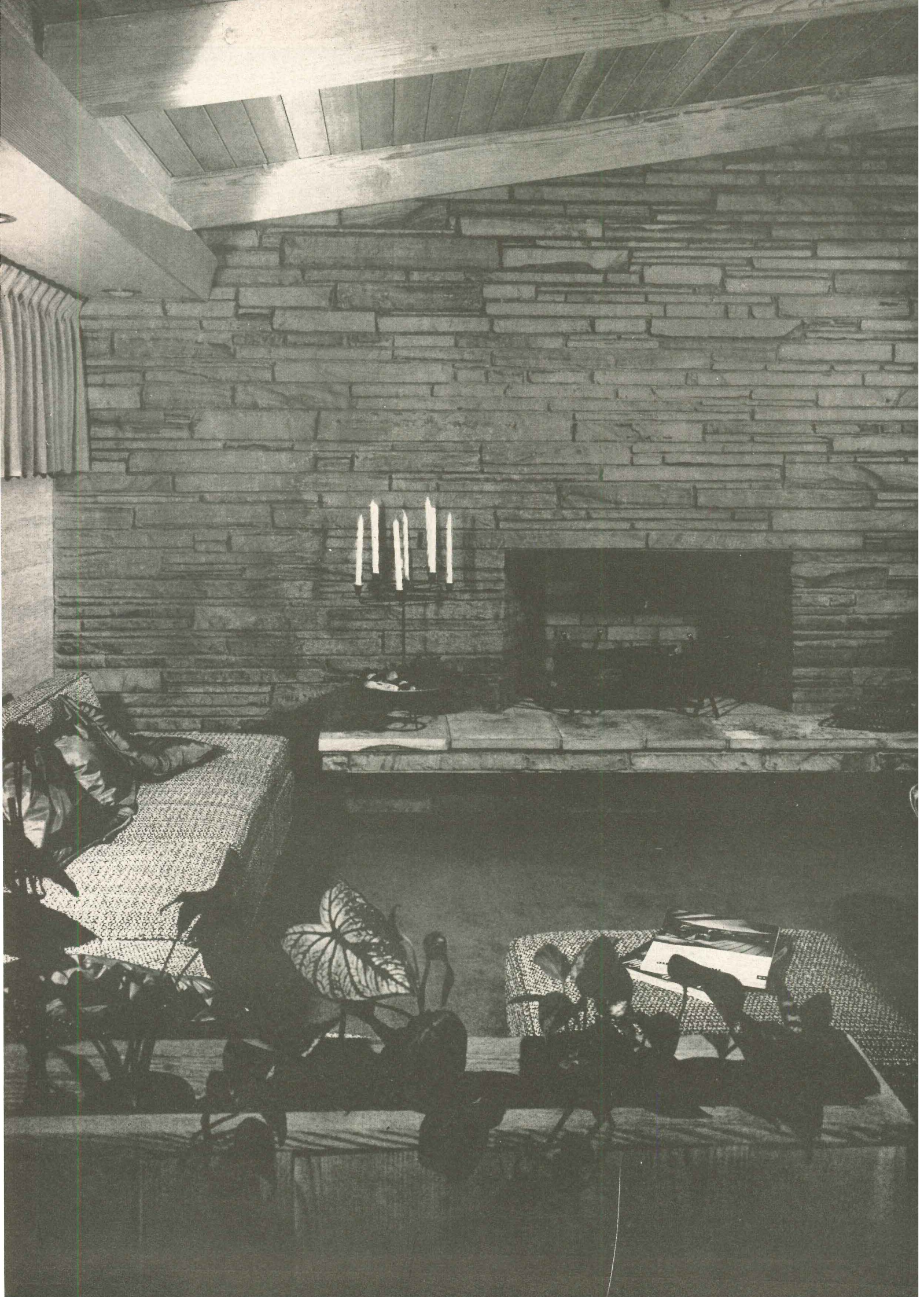


Theodore Osmondson

Family room adjacent to kitchen is trend in many custom houses.
This has smoke ovens built into fireplaces.
by Designer Clarence Tantau Jr. for Dr. Rolland Brown.



Maynard Parker, courtesy House Beautiful



Quality parade

in Wichita

grosses over

\$1 million

for builders

National Home Week was more fun than a fair in Wichita, Kan. Sixty-five thousand Wichitans came out Sept. 19-26 to see the 15 homes in Research Village and there was something for everyone's taste. Whether they preferred the moderately conservative ranch houses or more daring contemporaries on the one-street Parade, everyone found imaginative design and quality they had not seen before on so grand a scale. Builders exhibiting in the Parade or on their own lots sold over \$1 million worth of houses in the first two weeks.

The reason was simple: Wichita's leading homebuilders had built quality homes to whet the public's appetite. Each had designed and built the best he knew how (learning in the process). Each hoped to show something new and better—and did. Several had gone far above their usual price class. All of them put more into the houses (prices ranged from \$19,500 to \$34,500) than was perhaps realistic in so competitive a market as Wichita. But they were convinced that the extras would pay off eventually in stimulating demand for quality features and better housing.

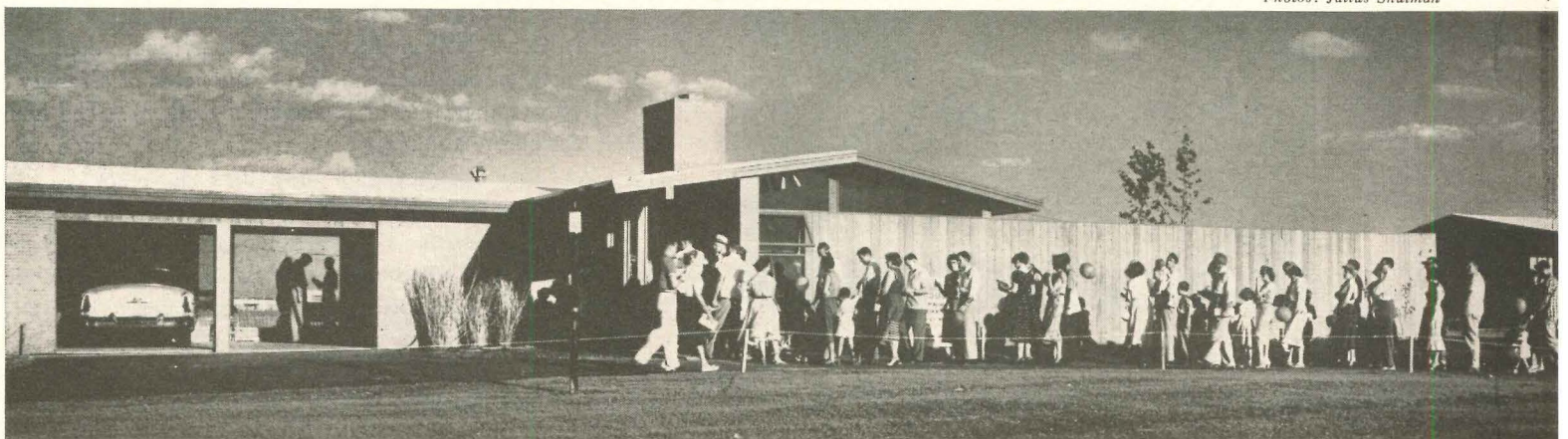
More than that, the show represented a rare attempt at market research in the homebuilding field. Not only did Wichita's alert builders plan their show to influence the public but also to test audience reaction. Not content to eavesdrop on visitors, they arranged for an opinion survey. The Wichita Association of Home Builders commissioned a University of Wichita social scientist to find out what the visitors thought of the 15 houses. Five thousand questionnaires have been mailed to as many families, asking their opinions on what they saw, house by house and room by room. (The survey is being made only among those who received copies of the WAHB's elaborate 100-page "plan book" of the show.)

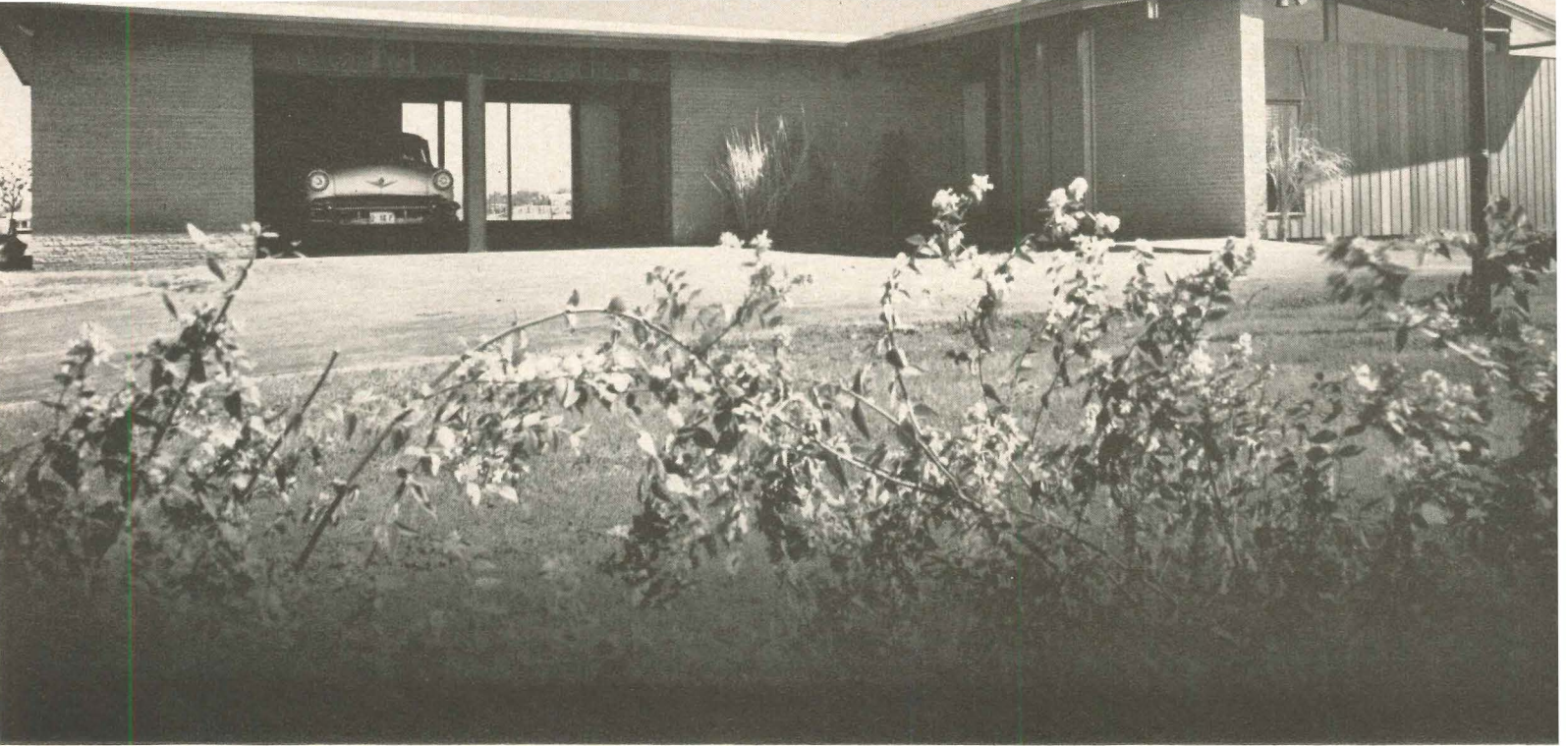
As pictures of the houses on these pages show, Wichitans could be encouraged by this demonstration of building talent and imagination in design. It was the group's first Parade, undertaken by builders eager to work together through their association (membership soared from about 80 to 335 in only a year) to benefit the industry. They helped each other to make the show a success, and members gave the materials and labor for their "Research House," which had won first prize in a design competition sponsored by WAHB. All but one of the 15 show houses had low-pitched roofs, all but three had activity rooms or the equivalent. They were built on half-acre or larger lots purchased at cost from Developer Lester Matlock for \$1,400 each. (Matlock's property was so improved by the Parade that his remaining lots sold fast at much higher prices.)

Impressive interiors matched the handsome exteriors of the 15 houses in Research Village. Among the highlights was this living room in Robert Smith's house with its ledgestone fireplace.

65,000 people viewed the Wichita Parade, often queuing up like this to see the new ideas

Photos: Julius Shulman

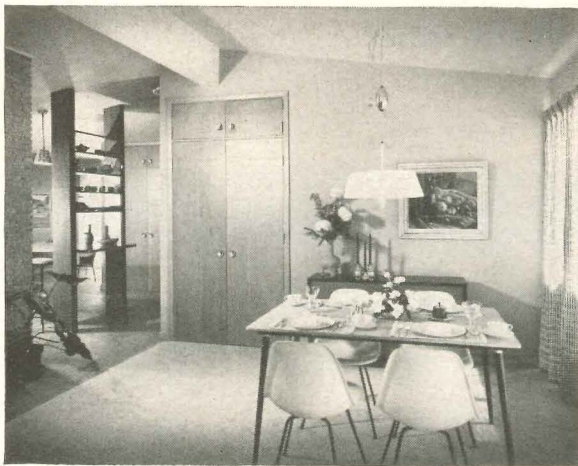




Builder-judges gave top award in design competition to this house designed by Architect Harold Himes. They liked its open plan and clean appearance, and were impressed by good traffic flow, particularly around the kitchen-family room area. Front of house looks wider than it actually is because wall extends as high fence.

Prize-winning Research House was first to sell

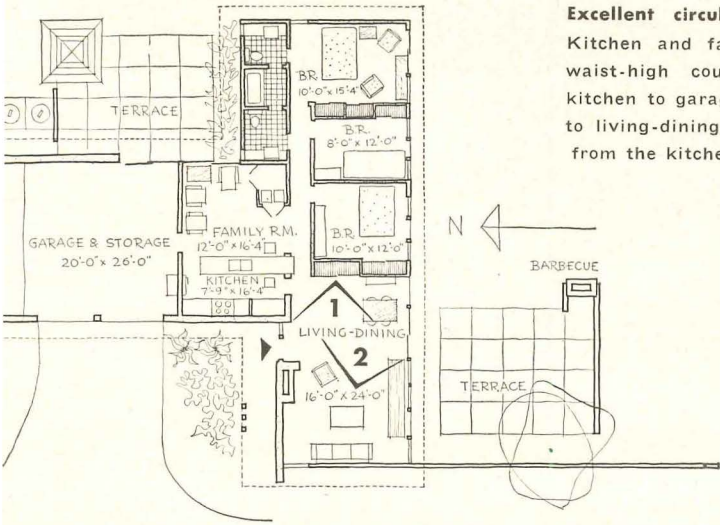
Dining area (view 2 in plan) is far enough removed from kitchen to escape odors and undue noise, yet is readily accessible to kitchen as well as other areas.



A Wichita mortgage banker paid \$24,500 the day before the Parade opened to buy this first-prize Research House for his mother. She had not seen it and was dead set against a house in that location. But she saw it the next morning and liked it so much that within five minutes her one concern was that her old furniture would not do.

The house was designed by Architect Harold Himes, who has been actively encouraging builders and architects to work together to improve design in the area. (Two of his associates in Ramey & Himes won second and third awards in the design competition.) Competition rules called for a house of not more than 1,400 sq. ft. on one floor, suitable to the needs of a family of four (rather than of a banker's mother). The house was one of the most popular during the Parade week, and included more new ideas than any other.

Himes, of course, was familiar with the post-and-beam and slab-construction methods used. Many builders learned slab construction for the first time by helping in the joint project of building the house.



Excellent circulation is apparent in floor plan. Kitchen and family room are separated only by waist-high counter. Traffic flows easily from kitchen to garage, to bathroom and bedrooms, and to living-dining room. Both terraces can be seen from the kitchen.

Living room (below, view 1 in plan) and outdoor terrace are brought together psychologically by wall and fence of redwood stained like driftwood. Floor is carpeted except at far right, where ceramic tile extends from front window along side of room all the way back toward hallway.



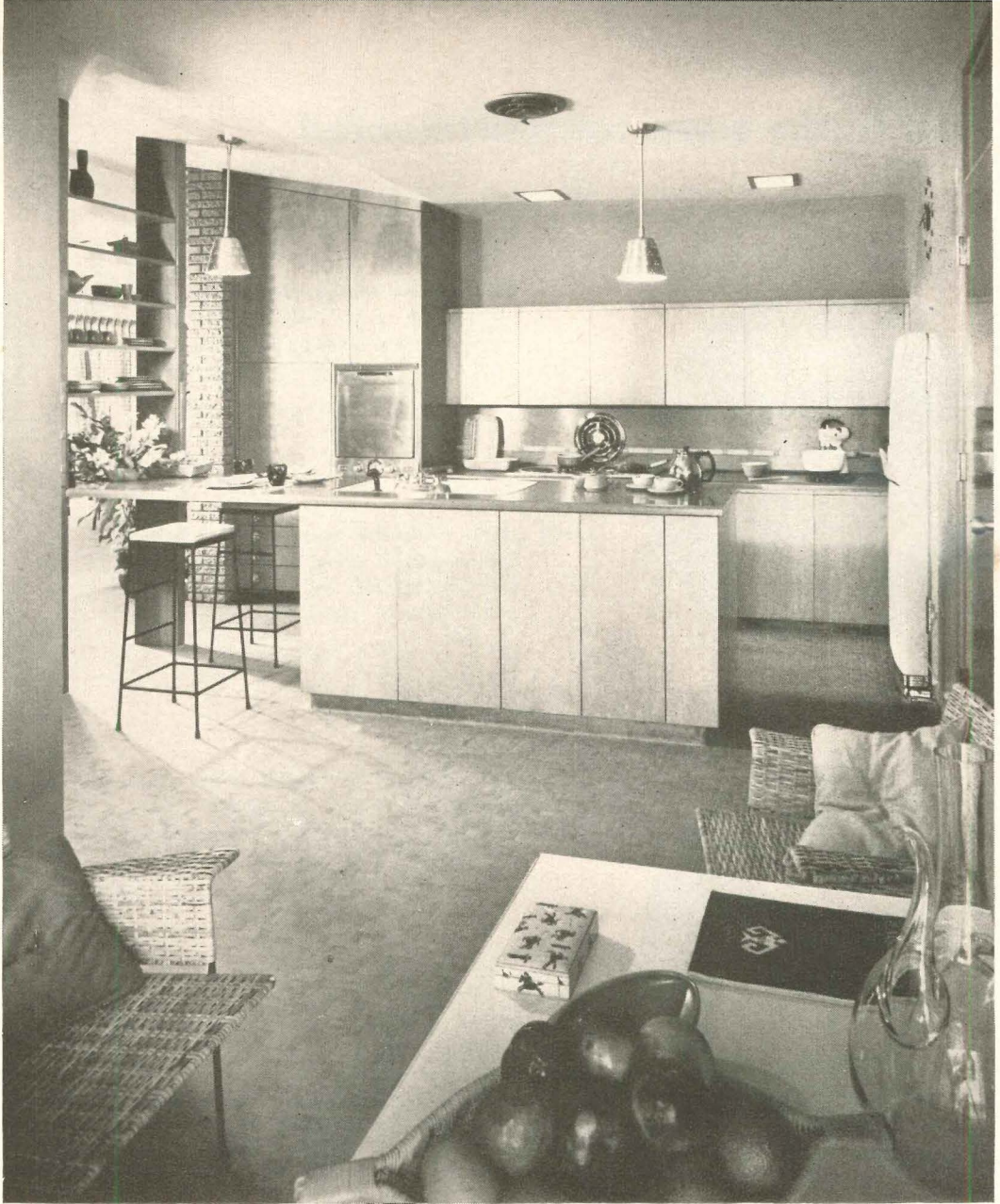


Clover Construction kitchen (above) has full view of dining room

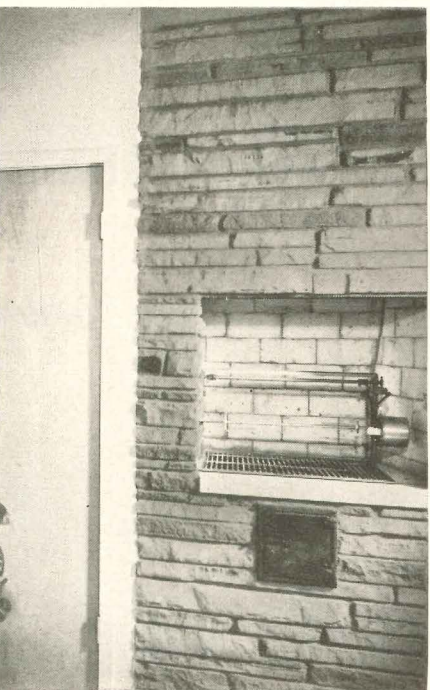
Lester Matlock house: low brick wall has built-in oven (



ssed refrigerator in wall at right
ie of many features of this open
arch House kitchen. View is
family activity area. Ample
space and cabinets are provided.

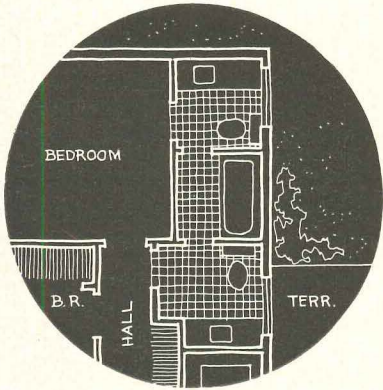


Wichita builders offer many fine kitchens

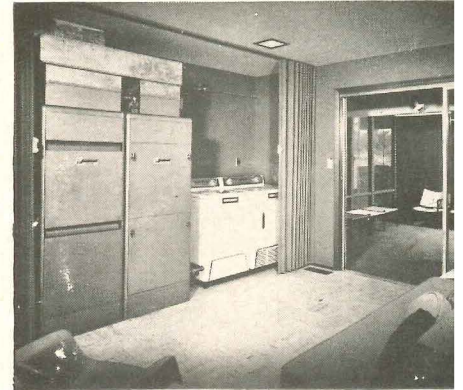


Robert Branson features refrigerator, freezer units

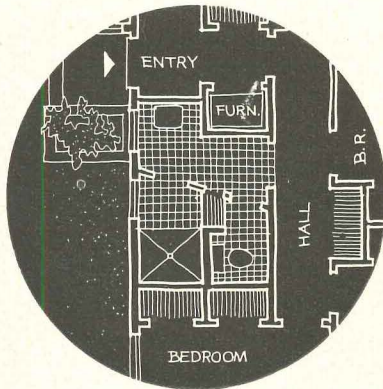
Built-in rotisserie (left) at one end of kitchen is featured in O & F Construction house (shell of which is prefabricated by Wadsworth Homes).



Washer, drier and air conditioner occupy one area off family room in L. E. Gardner house. Here folding doors are open. View is toward breezeway and garage.



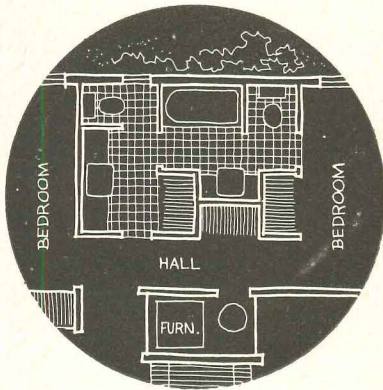
In G. T. Derrick house, compartmented bathroom opens at one end to master bedroom and at other end to hallway. Bath section may be closed from either end.



With folding doors closed, utility room is effectively hidden in Gardner house. View is from partially enclosed breezeway toward family room and kitchen.



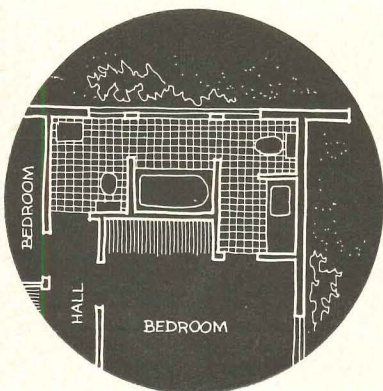
Robert Branson divided this bathroom into three distinct sections, providing maximum privacy for toilet and the shower but leaving washbasin area open.



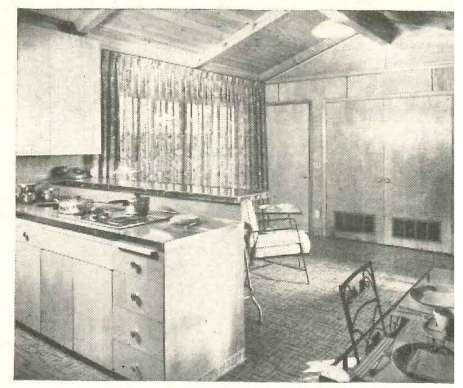
Another way to hide the laundry is shown in this view of washer and drier section of Research House. Double doors closed, there is no sign of laundry.



In L. E. Gardner house and others designed by Ramey & Himes, bathrooms were usually divided in this manner. One of the basins had counter top.

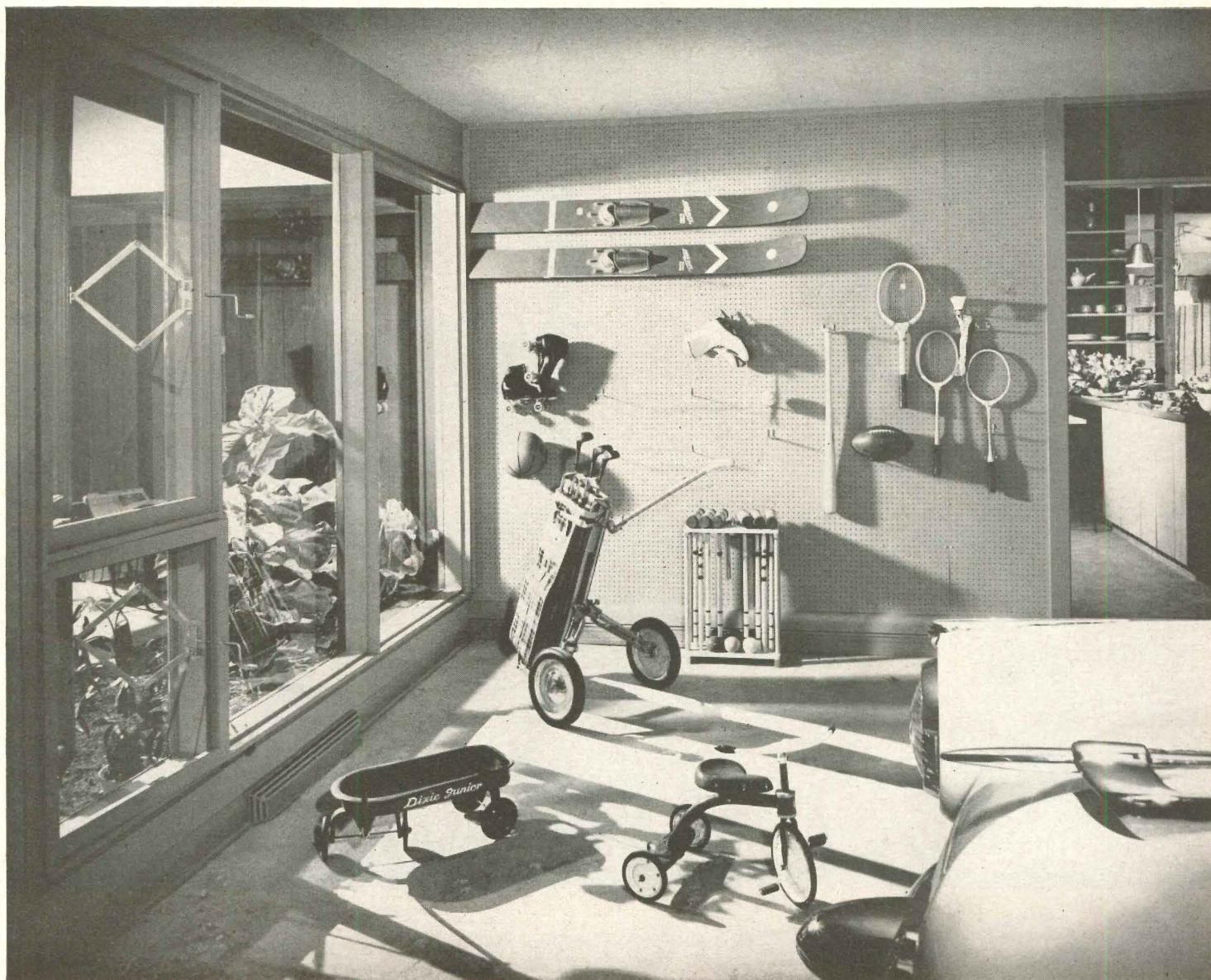


Double doors also effectively hide washer and drier in W. L. Stauffer house. As in the Research House, laundry is in recreation room across from kitchen counter.



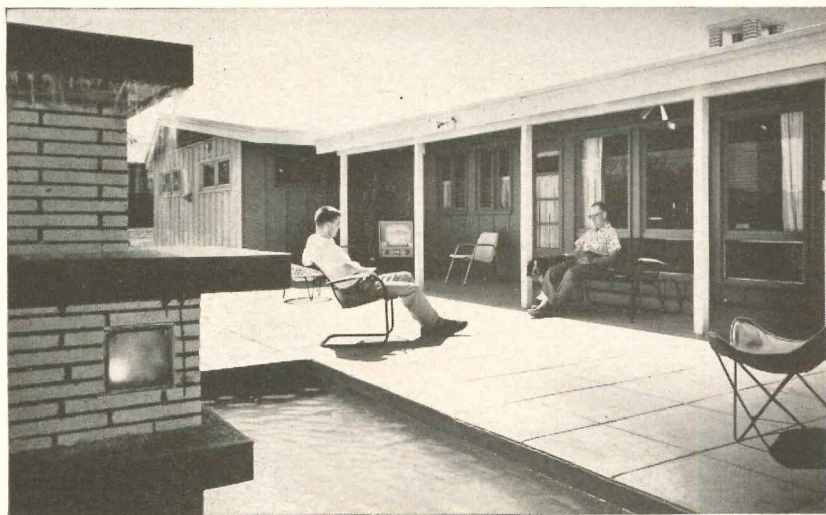
Vanity counters enclosing the washbasins were in many houses, as shown here in Clover Construction house which had compartmented bathrooms.

Visitors found new ideas wherever they looked



Pegboard wall in garage of Research House helped to make an attractive playroom and storage area next to family room and kitchen, seen through doorway. Wichitans made much over this window in garage. Garage also included large toolroom on one side.

Decorative fountain and shallow pool in Jennings Inc. house utilizes air-conditioning water, pumps it back through system. Long, narrow patio outside dining and living rooms has outlet for TV set. Tubular steel frame for the mobile set is on wheels.





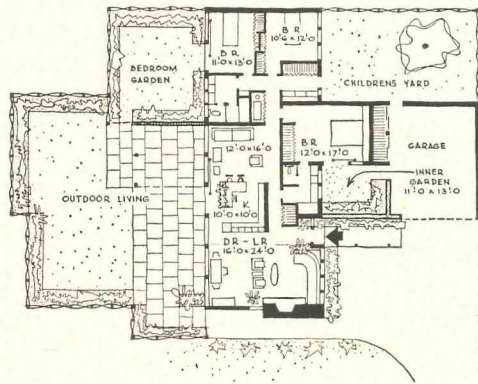
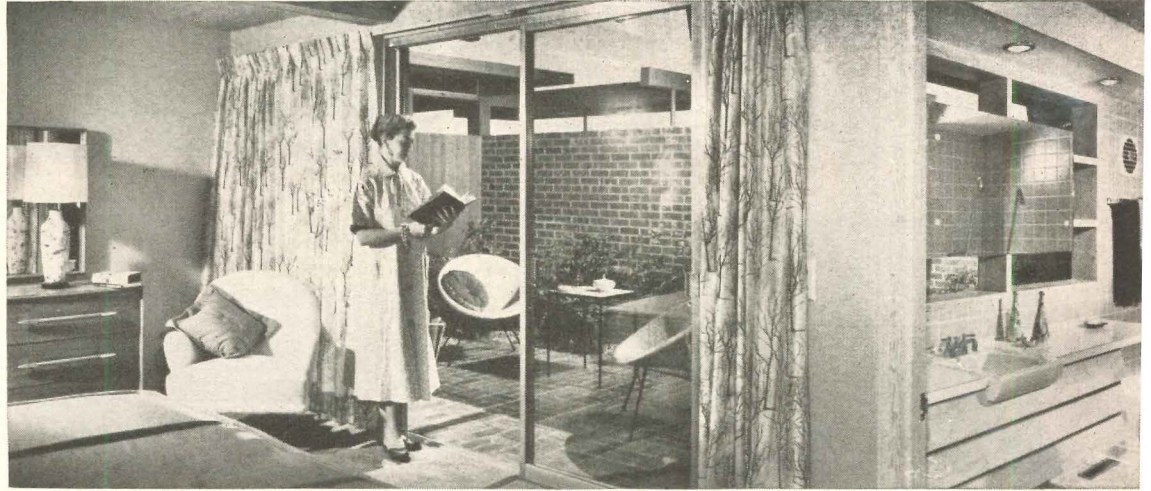
Most glamorous and expensive was Smith's Holiday House

A graduate architect, Robert K. Smith returned to Wichita last year after 17 years in Washington where he was with FHA and then with a prefabricated housing firm. He has built and readily sold a number of small contemporary houses in the past year and believes Wichita is ready for many more. His experience shows in every detail of his \$34,500 Holiday House. Meticulous attention was paid to practically every nail in the house.

Holiday House contains more than 1,600 sq. ft., is primarily a rectangle 24' wide and 62' deep, yet it has the appearance of a much wider house. There are four outdoor living areas, each with a separate function related to specific interior areas. The most interesting—and a major hit of the Parade—is an “inner garden” private to the master bedroom.

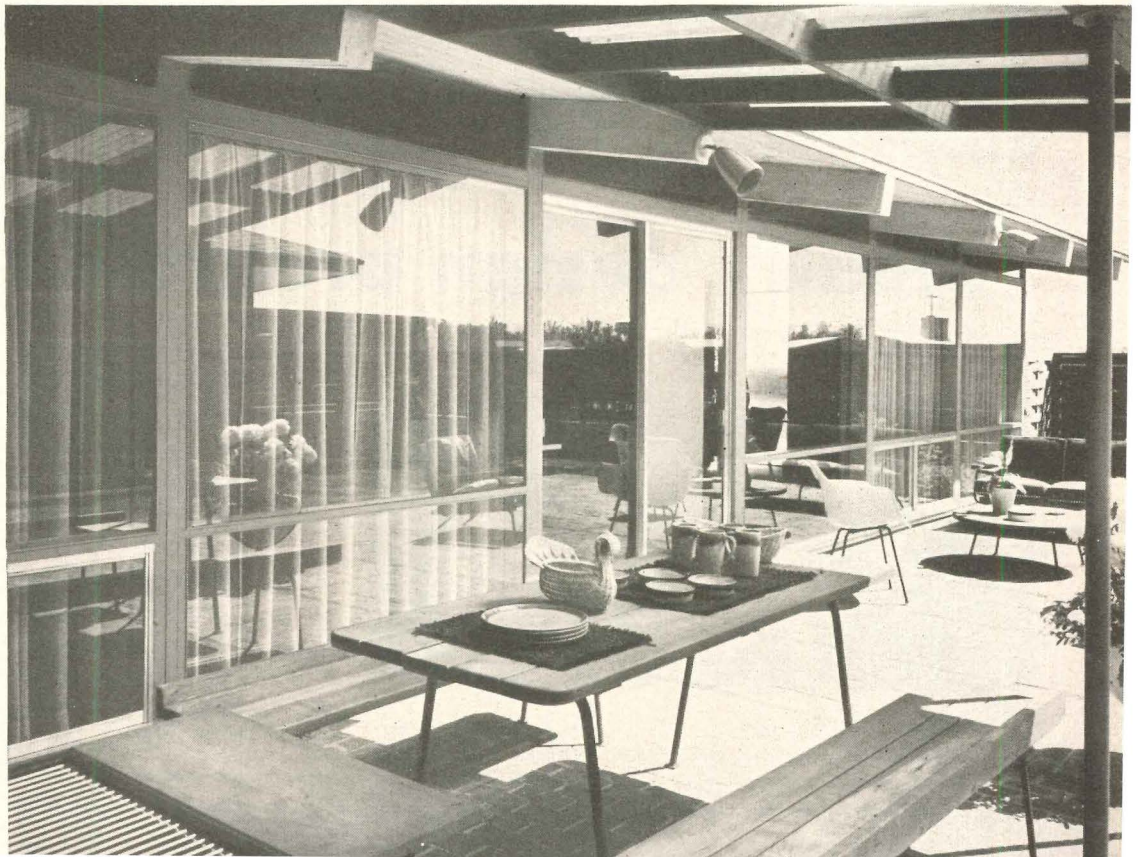
The dining-living and kitchen-family areas have clear views of the principal outdoor living area on the south side. Cedar paneling and beam ceilings in natural color are used in these rooms, redwood and Arkansas ledgerstone on the exterior. The center beam running the length of the house carries most of the wiring and plumbing lines. The house is air conditioned (as in fact were all the Parade houses) and includes perimeter heating, built-in cooking top and oven, dishwasher and garbage disposer.

Master bedroom has its private garden and bathroom

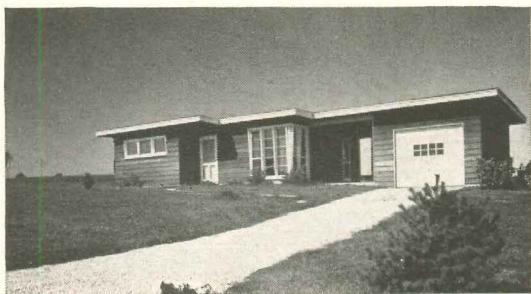
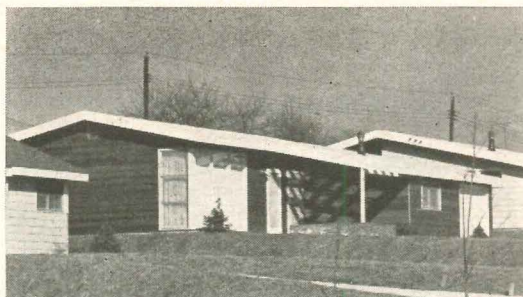


Each bedroom has its private patio or garden in Smith house. Floor plan shows kitchen is square, formed by two L-shaped working areas, one of which also serves partially as "brunch" bar.

Brick-paved patio extends along south side of house, part of it covered by plastic sunshade



1951-53: first houses in Frostwood, latest subdivision, had roof pitches lowered to 2½-in-12, few or no rails in windows, greater openness of plan, greater (1,135 sq. ft.) area, ceilings that followed roof lines. Prices: \$11,500 to \$13,000. "Buyers were not yet ready to accept rear living rooms," says Fischer. Most present Frostwood models have side living rooms, an occasional rear-living-room model. Note picture window edging around side.



1949-50: Champlain, 165-house tract of \$7,000 houses, had all flat-tops with redwood siding. Builders found houses "a little too advanced." Note how window in front grew deeper.



1950-51: Engler Acres, next tract, had 5-in-12 roof pitches, fewer rails in windows, wider expanses of glass. Prices: \$10,500 to \$11,500 for three bedrooms.



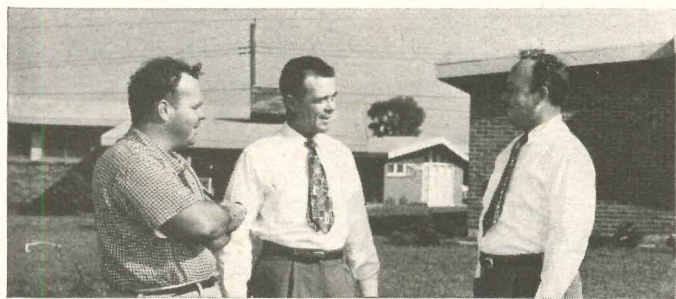
1947-48: first subdivision of 30 houses, Maryknoll, was built when young builders had trouble getting suitable lots. Noting how high building costs squeezed down room sizes, they decided to build basementless houses with radiant heat. Hip-roof house of brick sold for \$9,500, had 1,150 sq. ft. Note size of picture window in front.



1940: first house Fischer-Frichtel built, brick Cape Cod, was their last imitation of past style. Sales price: \$6,500. Profit: "Possibly 5%," says Ed Fischer. War and material shortages interrupted production till 1946 when builders built first of a dozen houses on scattered lots (see above).

Photos: Piaget; H&H Staff

Steady design progress, bigger hous



Young builders (average age: 34) are (l. to r.) Ed Fischer, president, who oversees sales and design; Larry (Bud) Frichtel, vice president, who coordinates subs with company's subdivision operations; John Fischer, secretary-treasurer, who handles purchasing.

Three energetic young builders (see left) have instigated an overwhelmingly successful attack against standpat design, almost doubling the size of their operation in each of the 14 years they have been in business. Fischer & Frichtel's success in conservative Louis should prove for the cold of feet and chicken in heart that up-to-date design is good, sound business and that builders in other parts of the country could adopt their successful formula.

Their basic three-bedroom house (1,270 sq. ft.) with two bathrooms and an attached carport on a 7,500-sq. ft. tree-shaded lot has set the Louis market on its buying ear. Biggest reason: a rock-bottom \$14,500 price. Sales record: 68 houses in eight weeks. Profit: "considerably less than 10%." Their latest building bargain follows a long line of successful subdivisions (747 houses) in which designs improved steadily, houses grew bigger and plusher.



Frostwood houses are staggered, set back 40' to 50' among trees on curved street

made these little builders big



QUALITY HOUSE

Fischer & Frichtel approach the quality-house market (see p. 106) in three ways: first, they offer a bigger house for today's growing families ("If a house has three bedrooms, it needs two baths" theirs has). Second, the \$14,500 price buys such luxuries as in-brick walls, sloping ceilings, recessed lighting, exhaust fans, second bath and kitchen, screens, sliding-glass window wall, dining room, a roomy combination utility-playroom. Third, they offer 24 optional extras—built-in ranges, fireplaces, washing and drying appliances, terraces, double carports, etc.—that can add the price to \$18,000. Most popular: fireplaces (28% of buy-bought), double carport (8%), terraces (8%), garbage disposers and dishwashers (5%). Since the changes in FHA rules, builders confidently expect the percentages to increase, will build many houses up to \$18,000 in their new 420-house addition.

Their sales success has not depended on no-down payment VA mortgages: they sell at 10% down to GIs, as high as \$3,500 down FHA (over-all average 25% down)—proof that people have the money to pay for what they really want. F&F will not sell for less than 10% down because they believe people take better care of their houses when they have a good-sized investment in them. "This pays off in the long run because it means better neighborhoods and therefore more salability for future houses," says Ed Fischer.

What kind of buyers do F&F get? "Mostly young, progressive-minded folks—regardless of income or education. But it is surprising how many older people go for contemporary design. More and more people will accept new design if builders give it to them."

What's in F&F's future? Says Ed Fischer: "Flat-tops. We are working toward them and we'll build them still more successfully."

Fischer & Frichtel's cutting yard is able to save money (p. 1) primarily because of mass purchasing—"which wouldn't make sense unless we had the central yard and produced in volume," says John Fischer. F&F found quantity buying for individual houses on scattered lots necessitated too much rehandling, too much preparation against weather, but with a program of from 125 to 420 houses going (420 in the works now), they are sure quantity buying is their greatest single saving. They buy all lumber from the local yards ("It's cheaper for us than buying it from the West Coast direct"), get plywood and redwood siding in carload lots. They take full advantage of dimensional lumber—for example, use every inch of 16' rafters by not plumb cutting them at overhang end to get the widest overhang possible without waste. Always production-minded, they permit no structural changes in their houses.

They are able to make their part-brick model a production house by establishing the height of the brickwork "panels" which the contractor must meet by buying select brick without dimensional variation and by strict control of mortar joints. The builders insist that all subs "must schedule to us, rather than we to them" and tolerate no tardiness. Additional construction economies: Elimination of ceiling trim, use of ceiling-high sliding closet doors to permit full-access closets.

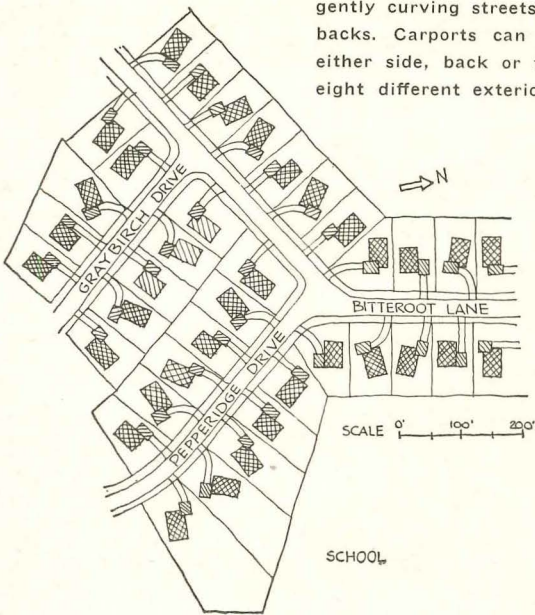
Secret of scheduling is a "time" module

The builders have one of the tightest scheduling programs in the business. Instance: they never lay more than ten slabs at a time regardless of how many houses they plan to build. They figure out how many houses they want to complete each week ("Friday FHA final inspection day"), figure exact times for all operations to meet the quota. To complete five houses a week, they find they must have 40 houses under construction.



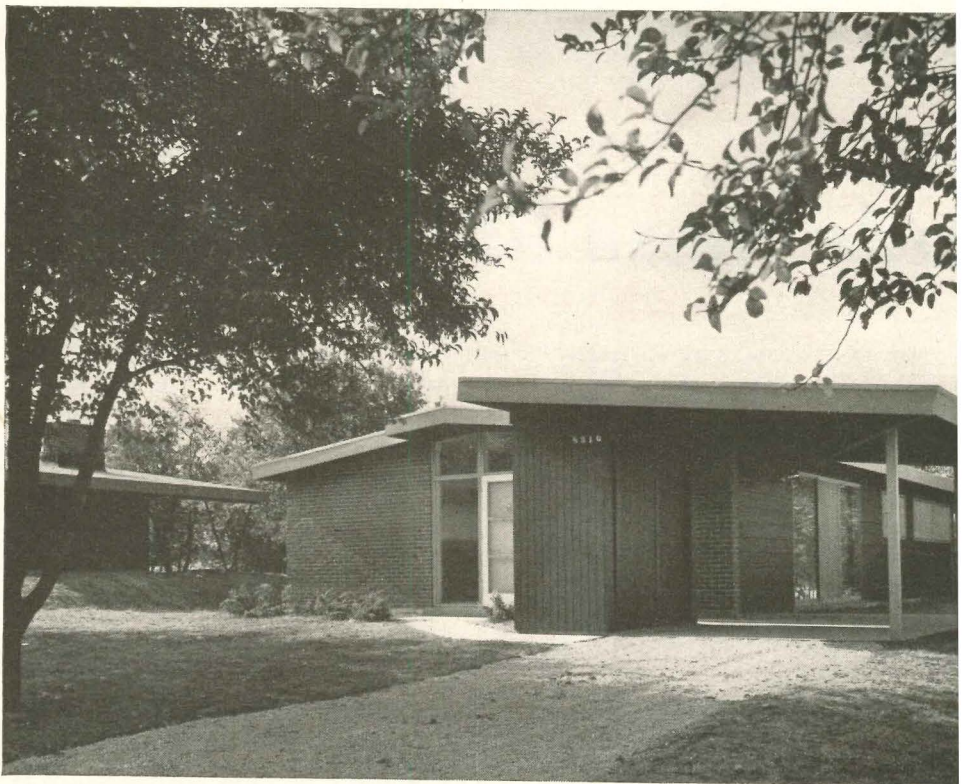
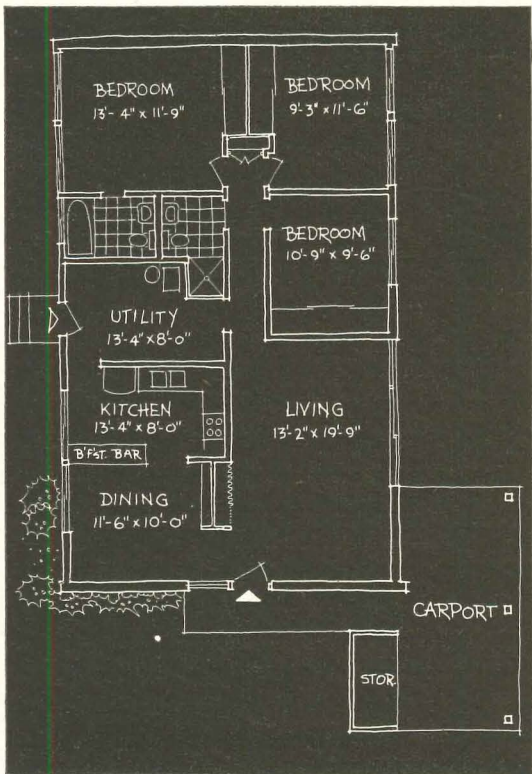
Architectural Engineer Ed Tillman, F&F staff designer, has been with the firm for last three years, designed this shopping strip which F&F hold as investment. The builders have also built a 25-apartment rental dwelling which operates profitably, but prefer to build houses. They have been building in Heather Hills, a subdivision of houses ranging up to \$30,000, as well as in Frostwood for last several years.

Visual interest in tract is created by gently curving streets, staggered setbacks. Carports can be switched to either side, back or front to provide eight different exterior variations.

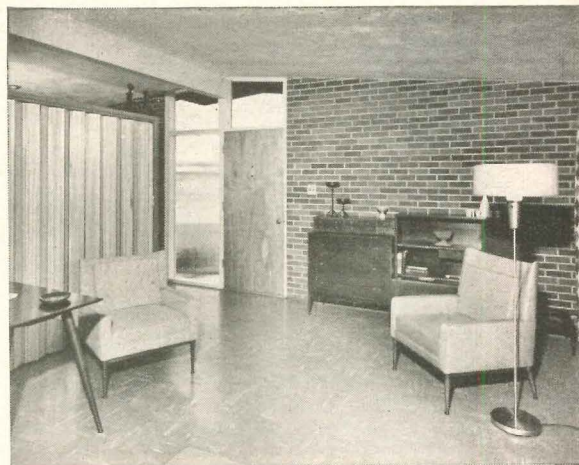


Accent in Frostwood

Nestling in old apple orchard, quality houses already have long-established look



ION: Berkeley (St. Louis County), Missouri
 ER & FRICHEL, builders
 .LMAN, architect
 WESTERN MUTUAL LIFE (Milwaukee), financing

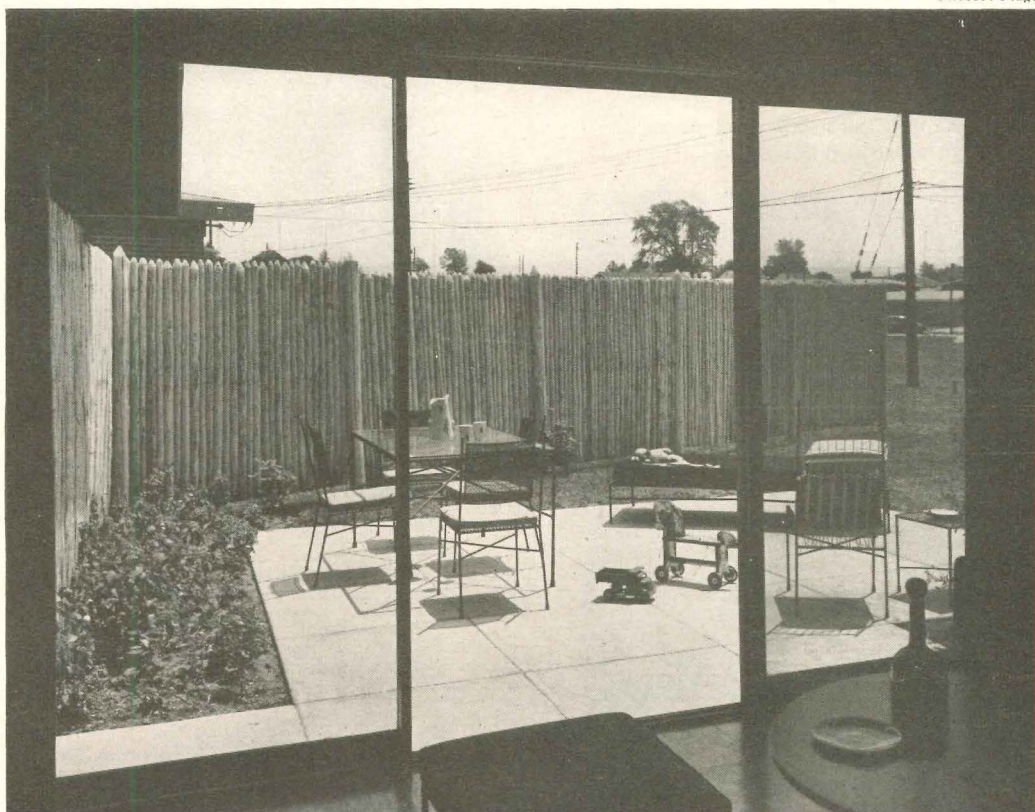


Texture of lightweight plaster aggregate on ceiling contrasts interestingly with brick wall that replaces fireplace as living room's center of interest. Ridge beam is also covered with plaster. Builders do this to cover up cracking and checking of heavy members to which many buyers object. Clean, fine-lined furniture is excellent for display house.

Steel window wall with sliding glass door is stock item. Patio, protected here by fence, is optional extra buyers can get for \$104. Builders would have preferred to use plank-and-beam ceiling, did not because of cost: \$1.25 per sq. ft. vs. their 94¢.

How on indoor-outdoor living

Photos: Piaget



In noon during summer, sun has come left living room because orientation creates broiling sun from making living room a broiling oven. Overhangs are a minimum of 2', brim out to 4' over entry for rain protection. Many do-it-yourself buyers elect to build their own terraces or patios rather than have the builder provide them.



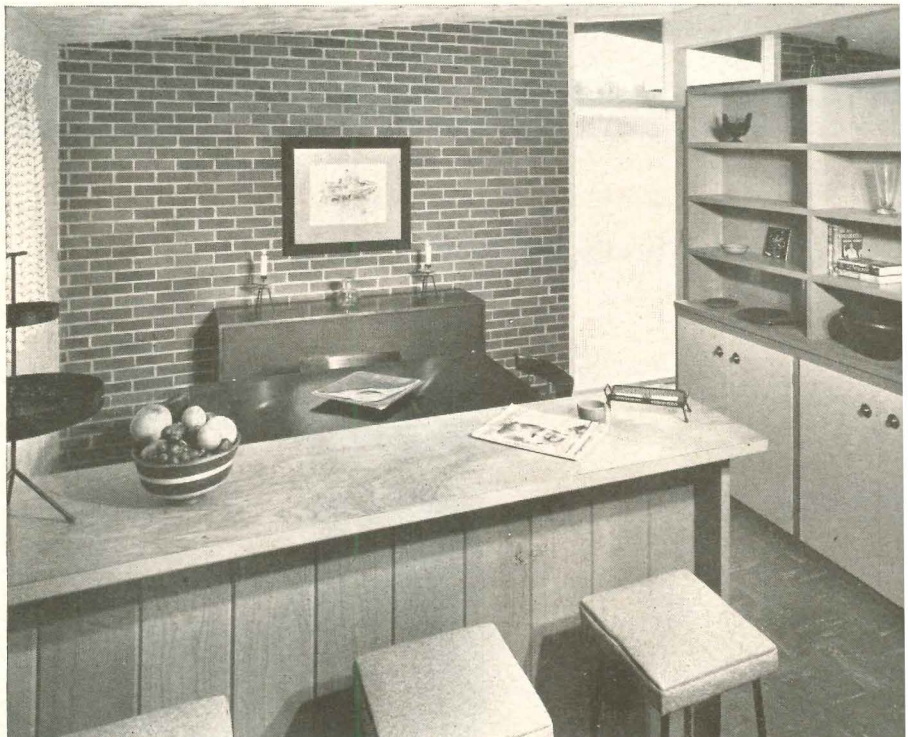
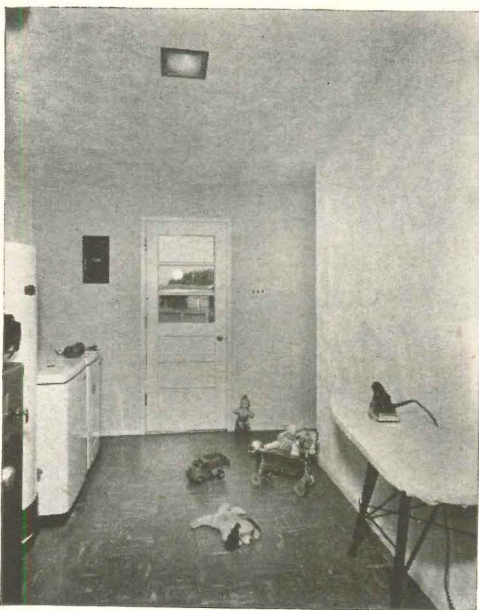
Uncrowded bedroom has privacy-high windows that allow furniture to be placed under them along full length of wall. Sloping ceiling adds psychological space to already generous (156 sq. ft.) bedroom.



Master bedroom bath has tub instead of shower, a feature open to criticism. Second (inside) bath has exhaust fan. Buyers "were willing to trade fireplace for second bath."

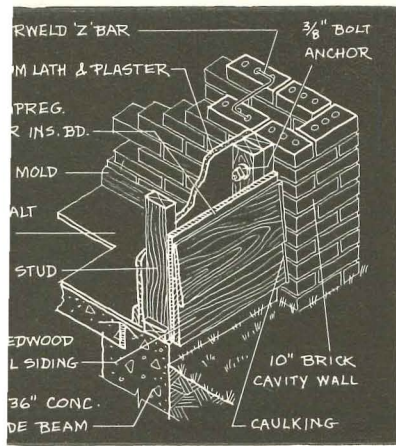
Interior planning meets today's family needs

Doubling as kiddies' play space, utility room off kitchen (background right) is big enough for complete laundry. Here, as throughout house, builders use lightweight plaster aggregate in sand finish rather than dry wall because this undecorated wall looks finished, costs the same as dry wall which requires decorating.

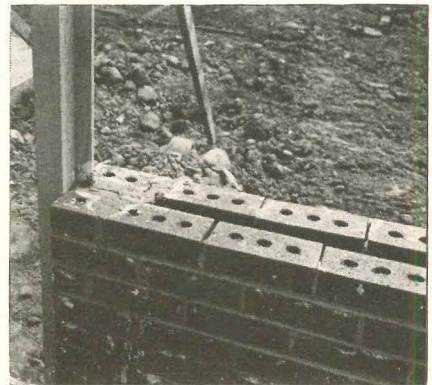


Natural brick wall adjoining fluted-glass panel of entryway adds luxurious touch to dining area. Counter between kitchen (foreground) and dining area is handy for snacks, but dining room is large enough, as demanded by

today's buyers, to seat whole family at every meal. Counter support is not deep enough for storage. Guest closet is directly behind dining room. Buyer survey showed kitchen design was popular.

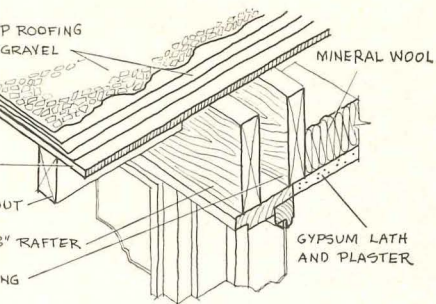


Simplified scheduling is made possible by concentrating brickwork in vertical "panels" (photo). Redwood siding on long-side elevation (left) is neatly framed between 10"-thick brick cavity walls, avoids abrupt appearance usually seen in brick-and-wood houses.

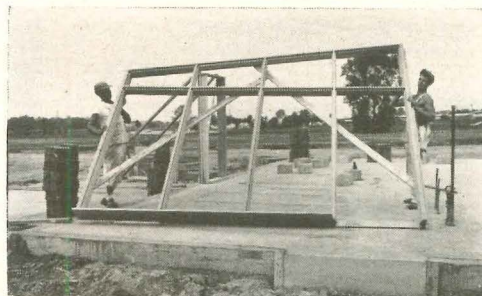
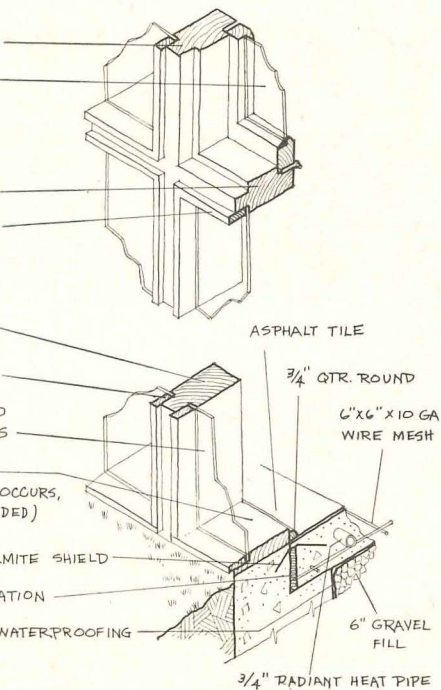


Flange of structural millwork is tied into cavity wall simply by pouring concrete around it. Since lumber is redwood, it need not be treated against moisture damage. Builders find "plank-framing" millwork of 3" x 6"s eliminates most rails, is structural, and frame acts as grounds for plaster. Millwork is similar to H&H universal profile (see Sept. '53, April '54 issues).

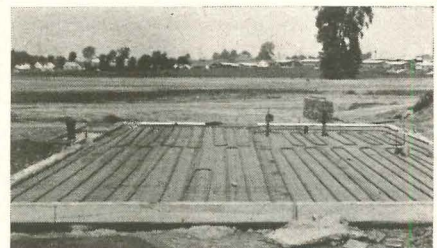
Panelization solves contemporary construction problems



One-bath model with fireplace was practically discontinued after builders introduced two-bath house. Price: \$13,450 for 1,130 sq. ft.



All structural millwork such as this window wall for model shown above is brought to site preassembled and is quickly erected.



Every house has radiant hot-water heat, needs only short duct runs for air conditioning; so builders may soon provide it in all houses.

DETAILS

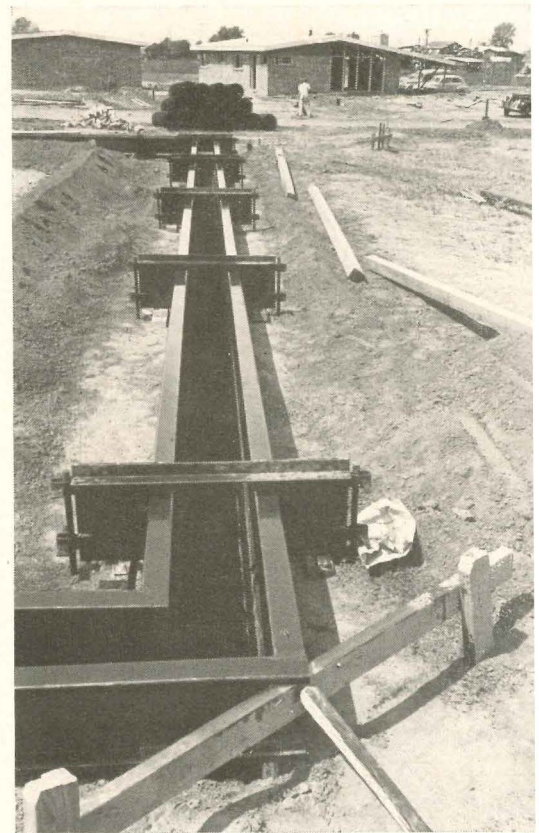


Brand-new earth-moving "Cat Wagons" cost builders \$26,500 apiece. One can be amortized over the 420 houses they will build this year and next in newest Frostwood addition. They will move over 400,000 cu. yd. of earth. Their estimate of cost of moving earth was 7¢ per yd. cheaper than best bid from a subcontractor. "Value of mechanization," says John Fischer,

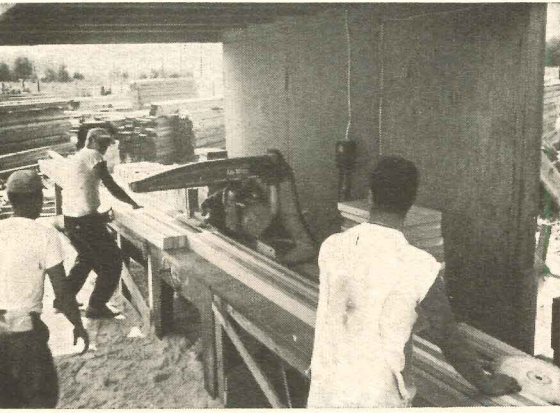
"is its speed and maneuverability. We can do what we want when we want. Scheduling and coordination are the very essence of subcontracting. The closer to each other we can schedule individual operations, the more efficiently we can operate—and do." This site was open since hence there are no trees, which builders save whenever possible.

Fischer & Frichtel mecha

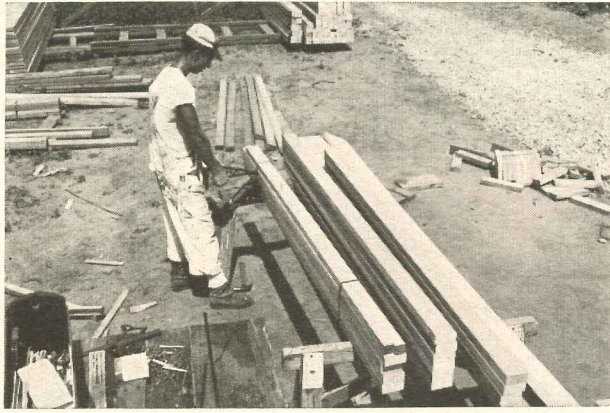
Latest addition to mechanized fleet is \$10,000 trenching machine which digs foundation for one house in 45 minutes. Unlike many builders who overexpanded and found they had loaded themselves down with more equipment than their operation could support, F&F have expanded slowly, methodically, taking over one operation at a time. Example: this year they are doing their own concrete work for first time. "Mechanization alone," says John Fischer, "can provide needed speed and dependability to cope with any situation—particularly rising labor costs. Mechanization increases savings and efficiency at a rate that is highly important in meeting competition." Here, the trencher makes a precise right angle which can save a large-volume builder a considerable sum on concrete.



Fast-setting steel forms coupled with large-capacity ready-mix concrete trucks and high-speed trenching equipment (left) enabled eight-man crew to triple foundation pouring—"and to do it consistently and with less waste and supervision," says Bud Frichtel. Builders subcontract road building, plumbing, heating, electrical and brick



Centralized cutting yard enables just one skilled man, using a lot of jigs, to do all the thinking and figuring to pre-cut lumber members. All other labor can be unskilled. Savings from centralized cutting for individual houses are "about 10% of total cost of lumber and carpenter labor, amount to \$160 per house." Builders move cutting yard to new, central location for \$1,200.



Packaging of enough lumber for a single interior partition by steel strapping machine cuts down losses and stray pieces, prevents nailing crews from making errors. All lumber is bought from three local yards because builders learned that cost of running a yard of their own to store was too expensive. Subs also store materials here "which cuts costs."

Every possible building operation



Packaged precut lumber is loaded aboard delivery truck. When weather has made quagmire of building site, F&F have hauled trucks and wagons by tractor to deliver materials on time. "That's only possible because we control so much of the operation," says Bud Frichtel. When material arrives at job site it is assembled by individual crews headed

by one man who knows each operation thoroughly. System allows builders to speed up framing simply by adding more men without particular knowledge to each crew. "Power tools of all sorts help knit the organization closer together, allow us to tighten schedules to produce 50% more house in less time with same number of men."



1929 for \$15,500—2,000 sq. ft.,
Long Island Norman



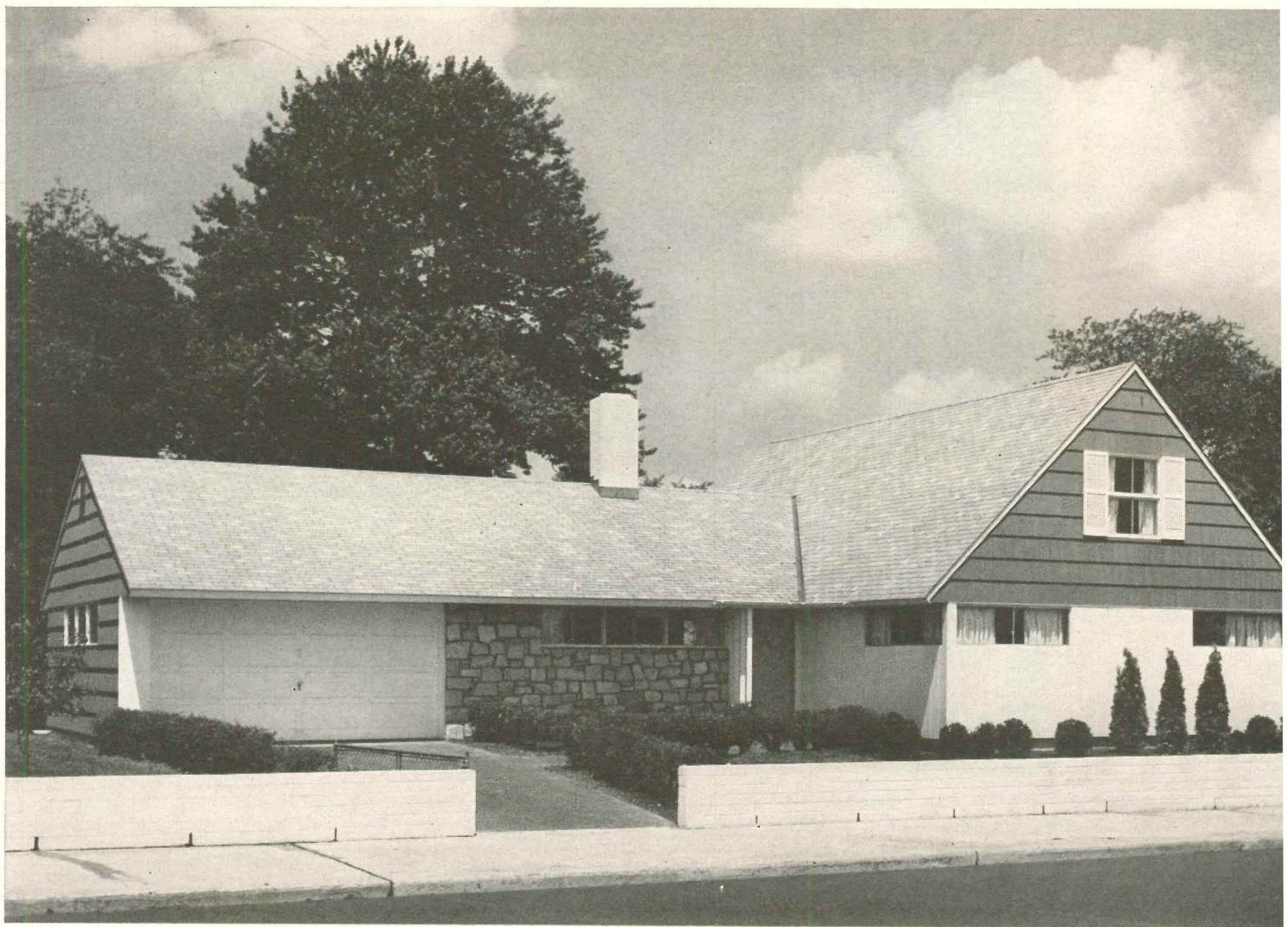
1939 for \$12,500—1,600 sq. ft.,
Long Island Tudor

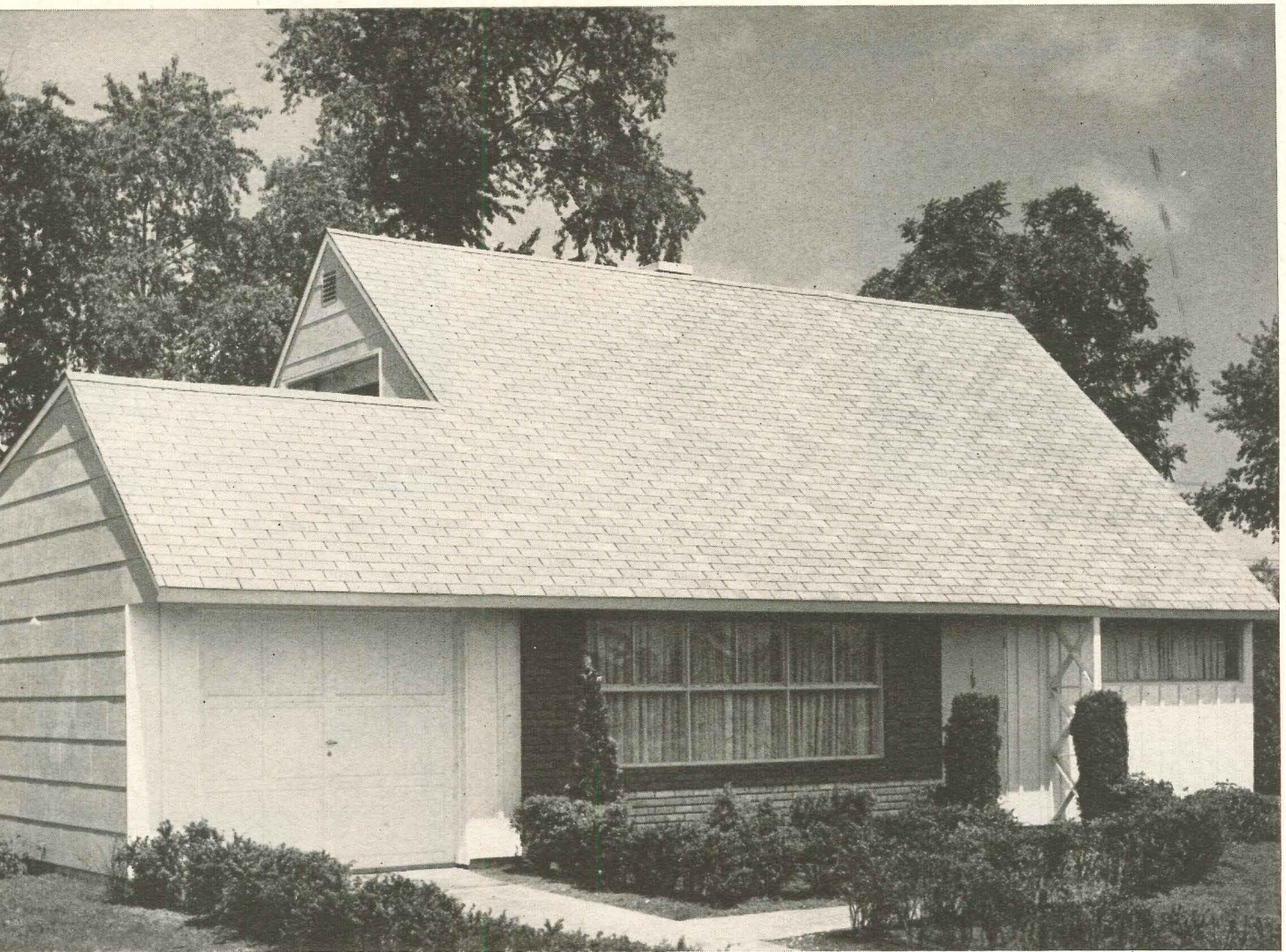


1947 for \$7,990—800 sq. ft.,
Long Island Cape Cod

After 25 years experimenting, Bill Levitt bets on two bargains in quality for 1955 .

For the first time since before Korea, the Levitts are pushing their \$17,000 Country Clubber in a new way, expect to sell 1,000. Below is the 1955 model with three bedrooms and two baths on the 1,530 sq. ft. ground floor, 700 sq. ft. of expansion space in the unfinished attic, a two-car garage on a 100 sq. ft. lot. New features this year are ceramic tile covering all bathroom walls (taking advantage of the low installation cost with mastic), cross-ventilation in all bedrooms, more kitchen equipment and fieldstone trim. **The new Country Clubber sells for \$500 less than the 1949 model, is better equipped and 80 sq. ft. bigger.**





"The most traditional house we have built since the war," says Bill Levitt. But perhaps its appeal is due as much to sound design principles which hold true for all styles. Note, for example, how the three-unit front is pulled together by the strong horizontal line of the overhang (made 40% longer by integrating house and garage), how doors and windows all run flush up to the eave, how well the panels of the windows and garage door line up. Price is \$10,990, same as the one-story Levittowner, \$2,000 more than last year's two-story model. Notable omission: the fireplace.

. . . and the Levitts' Jubilee House reconsiders the answers to eight important questions

"This is a revolutionary house," quips Big Builder Bill Levitt. "It's so revolutionary that some of it goes right back to 1776."

This is another way of saying that the Levitts have changed their minds about some of the sales features and market preferences they have been testing in recent years.

Most architects will agree with Bill Levitt (and his buyers) that this is the best and most salable low-priced house he has offered. They will not necessarily agree that a different test might not have brought a different answer on such questions as rear living vs. front, one story vs. two, floor-to-ceiling windows vs. 32" sills.

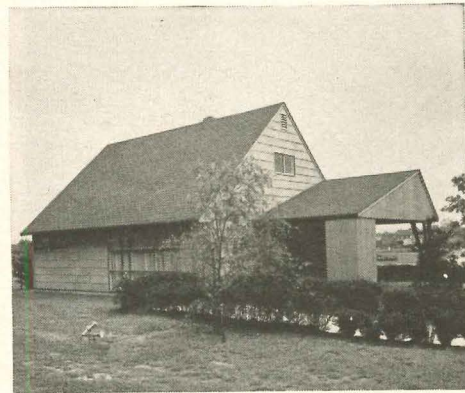
For the questions on which the Levitts are offering a changed answer, turn the page . . .

Do home buyers want...

Lionel Freedman



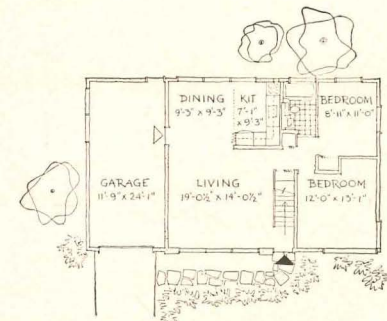
... one-story plan or



... open carport or



... floor-to-ceiling window or



... front living room or

After flirting with one-story plans from 1950 to 1953, the Levitts went back to the expansion attic with last year's model (left, below) have since refined the plan, made dormer much smaller than in 1949. Downstairs area is 800 sq. ft., finished attic has close to 500 sq. ft. more.

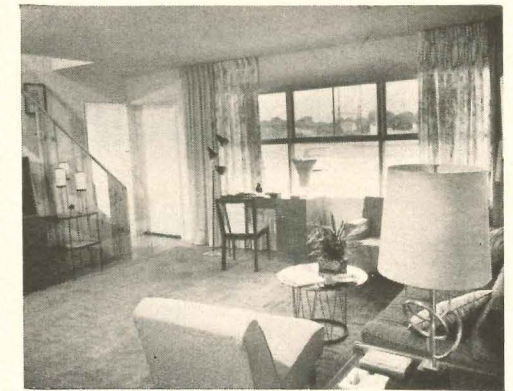


two-story plan?



attached garage?

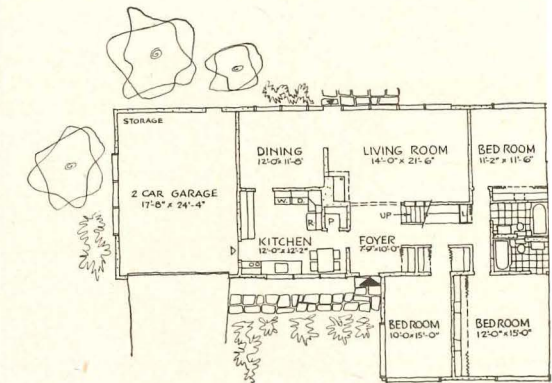
Until 1950 the low-cost Levitt house made no provision for either car or outside storage. The first one-story house (upper left) tacked a flat-roofed carport and storeroom on to one end. Last year's models (left) brought it under the pitched roof to get a longer look. The Jubilee makes it a full garage.



... wall space for furniture?

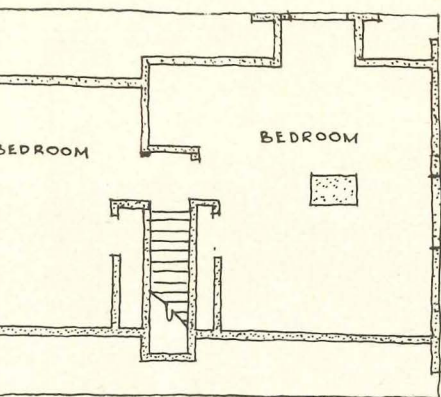
Since 1949 every Levitt house has featured a nine-pane, floor-to-ceiling picture window. Now Levitt makes the picture windows longer, but raises the lowest sill line in both Jubilee and Country Clubber to 32" to allow furniture below. Levitt windows are double-glazed, framed in aluminum with sliding panes.

The Jubilee drops the rear living room-front kitchen plan featured in every Levitt house since 1949, goes back to a floor plan almost identical with the 1947 Cape Cod house (except that the kitchen is open). The Country Clubber sticks to the rear living-room plan. Apparently Levitt believes people who pay \$10,990 and people who pay \$17,000 feel differently about rear living.

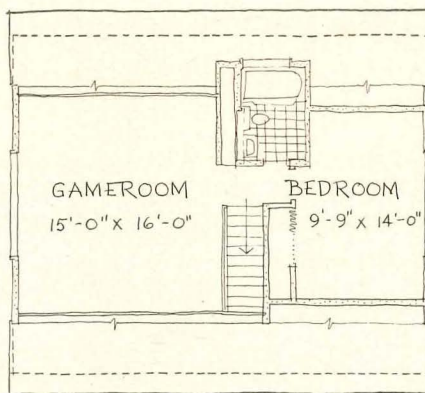


rear living room?

ould people rather have ...



Half the second floor of the Jubilee is a big multipurpose space which can be used for a television room, a rumpus room, or a playroom. This meets the No. 1 criticism of the 1947 and 1949 expansion attic houses, which were expected to end up with four bedrooms but only one living area 14' x 16'. Plan left is the 1947 attic, right the Jubilee.



a fourth bedroom or

an upstairs playroom?



Levitt long has been an exponent of open kitchens. Jubilee kitchen is separated from living area by only sliding bamboo screen. But Country Clubber kitchen is big enough (12' x 12'-2") to form room in itself, contains both breakfast nook and walk-in pantry. It is closed off.

Ben Schnall



an open kitchen or

a closed kitchen?



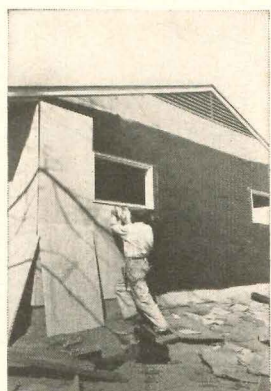
Until 1953 Levitt left the attic unfinished, but last year he decided he could finish the second floor much cheaper and better than his buyers (see left), adding most of the small cost to the mortgage. Upstairs rooms are now pine-paneled, upstairs bath fully tiled. Big change from last year is the larger end windows.

LIFE—W. Vandivert

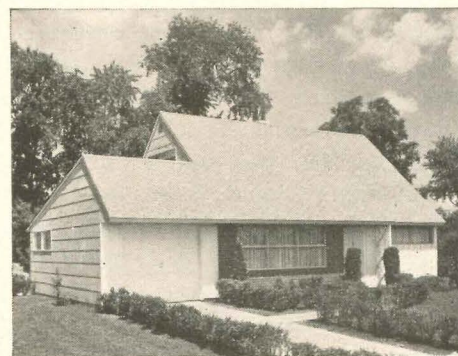


a finished attic or

an expansion attic?



After experimenting since 1950 with very plain walls quickly erected of 2' x 8' sheet materials, the Levitts have decided their public would rather pay a little more for the familiar small-scale texture of brick and shingles.



big blank surfaces or

small scale textures?

Levitt uses power in the shop to save man-hours on the site



H&H Staff photo

Rafter line has turned out 5,700 rafters a week, now cuts for 50 houses a week. Usual order is for 50 houses of one kind.

Bill Levitt's big cutting yard is an example of two of his basic theories: subcontract labor, encourage mechanics to use power equipment. For Subcontractor Chris Samuelson, who runs the yard, the biggest headache is flexibility because his requirements vary from the current rate of around 50 houses a week to a peak load of a staggering 230. Now with the introduction of the new Jubilee and the Country Clubber, Samuelson's men are cutting for four different models, each with its own characteristics.

It is power equipment which gives Levitt the flexibility he requires. In the old days of handsaws or the bit and brace, the only answer to radically changing requirements would have been radically changing manpower. Now it is electric power which is the primary difference in the yard's output.

Throughout the yard there are 13 radial arm saws of 16" router and three drill presses. Four of the saws are fixed on 110' rafter line shown in the photo above. The other saws used interchangeably on the wide variety of parts going through the 38 operations making up the yard. As many as 65 kind of framing go into one house.

Samuelson draws up his own one-page specifications for Levitt house. For each type of rafter, for example, he adjusts the saws and router (see opposite page), marks the quota on the rafter and his men know what to do. Alfred Levitt once said: "If you design for mass production you also design for mass labor. It is power tools in the cutting yard that makes Levitt's mass production possible."

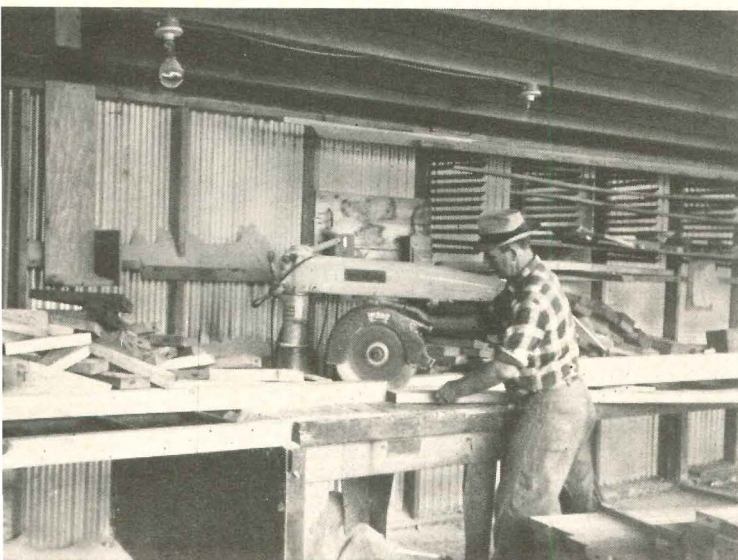


Router-saw combination (left) is at the end of the rafter line opposite, and is the key tool. Devised from two conventional power saws and a router, this combination tool is used to make the end cut at the lower end of seven rafters at a time and also the notch for the plate. Then the router operator fastens the seven rafters together with metal tape for movement to the stockpile.

As many as 48 carloads of lumber per week have been unloaded for Levitt's operation, all handled through the yard below.

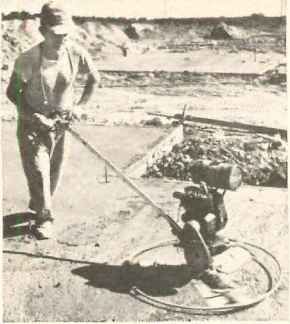


arm saws of 16" in rafter line are operated by some salaried men and who work piece rate. Levitt buys all the lumber, subcontracts the labor.



Trucks are "combat loaded" for each house





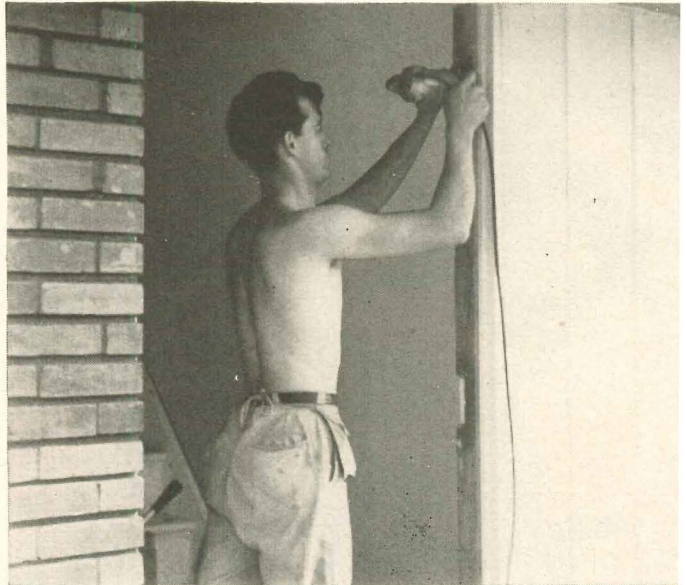
Generator in trunk of car is used to power portable saw for cutting plywood sheathing for roof. Like other Levitt subs, the sheathing team supplies its own power tools and equipment. While most lumber is cut in shop, Levitt's production men decided roof sheathing could be handled and cut more economically on the building site.

Gasoline trowel (above), supplied by sub, smooths out a freshly poured concrete slab. Both old and new Levittowns are slab houses.

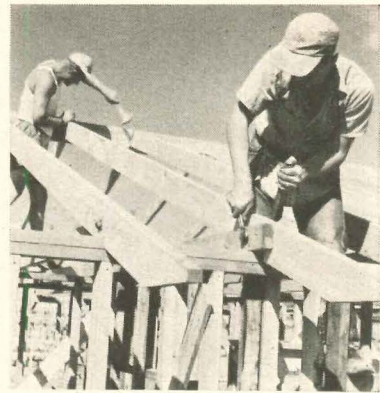


Tilt-up framing is done in conventional manner from studs and plates pre-cut in shop. Crews are paid piece rates by framing sub and can work with tremendous speed.

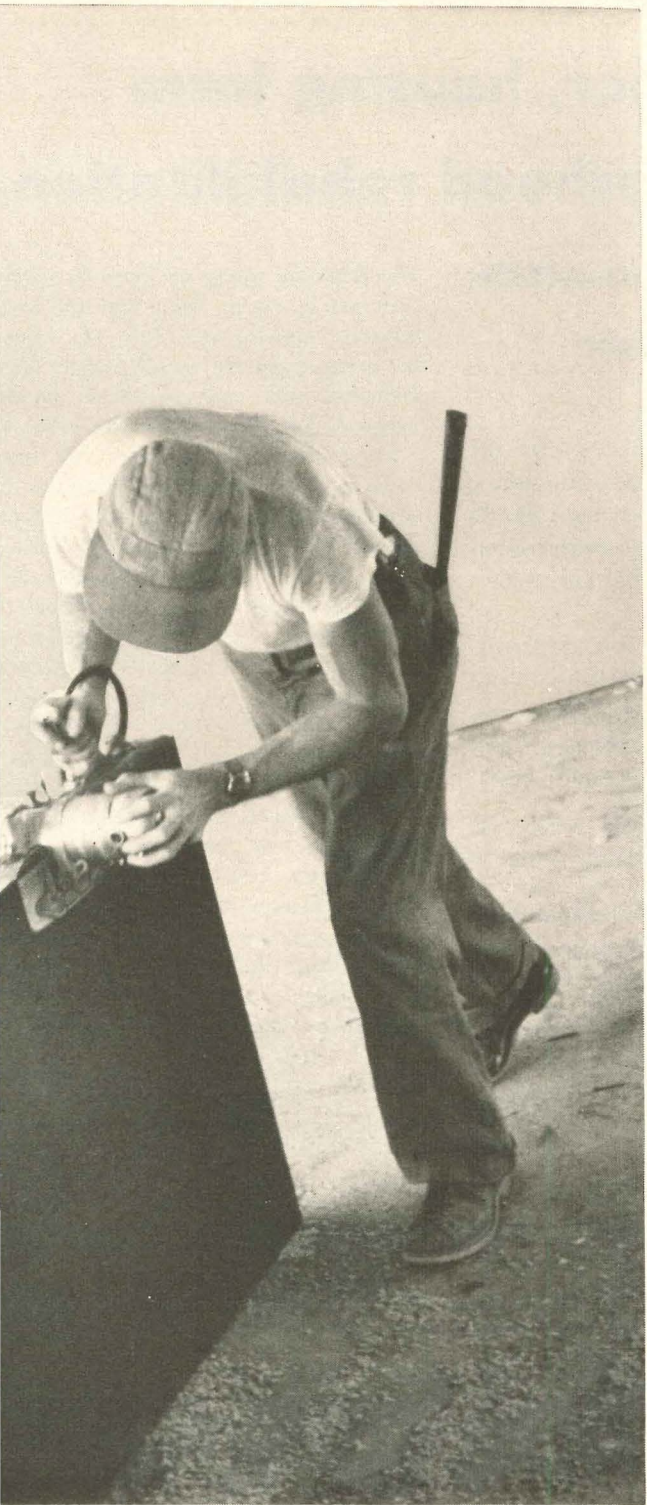
Photos (above & bot. right) FORTUNE—Ralph Steiner



All work on doors is done on site. Router (above) is used for butting, lock mortises and for grooving for weatherstripping.



Rafters (above) go up rapidly because they are pre-cut and pre-drilled in shop. Levitt's subs believe they are faster to use than trusses. Electrician (left) uses a portable power drill for boring holes through framing members for his wiring.



Electric planer prepares doors far faster and more accurately than hand plane, is an easily adjusted and highly flexible tool. Electric power is provided from portable generator in a truck which has capacity for eight routers and planers.



Painters use airbrush for three-coat interiors of all Levitt's models. Compressed air to operate gun is provided by compressor in rear trunk of the painter's automobile. He is paid a flat rate per house, works rapidly and efficiently.

Fifty leaders in industry, labor, housing form new council to back neighborhood rehabilitation

American Council to Improve Our Neighborhoods—ACTION for short—seeks to rally public support against blight

In developing drives to stop the march of housing decay across US cities, one of the big difficulties has been that each city moves separately, learning the complex know-how of fighting blight the hard way. Moreover, against such a monumental task, most efforts were not monumental enough. As one of the building industry's leaders in conservation and rehabilitation said last month: "If this thing is going to succeed, it has got to have top-level support."

This month, at a meeting in Washington's Mayflower Hotel, formation of a new citizens' group aimed at solving both these problems will be announced—with White House blessing. The American Council to Improve Our Neighborhoods will be dedicated to improving living conditions for all Americans by stopping the spread of blight, conserving and improving existing homes and neighborhoods and removing slum conditions and causes.

The council's initials spell ACTION—a fact which is no mere coincidence. Action against the rapid wasting away of the biggest single asset in the nation's wealth—its \$220 billion housing investment—will be the keynote of ACTION's efforts. At the kickoff meeting, President Eisenhower is to speak on how ACTION's objectives mesh with those of the 1954 Housing Act.

Know-how & sparkplug. A nonprofit, nonpolitical, educational organization with an annual budget of some \$750,000 and a 50-member board of directors representing the gamut of housing interests, ACTION will be headquartered in New York. A small staff headed by Maj. Gen. Frederick A. Irving, who retired from the Army in October as superintendent of West Point, will concentrate on making ACTION a collecting point for know-how on fighting blight and a sparkplug for nationwide dramatization of the problem and efforts to lick it.

A research division will gather data bearing on housing problems, set up pilot projects to find out what methods work and what methods do not work in rehabilitating or improving homes, neighborhoods and communities. It will analyze existing rehabilitation projects across the nation, make the results available to any responsible citizens' group or community that asks for them.

An information division will bring top-drawer advertising talent to bear on the long-neglected problem of arousing the American public to the threat to its own welfare (and

pocketbook) posed by housing decay. Its massive education and promotion program will be the backbone of the council's activities. ACTION's plans call for advertising in newspapers, magazines, on television and radio and other media, followed by a "how to do it" approach beamed at the home owner, at the neighborhood and community. Several technical programs are planned to reach schools, colleges, trade and professional groups providing them with facts, figures and methods on how to take the lead in fighting blight in their own neighborhoods.

A field service division, with a small staff of specialists, will offer personal advice to cities or community groups on how to set up neighborhood or community-wide programs against slums, will counsel on technical problems involved—like zoning, local promotion, committee organization. For easy consultation, ACTION expects to spot its field men in regional offices.

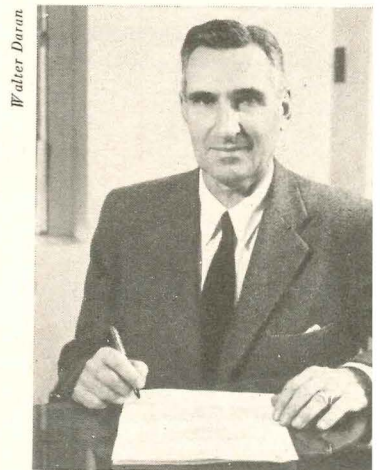
How it started. The ACTION program had its origin more than a year ago following a HOUSE & HOME-LIFE Round Table on housing conservation (H&H, Oct. '53). So huge was the job of attacking housing deterioration in US cities, that members of the group felt the only real solution lay in the hands of the American people as individuals, as neighbors, as members of the community. After preliminary discussion, the leaders of the group began exploring the possibility of organizing a broad citizens' movement to move frontally against the problem in every city and community across the nation. Months of work and discussion developed an organizational framework, a charter and by-laws. The group was incorporated as a nonprofit, nonpolitical educational organization under New York state law. It was originally to be named Better America Council, but this was supplanted by the more descriptive ACTION.

The founding group of some 40 individuals first met in April. Their first full board directors meeting was July 14. After the group expanded rapidly, began obtaining financing, staff and support to launch program. Target date for active work: M

From the inception, ACTION has stress on its independence. While its impressive board of directors (see list) includes representatives from every major group having an interest—direct or indirect—in housing problems, ACTION itself has no ties to governmental, commercial or other special interest group. Its membership includes representatives from labor, religious groups, education, commerce, trade associations, groups, professional groups, finance minorities. But its members and directors were approached as *individuals*, not as representatives of any organization. This principle was carried into fund raising, ACTION leaders have accepted no donations from associations or organizations *as such* on the theory that ACTION wanted to avoid direct connection with special interests. Many associations have pledged financial support through individual members, but this was collected individually.

Broad representation. Besides Gen. Irving, who is its salaried, full-time president, ACTION's officers are:

- ▶ FERD KRAMER, Chicago mortgage banker and one of the key men in Chicago redevelopment, chairman in charge of research.
- ▶ Realtor-Builder FRITZ BURNS, Los Angeles community developer long active in NAREB rehabilitation efforts, vice chairman in charge of field service.
- ▶ Publisher ANDREW HEISKELL of LIFE Magazine vice chairman in charge of information.
- ▶ EMANUEL SPIEGEL, past president of NAAI secretary.
- ▶ PHILIP GRAHAM, publisher of the Washington Post & Times-Herald, treasurer.
- ▶ JOSEPH GRAZIER, president of American Radiator & Standard Sanitary Corp., finance committee chairman.



ACTION PRESIDENT IRVING

IN THIS MONTH'S NEWS

(see pp. 37 through 82)

FHA investigation, NAHB directors meeting, MBA convention, lumber show.

work through others. ACTION founders hope to keep both the membership and board of directors relatively small—including interested and dedicated individuals who will work actively to make the program work. Likewise, ACTION's staff is expected to remain small—probably not more than 50 persons in the next few years. ACTION leaders expect to rely on the membership of well-known, recognized organizations already at hand to carry its home and neighborhood development message to the grassroots. As ACTION develops data, it will be handed over to trade, civic, professional groups for their use with no effort to get credit for ACTION rather than for the organizations to use as they can under their own national or local names. In any program as big as ACTION's, it would take a staff of thousands to do the job alone.

ACTION's plan could give the US economy a \$10 to \$15 billion shot in the arm, say leading economists, at the same time that it is improving living standards for thousands of families from a borderline existence up to a level of hopeful decency. Naturally, such an attack on slums on a national scale can mean new markets for manufacturers and producers of materials and many businessmen.



Kramer



Mellon (l), Grazier (r)



Burns

Photos: (except AP) by W. Duran

ACTION's board of directors in action



Weaver (l), Spiegel (r)



Graham

A.P.



Bohn



Brockbank (l), Mrs. Chapman

ACTION's board of directors is cross-section of nation's leaders

Philip Backstrand
President, *Armstrong Cork Co.*

R. Berlin
Vice president and general manager, *Building Products Division, Johns-Manville Corp.*

J. Bohn
Director, *Cleveland Metropolitan Housing Authority*

Ed Booth
President, *Springfield Institution for Savings*;
Vice-president, *Natl. Assn. of Mutual Savings Banks*

Clarence Brockbank
Vice president, *Alt Lake City builder*; past president, *NAHB*

William Muirhead Burns
Vice president, *Los Angeles realtor-builder*

W. Campbell
Vice president, *Boner-Campbell Lumber Co.*,
Canton, Ky.; past president, *NRLDA*

William G. Carr
Executive secretary, *Natl. Education Assn.*

Mrs. S. Chapman
President, *General Federation of Women's Clubs*

W. S. Clark Jr.
Mayor of *Philadelphia*

Eleanor Stabler Clarke
Incorporation member, *American Friends Service Committee*

Ed Kirk David
Dean, *Harvard Graduate School of Business Administration*

C. Downs Jr.
Housing and redevelopment coordinator,
City of Chicago

Ed Emmerich
Director, *Public Administration Clearing House*;
Former commissioner, *Public Housing Administration*

Ed Favrot
Chairman, *mayor's citizen advisory committee*,
New Orleans housing improvement dept.

Brother Ferebee
Vice president, *Howard Univ., Washington, D. C.*;
Vice president, *National Council of Negro Women*

Philip Graham
Publisher, *Washington Post & Times-Herald*

Lester B. Granger
Executive director, *Natl. Urban League*

Joseph A. Grazier
President, *American Radiator & Sd. Sanitary Corp.*

Wallace Harrison, FAIA
Partner, *Harrison & Abramovitz*

Henry T. Heald
Chancellor, *New York University*

Andrew Heiskell
Publisher, *LIFE Magazine*

Richard Hughes
President, *NAHB*

Philip Klutznick
President, *B'nai B'rith*; *Chicago builder*;
former commissioner, *Public Housing Administration*

Ferd Kramer
President, *Metropolitan Housing & Planning Council of Chicago*; president, *Draper & Kramer Inc.*

Joseph Lund
Executive vice president, *R. M. Bradley & Co.*,
Boston realtors; past president, *NAREB*

G. P. MacNichol Jr.
President, *Libbey-Owens-Ford Glass Co.*

Bishop William C. Martin
President, *Natl. Council of Churches in US*;
president, *Methodist Council of Bishops*

William A. McDonnell
President, *First Natl. Bank of St. Louis*

Richard K. Mellon
Board chairman, *Mellon Natl. Bank & Trust Co.*,
Pittsburgh

Robert B. Mitchell
Chairman, *department of land and city planning*,
University of Pennsylvania

deLesseps S. Morrison
Mayor of *New Orleans*

Thomas Moses
Pittsburgh lawyer; chairman, *American Legion national housing committee*

William Muirhead
Treasurer and past president, *AGC*; president,
William Muirhead Construction Co., Durham, N. C.

M. K. M. Murphy
President, *Federal Home Loan Bank of New York*;
past president, *US Savings & Loan League*

Clarence J. Myers
President, *New York Life Insurance Co.*

Rt. Rev. Msgr. Robert M. Navin
President, *St. John College, Cleveland*

Walter Reuther
President, *CIO*

James W. Rouse
Baltimore mortgage banker; chairman, *President's subcommittee on urban redevelopment, rehabilitation and conservation*

Carroll M. Shanks
President, *Prudential Insurance Co.*

Emanuel M. Spiegel
New Brunswick, N. J. builder; past president, *NAHB*

Mrs. Kathryn H. Stone
Past vice president, *League of Women Voters*

John C. Taylor
Board chairman, *J. C. Nichols Co., Kansas*
City realtors and developers

Dr. Henry F. Vaughan
Dean, *school of public health, University of Michigan*

Milford Vieser
Vice president, *Mutual Benefit Life Insurance Co.*

Ralph Walker, FAIA
Voorhees, *Walker, Foley & Smith Inc., New York*

Dr. Robert Weaver
Chairman, *Natl. Committee against Discrimination in Housing*

J. P. Weyerhaeuser Jr.
President, *Weyerhaeuser Timber Co.*

Brown Whatley
Jacksonville, Fla. mortgage banker;
past president, *Mortgage Bankers Assn.*



Walter I

HOUSE & HOME marketing conference hears what to expect in 1955

On the next five pages are some of the most significant points made by the leaders of the homebuilding industry—builders, architects, realtors, prefabricators, mortgage lenders, lumber dealers and government officials—at the second annual HOUSE & HOME—LIFE marketing conferences held this fall in New York, Chicago, Cleveland, Los Angeles, San Francisco, Portland and Miami.

Panel members

at the New York, Chicago and Cleveland meetings

and organizations they spoke for were:

FEDERAL HOUSING ADMINISTRATION

Norman P. Mason
commissioner

BUREAU OF LABOR STATISTICS

H. E. Riley
chief, Construction Statistics Division

AMERICAN INSTITUTE OF ARCHITECTS

John Highland
Home Building Industry Committee

NATIONAL RETAIL LUMBER DEALERS ASSOCIATION

Clarence Thompson
chairman, Lumber Dealer's Research Council

NATIONAL ASSOCIATION OF HOME BUILDERS

Richard G. Hughes
president

E. M. Spiegel
past president

Hamilton Crawford
chairman, Sales & Merchandising Committee

Leonard Haeger
director, Research Institute

Andrew Place
trustee, Research Institute

Philip Klutznick
chairman, American Community Builders

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS

Ronald Chinnock
president

Robert Gerholz
past president

Henry Waltemade
chairman, Washington Committee

PREFABRICATED HOME MANUFACTURERS' INSTITUTE

James R. Price
past president; president, National Homes, Inc.

Richard B. Pollman
chairman, Design, Engineering and Research Committee

ECONOMIST

Miles L. Colean

RESEARCH

James A. Lendrum
director, Small Homes Council, University of Illinois

EDITORS

Andrew Heiskell
publisher, LIFE

Mary Hamman
editor, Modern Living, LIFE

Carl Norcross
executive editor, HOUSE & HOME

MODERATOR

P. I. Prentice
editor and publisher, HOUSE & HOME

How many houses will be built in 1955?

Colean: I would say that a modest estimate of next year's potential is 1,200,000.

Hughes: I think he's a pessimist.

Crawford: . . . We ought to be able to push it up to a million and a half.

➔ **Mason:** Mr. Crawford is a lot nearer than anybody else.

Price: The prefabricators will build at least 85,000. My own company alone should build 50,000. Our problem today isn't sales. We have had as many as 240,000 inquiries for houses in a single month.

Klutznick: The effective demand is certainly in the neighborhood of a million five, closer to Norman Mason than to Colean.

➔ **Chinnock:** If the builders will build them, the realtors will sell them.

Waltemade: If the builders make more general use of the realtors' services in selling their houses, we will hit about a million three to a million three-fifty.

Spiegel: I'm confident that we should beat 1954 production by about 10%.

Colean: In dollar volume 1955 should break the all-time record set in 1950.



Roy Stevens



Bob Forester

In what price class

will sales increase?

Colean: Most popular range will be from \$12,000 to \$18,000.

Spiegel: The big increase will be around \$15,000 to \$20,000.

Colean: That's right. The emphasis is definitely away from the stripped-down model. There will be a tremendous increase in quality houses.

Norcross: As I travel around the country to see houses that are selling, I find that if a builder offers two houses, a standard model at, say, \$12,000 and a de luxe model at \$13,000, it's the de luxe model that sells. People are willing to pay a little bit more for quite a lot more in a house, as they are in cars.

Colean: The easier credit the new Housing Act offers for better houses should stimulate sales in the over-\$12,000 market.

Spiegel: That will also make it much easier to sell houses with fully equipped kitchens and even air conditioning.

➔ **Hughes:** . . . Plans on the drawing boards today for next year are either bigger and better houses or very low cost houses. There will be a tremendous number of \$7,000 and \$7,500 houses for minorities and low-income people next year.

Mason: Dick is right. We're going to have a big increase in quality houses and a big increase in very cheap houses.

Price: I agree. We are practically eliminating all of our medium-priced houses. We look for our big increase in our very low cost line and in our de luxe line.

Hughes: The homebuilding market is getting so much more competitive that builders in every price range are giving a lot more for the money.

Crawford: . . . It might be of interest to know that in two southern cities we are finding an active demand from minority groups to buy houses in the \$14,000 to \$17,000 range.

Hughes: The biggest complaint of the Negroes to the homebuilder is that we are playing too low in the market for them.



Who will build the houses?

Walter Duran

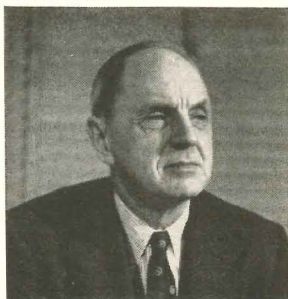


Roy Stevens



Where will all the buyers come from?

Walter Bennett



Riley: Since 1949 homebuilding has been consolidating rapidly. At that time we found about 96,000 builders of one to four houses in the field. Today I believe builders of less than five houses are finding it hard to continue in business successfully, except in unusual circumstances, of course.

Question: How many builder members are there in NAHB?

Hughes: Less than 15,000.

Question: What percentage of the houses do you think these 15,000 build?

Hughes: We say 80%.

Question: How many builder members would you like to see in NAHB?

Hughes: If we had another 8,000 we'd have the market pretty well covered.

➔ **Riley:** In 1949 our survey showed that some 22,000 builders accounted for 77% of all the houses that had a builder of record (other than the owner himself). There is no doubt in my mind that these 20,000-odd larger builders are now doing a still larger percentage of the business.

I would like to comment on that because some of the figures in our 1949 survey have been very badly misused (not by HOUSE & HOME) in trying to apply them to today's conditions.

In 1949, because of the peculiar status of the market, with a very tight housing shortage, a great many new ex-G.I.'s going into business for themselves, and other people ambitious to get in on what looked like an easy market, there were a lot of small shoestring operations in homebuilding. At that time we found that about one fourth of the commercial output of housing was built by builders who put up less than ten units. We even found a very substantial proportion of these so-called builders put up only one house in a year and claimed that was their principal source of income. In many cases they were retired carpenters who had nothing else to do, who had a chance to get started on a shoestring operation.

Under today's more competitive conditions, I believe a great many of these small builders have had to drop out of the market.

➔ **Thompson:** There is some confusion as to who is a big builder and who is a little builder. If only one fifth of them put up more than four houses a year, perhaps that makes a five-house builder big. But most of us think of a five-to-twenty-house builder as small today, even though he is in the top 20%.

Anyhow, our most profitable market lies with these builders of over five houses—especially with the builders of 20 to 50.

Question: Year after year, the homebuilding industry keeps on selling more houses than anybody believed possible. How do you explain that?

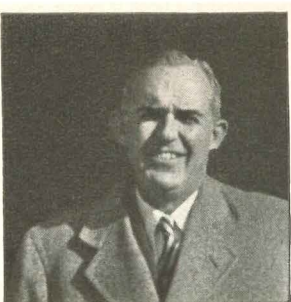
Colean: Forecasters have been paying too much attention to what we call "net new family formation." Obviously that has been going down quite sharply, but we have actually had a big increase in the number of families in the effective market, and that is mainly caused by two factors:

One factor is migration from city to suburbs and state to state. A vacancy in Boston isn't much help to someone looking for a home in California.

The other factor is that people are making more money. The number of families earning \$3,000 or less is decreasing, whereas the number of families earning \$4,000 or more is increasing very rapidly. This is bringing families into our market at a rate much faster than the population increase.

Riley: . . . Between 1949 and 1952 the proportion of families having incomes under \$3,000 declined nearly 25%, but the proportion of families in the \$5,000 to \$10,000 group increased by about 60%. That is where your big housing market has developed.

➔ **Colean:** Another reason the homebuilders can keep on selling more houses is that they are now offering houses which make more people *want* to buy. That is a very important angle. The homebuilding industry is getting style-conscious, like the automobile industry, and style appeal, quality appeal, novelty appeal are stimulating the market.



What's new homebuilding?

Mason: This industry of ours has changed a lot in the last few years.

➔ **Crawford:** . . . There has been too little appreciation of the evolution that has taken place in the last decade and a half.

Hughes: The greatest change in the industry is that most consumers no longer build houses—they buy them.

Riley: My guess is that since 1949 there has been a very rapid shrinkage in the percentage of housing built by owners or prospective occupants. That area is being taken over by the operative builder, who has increased his market substantially by doing a better production and marketing job. This has removed the incentive for the individual owner to act in his own behalf and to build his house for himself.

Spiegel: I would say that the most significant change is that the builder is no longer a lone operator. This has become a team operation.

The builder is still the captain of the team and the most important person on it, but now he requires the advice and services of a very competent architect. He requires the advice and services of a competent, adequately financed mortgage lender and certainly he requires the advice and services of a realtor. Without a good team I don't see how many builders can succeed.

What is the mortgage lender's influence?

Question: Since the mortgage lender now puts up 90% or more of the money to pay for the house, could you call him your customer now?

Hughes: Well, we have to do a hell of a lot of selling to get him to accept some of the things we are trying to do today.

➔ **Spiegel:** There is no question but what the mortgage lender takes an interest in the quality and character of the houses he finances, but he tends to be too conservative. There is a big selling job to be done on the financial group to help them understand what's good about the new things we want to do and the new things we want to use in our houses.



Where does the real estate man fit in?

Waltmade: More and more builders are making their plans in consultation with the real estate man. He should be on the team from the very beginning to contribute what he knows about what people want and so help the builders put the things into their houses that will make them easy to sell.

Hughes: We need the realtor's advice more than ever before, because he is our contact man with the buyer, and so he needs to be in on the planning before we start building the houses, more closely than ever before.

➔ **Gerholz:** In the easy market right after the war many builders tried to get along without paying a real estate man to help them sell their houses, but now just look at the real estate ads and you'll see that on almost every project the builder is teamed up with a realtor.

In my own building operations I wouldn't dream of starting a project without first sitting down with my real estate man to get his advice on what to put into the house to make it easy to sell.

What does the architect do?

Highland: The directors of the American Institute of Architects believe that working with the homebuilders is one of the most phenomenal and challenging opportunities for the architectural profession today.

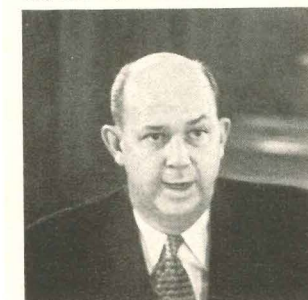
➔ **Price:** I think styling of houses is going to be as important as it is in clothing, cars or anything else.

Question: Does the architect get into specifications or just work on design?

Highland: Indeed he does work on the specifications and the choice of products. He gets into everything.



Photos: H&H Staff;
Roy Stevens; Morris Bros.





Photos: (above & opp. p.) Walter Daran

Is contemporary design still on the way in?

Haeger: Of course it's on the way in. I get irked by questions like that. After all, this is 1954.

Mason: Even New England is getting more contemporary, and we in FHA are now ready to approve contemporary design without penalty.

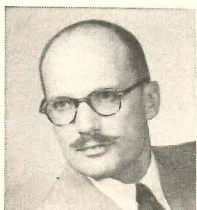
Hughes: I see very strong tendencies—even in some eastern and northern cities—toward contemporary [laughter].

Highland: The reason contemporary design is gaining is that people want space. Space is the biggest luxury, and contemporary is the most efficient and economical way to provide it.

Contemporary design was evolved for the specific purpose of taking advantage of today's construction methods and today's construction materials. As it becomes more and more important to get more space for less money, the economic reasons for building contemporary become all the stronger.

Hughes: To sell our houses we have to offer something new and different. However, I'd like to add here that I have gone to some extremes in experimenting with contemporary houses. I think they are beautiful. People come out and "oh" and "ah," but there is one thing wrong. They don't buy.

So I figure there is a halfway spot beyond which you can't get away with the new look.



Lendrum: Contemporary design isn't a cliché, something you can copy. It involves materials, methods, tools, people. They all have to work together and be coordinated. Perhaps my most unhappy moment is when a manufacturer brings out a brand new material or a brand new unit without thinking about all of the other materials and trades and methods that have to go together to get it into the house.

Haeger: I think we'd do much better if we just wiped off the applecrapple and put the money into more area.

Pollman: Contemporary architecture lends itself to the industrialized method of building.

Spiegel: I think the public would accept contemporary design even more readily if they understood its benefits. For example, women don't realize how much easier and pleasanter it is to get the meals in an open kitchen and how much nicer it is not to be shut away from the family in a closed kitchen.

What's new in what people want?

Norcross: Today the housing field is more exciting than the aviation field because the changes are going on faster. Never has your market been so receptive to new changes, because builders everywhere are having to offer their consumers new stuff for this better quality house which consumers want. If you come up with it, you'll sell it.

Highland: Any home that doesn't have a family room as well as a living room is incomplete and thereby obsolete.

The family room should possibly have a slate floor or a vinyl or tile floor, or something like that, so if the youngsters drop anything on it, it won't stain, and when we are entertaining the floor should be Martini-proof so we don't have to run around behind the guests with little coasters all the time.

Haeger: The trend to one-story houses on slabs will continue. Average area will increase slightly. There will be a definite trend toward garages instead of carports.



Television and a second bath

Highland: When TV first came out many designers asked: "Should we have a room for TV?" That hasn't been settled, but we have definitely concluded we need a room to get away from TV. In our house, with television, we found that the youngsters can't watch it unless they are horizontal and eating.

Klutznick: Our Park Forest sales department reports some very interesting facts to us. The first demand that we must meet in the new house is an extra bathroom, because the family is large enough and they all go to school or work at the same time. The second thing they want is space, and that means, maybe, a dining space that is distinguished from the indistinguishable thing that we call the living-dining room.

The third thing we find a great demand for is a garage. The automobile costs enough these days so it is a very prized possession. You can build an attached garage for little more than a very good carport, and it's senseless not to build the garage while you're at it.

Highland: There is a big trend to the patio type of indoor-outdoor living, and I'm not talking of the fishbowl window facing the street, but about legitimate extension of livable space. We can build a patio for 14¢ a sq. ft.

Did they live in trees?

Hamman: I think the public is very confused about what they want in a house and what they like. They know so little about what they want you'd almost imagine they'd been living in trees. One of our biggest jobs is to help them know what to look for and ask for.

Highland: The kitchen has to be opened up and be an intelligent and attractive part of the house. We have not only gotten away from having maids, we've gotten to the point where we've stopped pretending we've got a maid.

Another thing I think a home must have is a "McGee" type of closet. That should preferably have a 3' door, so when the doorbell rings everything can be shoved in one general direction.

Question: How fast is air conditioning coming in?

Haeger: I think it will almost double every year. In other words, something like 10 to 12% next year, followed by 25%, followed by something like 50%. So around 1960 I would guess that we're going to see most of the new houses air conditioned. And, incidentally, that holds as true in the northern part of the country as in the southern part of the country.



Quality and comfort in the desert

On an acre of sand and cactus near Camelback Mountain in Phoenix, Air-conditioning Engineer Fritz Fingado has built a "man-bites-dog" kind of house. It lets the desert in rather than shuts it out.

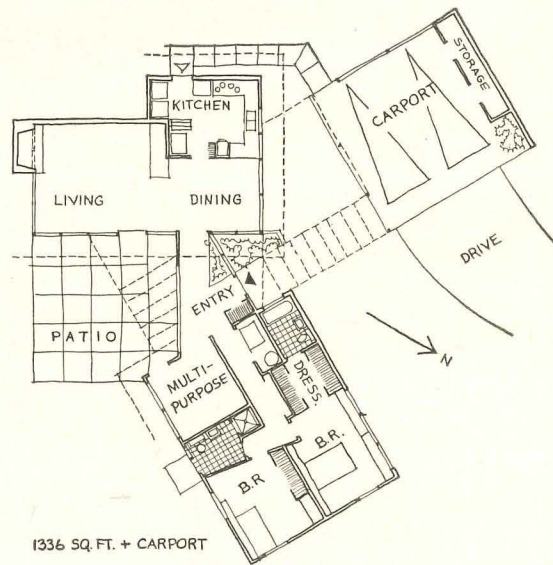
Like their winter neighbor, Frank Lloyd Wright, the Fingados love the Arizona desert, and when they moved to Phoenix they wanted to live in the midst of nature rather than in town. But they knew the desert could be burning hot in summer, cold on winter nights, and sand might blow at any season. When they went to Designer Alfred Beadle, they asked for a house that would be open to nature but, at the same time, practical. And in Phoenix a practical house means one that is cool in summer and that has economical electrical bills.

As an air-conditioning engineer, Fritz Fingado did quite the opposite from what most cooling experts would have done. Instead of a compact, small-windowed house requiring less than an average amount of cooling, he chose a spread-out house with an abundance of glass and, to compensate for the extra luxury, installed 5 tons of cooling rather than 3, which ordinarily would be enough for a 1,350 sq. ft. house. Cost of the extra 2 tons would normally be about \$600 with proportionately higher operating costs. His electric bill for the hottest month is around \$35, about \$120 for five months.

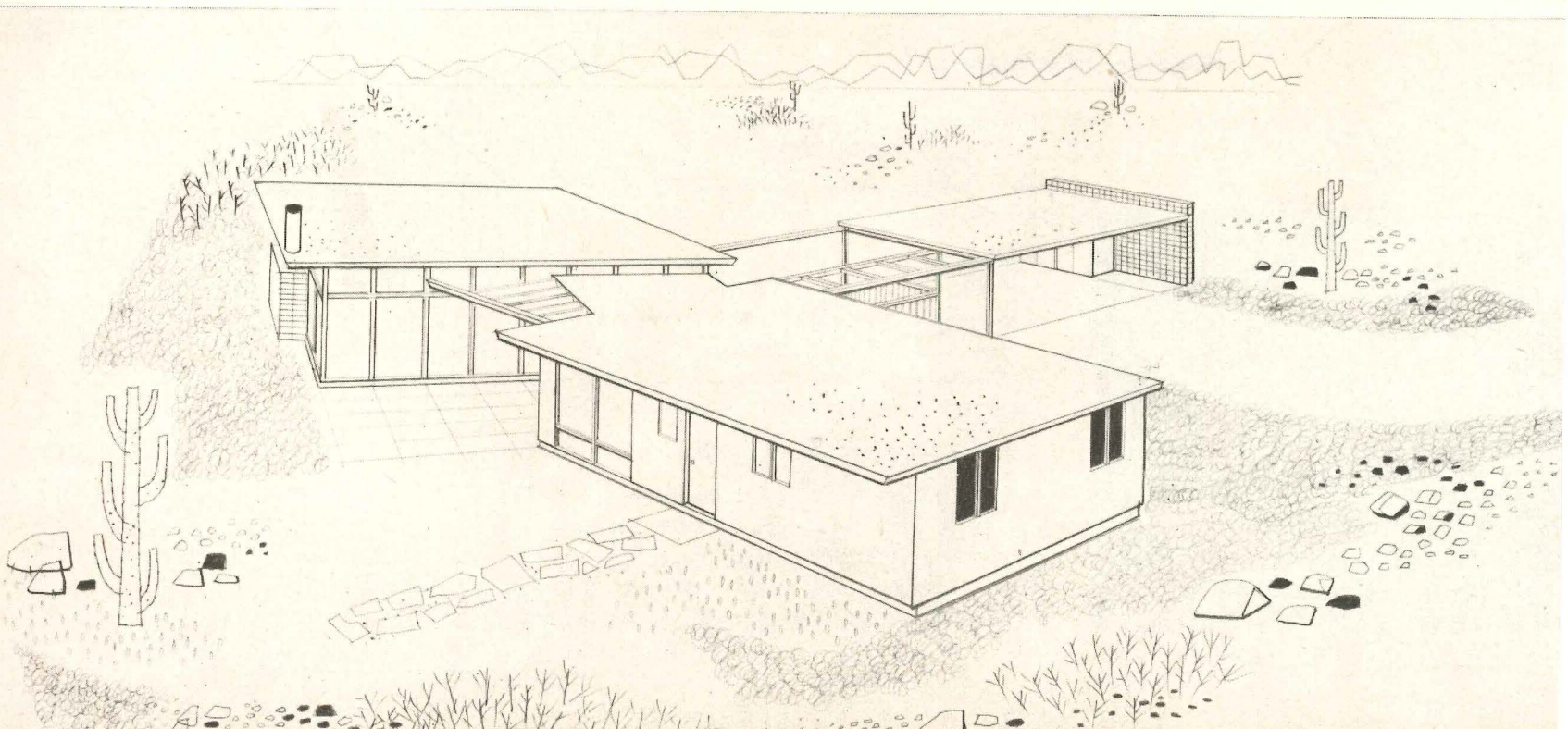
What is quality in the desert?

A quality house to Mr. and Mrs. Fingado and their small daughter means one that looks well, works well and lives well. This house gives them what they want: individuality; a gracious, comfortable living room which can let the desert in or shut it out; a kitchen that is pleasant and easy to work in; a bedroom wing away from the living area; a master bedroom which is a private suite with a dressing room, plenty of storage and a private bath; a multipurpose or third bedroom; an outside living area; easy housekeeping and low maintenance; and of great importance, a house that is oriented for view and weather. The photos show how well they succeeded.

Construction is of pumice block or of wood frame used with aluminum-backed dry wall plus mineral wool insulation. The built-up roof has 4" of rigid insulation. Floor is concrete with an integral color. Cost of house, land and design fees was under \$20,000.



Floor plan is less unusual than it seems: living-kitchen wing is tied to bedroom wing by an entrance hall, with patio on one side of house, carport on the other. House is oriented for wind and sun.

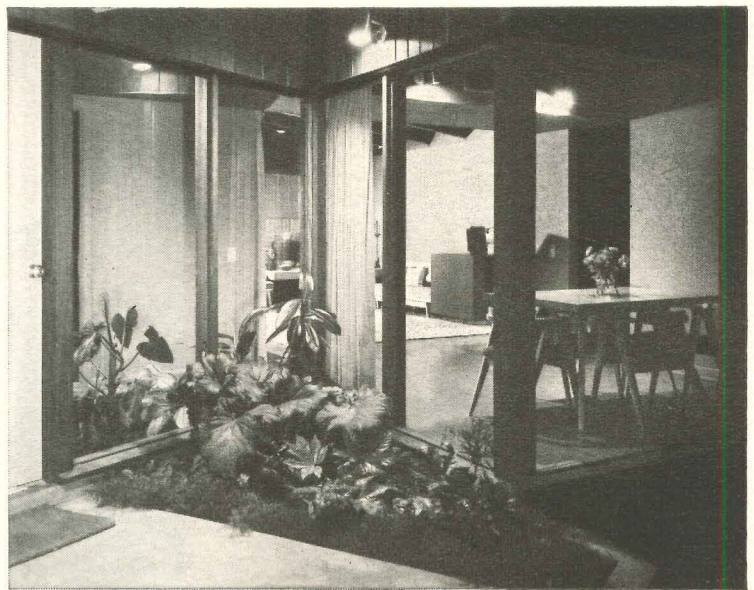




: Frank L. Gaynor

and terrace is nicely placed, faces south and east, is shaded by the overhanging eaves from afternoon sun in summer and from cold north winds in winter. It may be entered through sliding door in living room or from multi-use room. This terrace and the desert beyond provide a pleasant backdrop for visitors entering the front door (shown behind the large windows at the right, above).

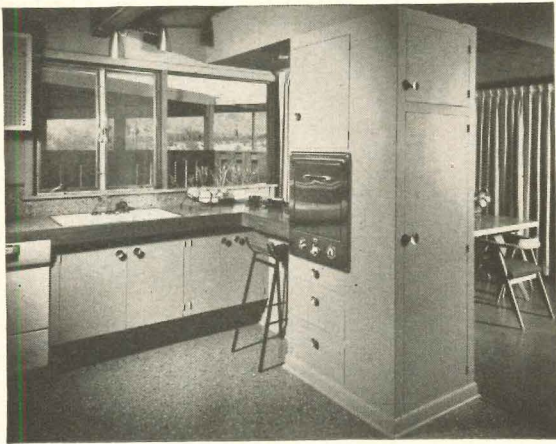
Plant approach to front door is aided by this planting bed which is carried on inside the house, as the larger photo at top of page shows. At top of photo is seen the main air supply duct, furred to the ceiling, which carries air from unit in hallway utility room (at left of front entrance) to living-room kitchen wing.





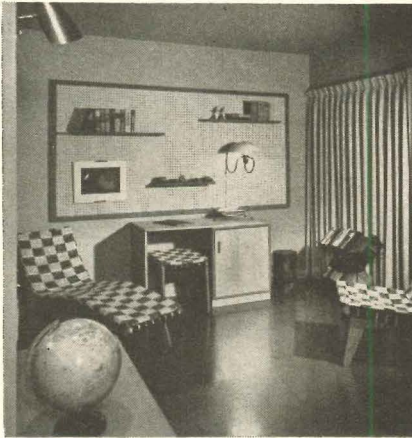
Easy maintenance is feature of this pleasant, orderly kitchen. Spatter-paint linoleum on floor is carried up 10" to cabinet base. Same pattern linoleum is inlaid on work counters, carried up for back splash. Upper cabinets have sliding pegboard doors. Two photos can be related by noting sink location. Lower photo shows relation to dining room. Center cabinet has oven, storage for brooms, silver, linen and miscellaneous items.

looks well, works well, lives well

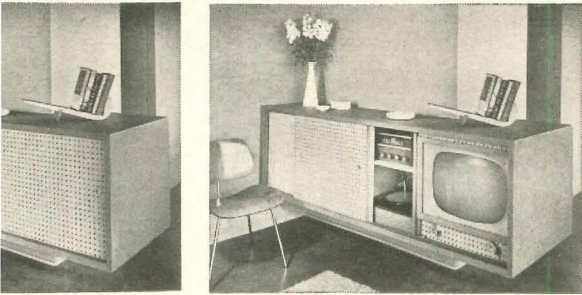


Daughter's bedroom (above) has two windows low enough for her to look out. Built-in cabinets are next to bed, which can be rolled out. This cheerful room is such that it will grow up with her.

Multipurpose room is less formal than living room, opens directly from entrance foyer, is accessible to patio. Walls are sand color; pegboard panel is yellow with a redwood frame. Floor is quarry asphalt tile. Door could be added to make this a bedroom.



The Fingados wanted a living room in the midst of the desert and this photo shows how well they got it. There is plenty of light and view, yet room can be enclosed by curtains. Despite big windows, house can be kept at 78° when outside temperature is well over 100°. Door to patio is in center. Fireplace is just out of this photo at right.



Hi-Fi and TV cabinet was built on the job, is of plywood and pegboard, suspended from wall, permitting easy cleaning beneath. Below cabinet and not seen is screened vent for air return to furnace and air conditioner, via a concrete duct poured in the slab.

Raised fireplace with cantilevered bench adds pleasant touch in living room. Right wall is pumice block





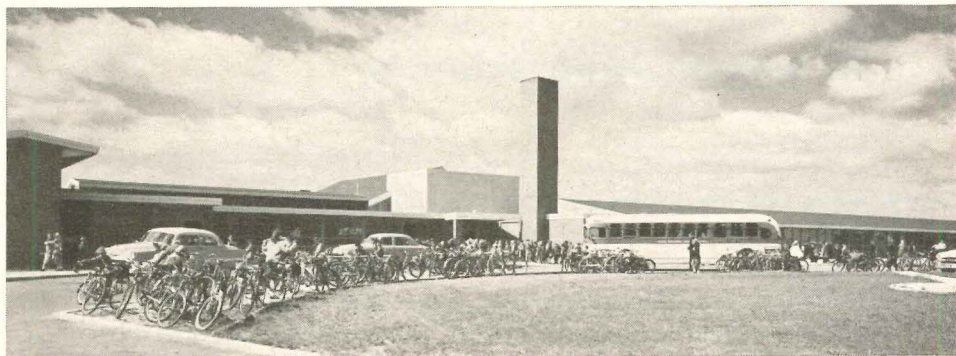
The Lakewood School by LoebI, Schlossman & Bennett

Should the homebuilders h

The schools shown on these pages were privately financed and erected by American Community Builders. They are among the best schools in the country, designed by top-flight school architects—LoebI, Schlossman & Bennett or Perkins & Will. They will be bought and taken over by the school district when its bonding power is big enough to assume the obligation.



Photos: Hedrich-Blessing



The Sauk Trail School by Loebl, Schlossman & Bennett

by Philip Klutznick

The whole character of the homebuilding industry has undergone a tremendous change in the past decade. The advent of large-scale financing made the builder a financier as well as a construction man. The gradual disappearance of improved lots made him a planner and a large-scale land developer. Now the strain of existing school, water supply, sewerage disposal and recreation facilities is making him face new problems which may make the building of homes the least important part of his job.

ance schools for their tracts?

**Yes, says Phil Klutznick of Park Forest,
they must do more than that;
otherwise they will find it increasingly hard
to get land for their projects**

LIFE—Ralph Morse



Homebuilders must take an active interest in establishing schools

Today, more and more communities are shutting the door tight to homebuilding until they can solve their school problem. This has stirred alarm and indignation among builders, but is it reasonable to criticize the town authorities and school officials who oppose more residential building within their areas until they can meet at least in part the tremendous shortage of physical facilities for education? Even when this is met they will still have to face the specter of an increasing shortage of teachers.

This country needs from 300,000 to 400,000 schoolrooms right now, and the great bulge of war and postwar babies is still ahead. Unless impressive measures are taken soon, public education will become more and more depressed until it has little resemblance to the program which most of us knew.

In view of all this, the homebuilders must become deeply and actively concerned with schools if they want new areas to be opened for housing development.

In building Park Forest we learned this lesson early. Despite much well-meaning advice that education was a public responsibility, we saw clearly that our private business could not succeed unless we took a serious interest in our schools. At first we limited our participation to the following:

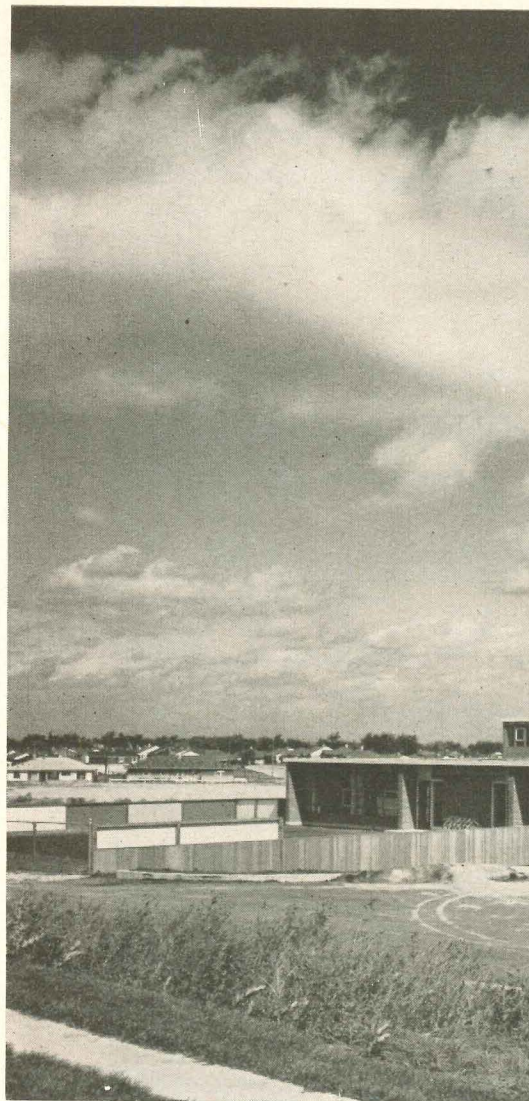
1. We paid subsidies to overburdened school districts until state aid became available and new property came on the tax rolls. The gap of 12 to 18 months had to be made up in the case of a new or extremely small school district which found itself suddenly overwhelmed with a large student body.
2. We provided temporary facilities, principally in apartments and houses, until permanent buildings could be opened.

Interim assistance. This program became archaic overnight. Our school population soared, the cost of building permanent facilities mounted, and so did operating costs. Soon it was clear that we must also provide some interim assistance for permanent schools.

We tried to meet this need by setting up a not-for-profit school corporation, and this has indeed helped up to now. Its principle was simple. The corporation would contract with the appropriate school district to build a school or schools. The site, plans and estimated costs would be approved not only by the school officials, but by a popular vote as well. So would the contract by which the school district would lease the school until such time as it had sufficient bonding power to acquire the building and pay for it. Under this program (with some variations) five fine schools have been built in Park Forest.

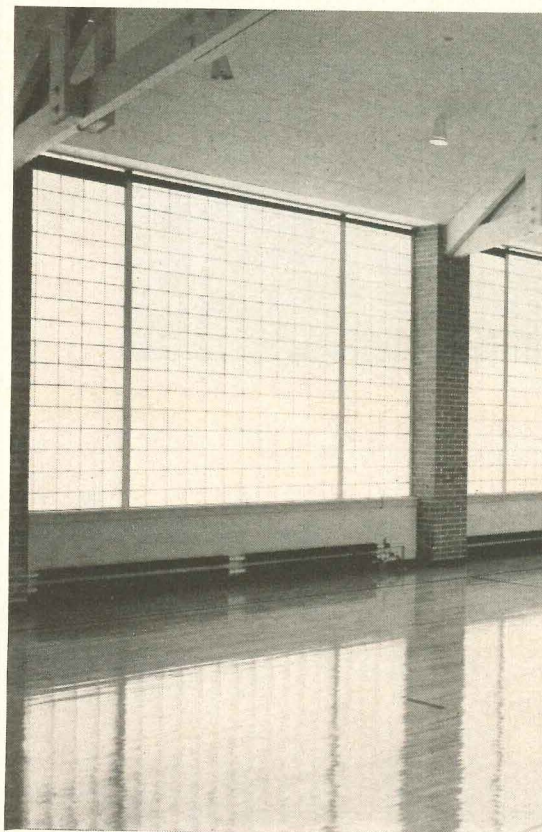
School districts have actually paid for and taken over one school, and are about to take two more. Meanwhile, a quality educational program has been maintained, with kindergarten and single sessions instead of double.

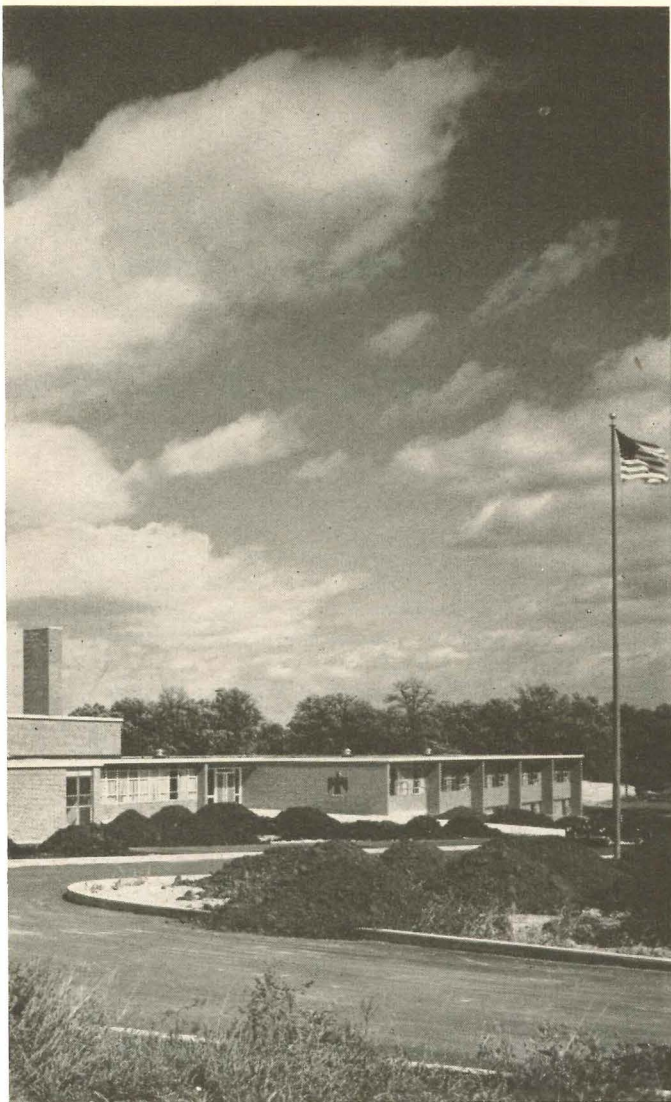
It has been costly. All has not been peaches and cream, however. For us as builders, the program has been very costly. Our company has given the



The Black Hawk School by Perkins & Will

The Sauk Trail School by Loebli, Schlossman & Bennett





Photos: Hedrich-Blessing



school districts \$500,000 in operating subsidies, loan assistance and land at par value. In addition we have advanced nearly \$1,400,000 to the not-for-profit corporations—tying up capital we might have used better elsewhere.

For the community, the program also has its disadvantages, for it pledges its future bonding power too far ahead for sound business practice.

Consequently, we are now developing a new program which should go straight to the heart of the problem, which is this:

The average, middle and lower-income house goes on the assessment rolls at a figure too low to give the community the added bonding power required to provide its share of the cost of the community facilities it would require. It goes on the assessment rolls at a figure \$200 to \$250 too low to meet the added need for new schools, \$500 too low to meet the added need for new schools plus the added need for other new community facilities. Some of this \$500 gap can be covered by commercial valuations, some by personal property assessments. Later on some will be covered by future industrial development, but not enough. In fact, it is clear that our tremendous child population, complicated by high building costs and operating budgets, is producing such an aggravating overload that we fear the problems ahead are more difficult.

An outright gift. Heretofore, we were approaching new development with a different attitude. We will continue to use the same not-for-profit corporation approach, but we will contract with the school district:

To make an outright gift of \$200 to \$250 to the not-for-profit corporation out of the proceeds of each house sold and to make a loan for the remainder which can be repaid within 12 to 18 months after completion of the house. This program will make permanent schools available at about when new families move in and temporary facilities can be by-passed to a greater degree.

This approach cannot be used directly by homebuilders who are not erecting whole communities, but I cannot help thinking it suggests a solution that can be broadly applied.

We have always believed that a house alone without community facilities is an unstable investment. When housing is desperately short, any roof may do, but as the market settles down the absence of schools, adequate water supply or modern sanitary sewers will markedly reduce the value of the house. Perhaps lenders (conventional, FHA and VA) should consider adding 5% to 7½% of the value of the house to be made available by contract to appropriate public bodies to provide these facilities. The long-term repayment of this additional sum will not seriously handicap the buyer of the house. The buyer will have decent community facilities almost immediately and the lender will have the additional security of such facilities to reduce his risk in the event of a normal competitive housing market.

If we wait until school districts and public bodies can provide these facilities through bonding power, in many cases the wait will be extraordinarily long and in many subdivisions plans will not be approved. One must always remember that a bonded debt constitutes a mortgage ahead of a first mortgage lien on a house in any event.

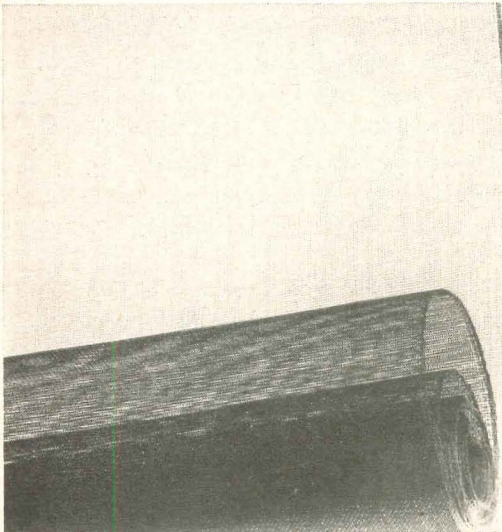
Good debatable points. Such an approach has its problems and its disadvantages. Private mortgage interest rates are higher than rates on public debt. Unless safeguards are taken the sale price of the house will be increased and few, if any, public facilities provided. Some will say that mortgage limits are already too high. All of these are good debatable points. There are doubtless other ways to solve the problem.

The advantage of what is here proposed is that it is simple and direct. It requires only limited action by Congress, FHA, VA and mortgage lenders. It faces up to a problem which must be solved if 1) homebuilding is to go ahead, and 2) what is more important, public education is not to break down.

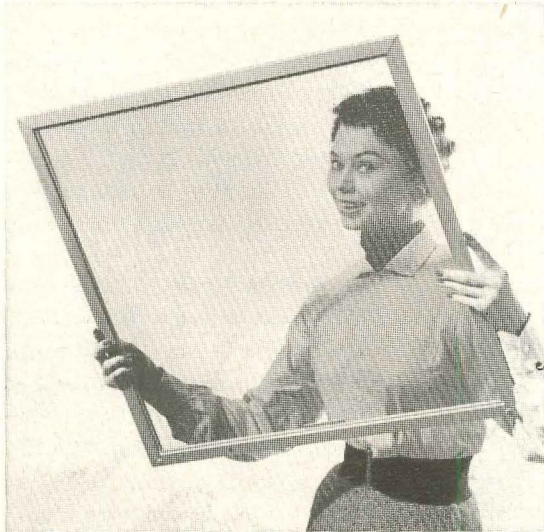
In the school business. Whether we like it or not the homebuilder is now in the school and community facilities business—if he wants to stay in his own business. We have been in it for a long while. Certainly it has its headaches and complications—but it also makes life interesting and our business worthwhile. Its greatest compensation is in healthier communities and a more sound way of life. Without public education our democracy rests on quicksand. Here is a basic contribution toward the fight against “isms” of all types.

NEW PRODUCTS

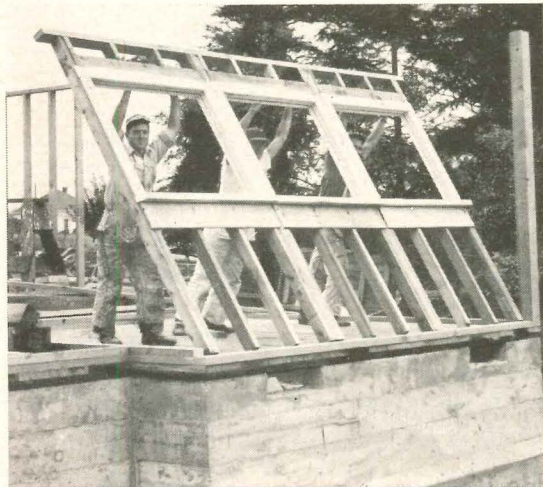
Vinyl-coated Fiberglas screening and sashless windows



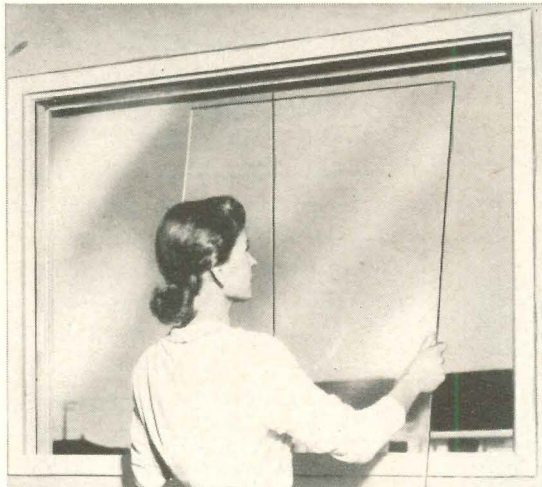
Screening is furnished in conventional rolls for installation in any frame. Because glass fibers will not stretch, fastening must be secure.



Visibility is equal to conventional materials, and thin filaments (.0125") permit free passage of air and light. Bending does not crease screening.



Tilt-up construction uses sashless windows built into wall section on the house floor. Window panes are later set into place and the lock is installed.



Grooved track permits glass to be lifted out for cleaning or replacement. Panes have edges ground smooth to reduce danger of cut hands.

Window openings can make or break the facade design of any house and two new products go far toward accentuating these "eyes onto the world":

Glass fibers are woven into mesh, then coated with tough, colorfast vinyl, and heat-set into a screening proof against raveling in *Chicopee Fiberglas* screen cloth. Available in standard meshes, and in widths to 72", the material cannot fade or discolor, and will not stretch or shrink because of the dimensionally stable *Fiberglas* core.

Screening will be produced in two colors, gray and green, with pigment dispersed throughout the vinyl, and is said to be impervious to salt air and industrial fumes. Retail price: 12¢ per sq. ft., slightly higher than galvanized, but below aluminum or bronze.

Manufacturer: Chicopee Mills, Inc.
Lumite Div., 47 Worth St.
New York 13, N. Y.

Designed and manufactured for his own use by a California builder, the *Pierson Sashless* window consists of a machine-grooved redwood frame, in which slide two panes of 3/16" crystal glass, overlapping each other 3". The window is precut and packaged: sill, 2" x 4" jambs and header, 1" x 4" casing, lock and instruction leaflet. For mass production, the window can be built into the rough frame, then tilted up into place. Sizes range from 2' x 3' up to 3'-8" x 8', in either two- or three-pane, and there are no mullions or muntins to interfere with the wide sweep of glass. The only hardware is a rustproof lock that permits the window to open completely, or to be locked with a 2" fresh-air opening.

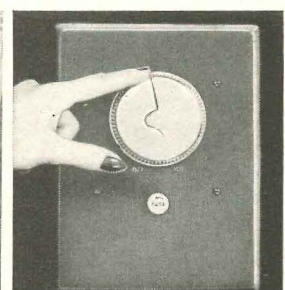
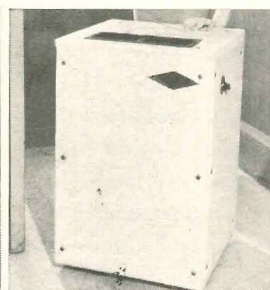
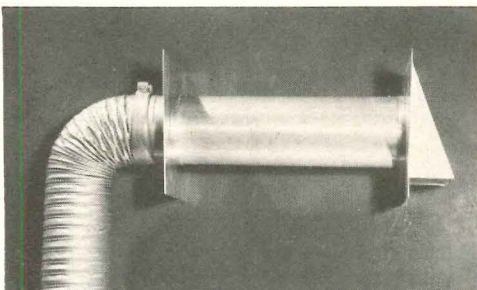
The 3/16" glass is heavier than is normally used in conventional sash (3/32" or 1/8") and an extra glass cost of 25% to 33% must be allowed for. Panes lift right out for cleaning.

Retail prices: (shipped to East Coast) \$10 to \$20 per window.

Manufacturer: Ernest Pierson Co.
4100 Broadway
Eureka, Calif.

continued on p. 176

Other NEW PRODUCTS in this issue



A flexible clothes-drier vent . . . p. 182 a mobile air conditioner . . . p. 188 leather-tile luxury floors . . . p. 194 a lighting dimmer . . . p. 200