

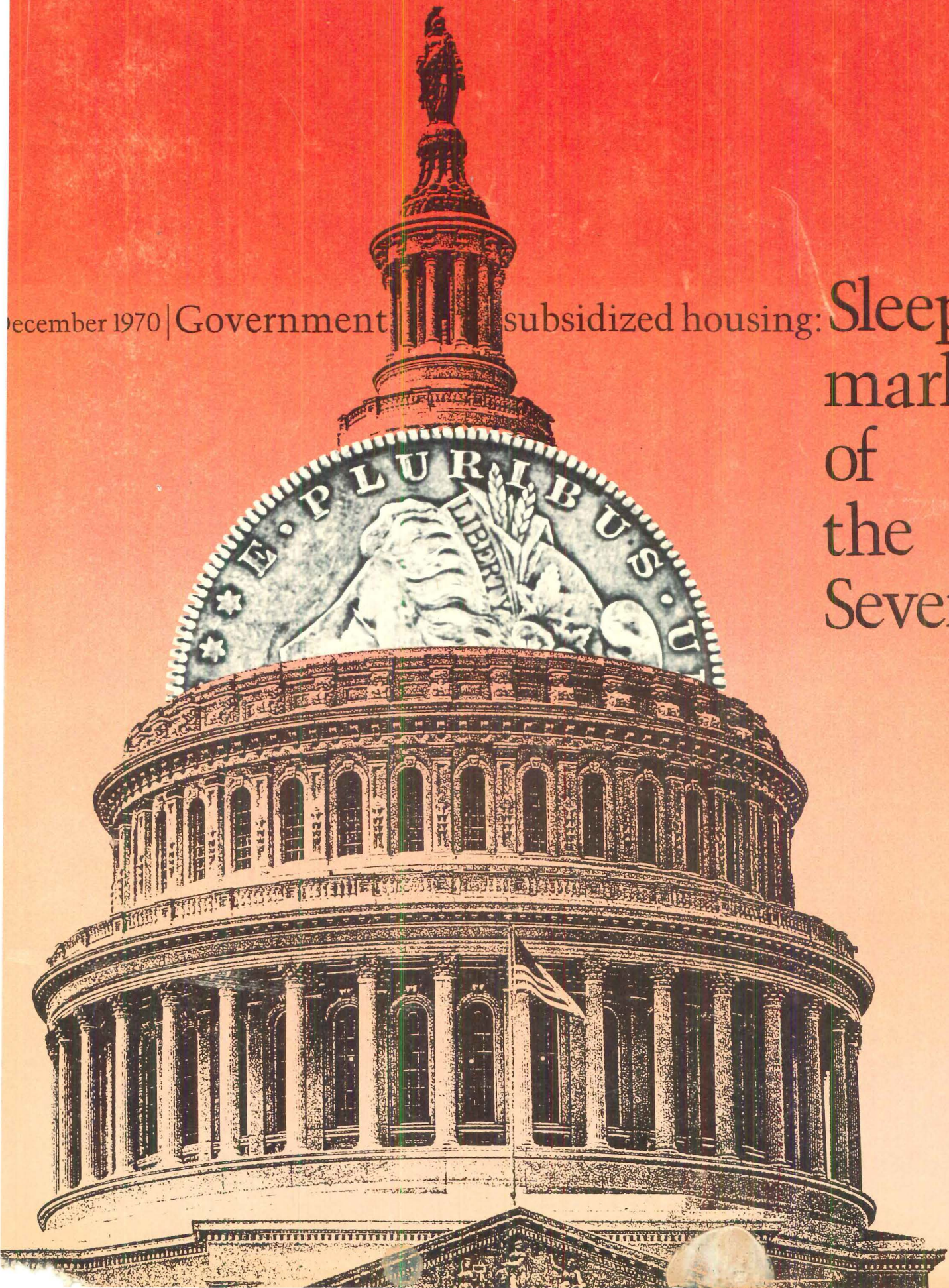
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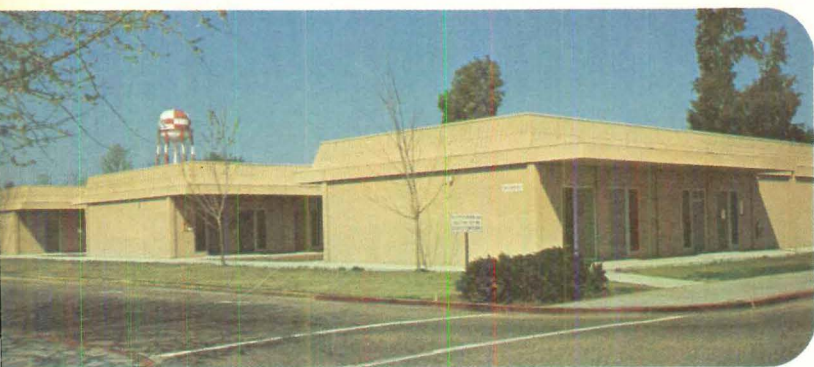
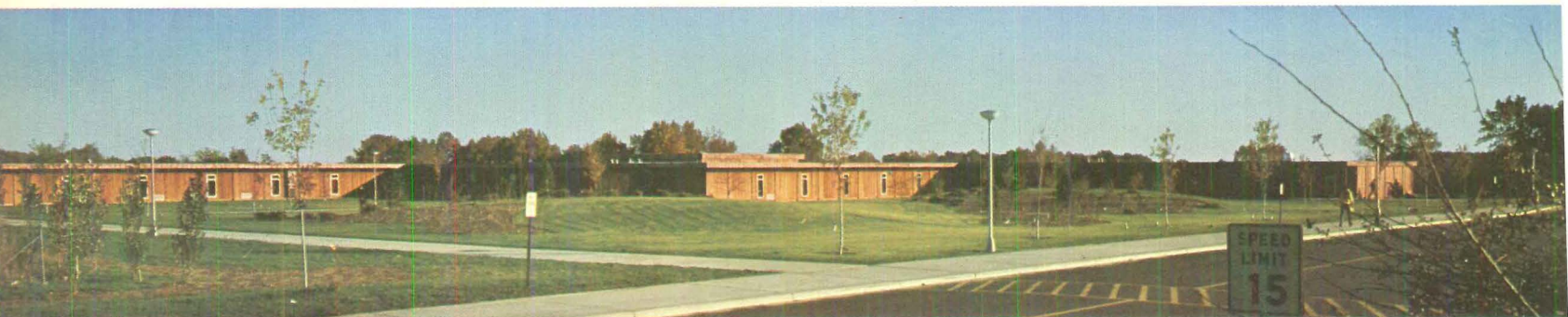
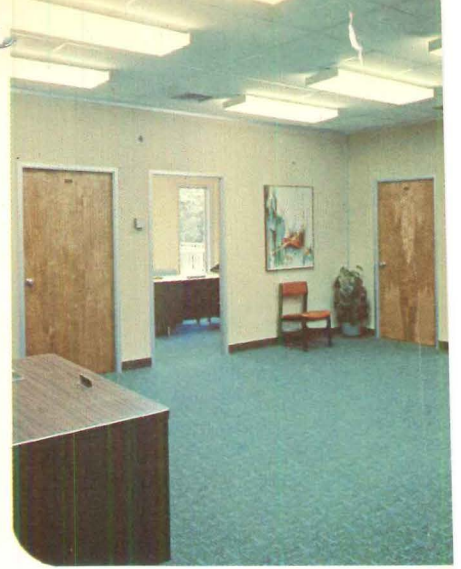
House & Home

December 1970 | Government

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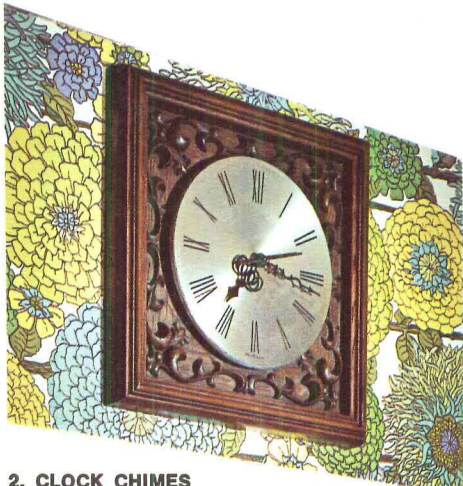
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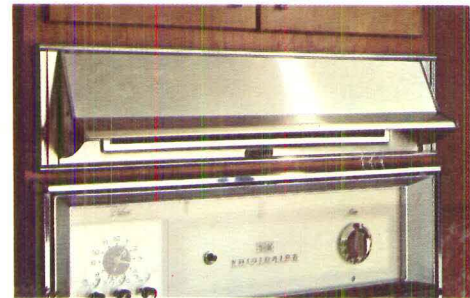
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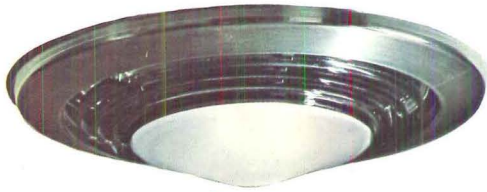
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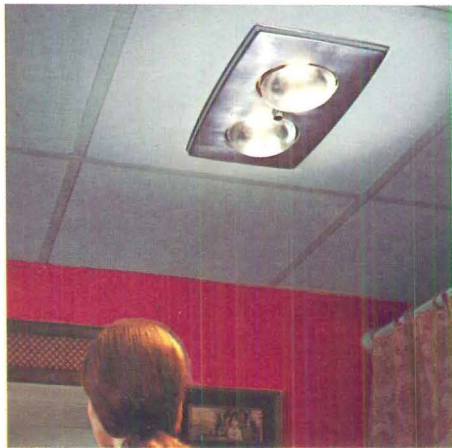
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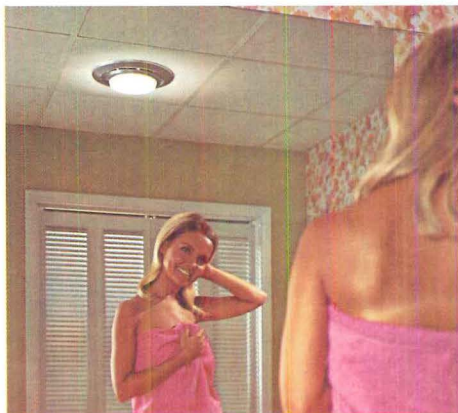
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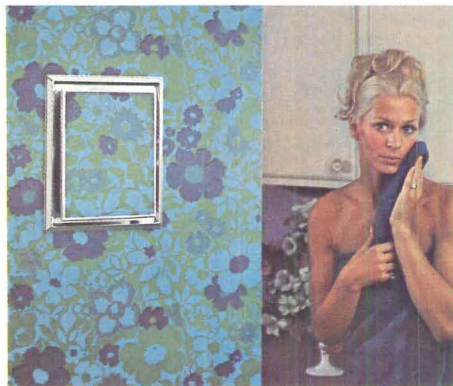
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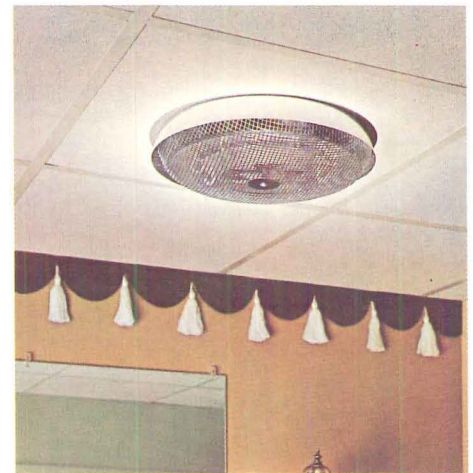
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House & Home

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Volume 38 / Number 6 / December 1970

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Return of a veteran



THE SENATE'S PROXMIRE
Back at the old stand

Voters elect prosperity—which means more housing; and most of homebuilding's spokesmen are returned

When the Republicans unleashed their big guns in the recent election campaign, the divided and poverty-stricken Democrats had all they could do to keep from falling apart.

Vice President Spiro Agnew hit the trail first—and he made the issue clear:

the Democrats were soft on the law and order question. Narcotics, pornography, crime in the streets, and radical liberalism somehow became vaguely associated with one's being a Democrat.

Vice President Agnew was joined by President Nixon, who echoed the theme.

For the Democrats the only issue remained the state of the economy—an issue all but ignored by the GOP.

But with the paucity of funds in the hands of the Democratic party, as opposed to the millions in the war chest of the Republicans, it appeared the GOP had a better than even chance to succeed with its game plan to take over the Senate, cut back the Democratic majority in the House, and hold statehouses around the country.

The upset. Much like the blitzing linebackers who can ruin any coach's game plan, the Democrats spoiled the program.

The Republicans failed to win the Senate, making a net gain of just two seats.

They failed to make inroads into the House, actually losing nine seats they had held.

They failed to hold the line in the statehouses—and in fact were swamped to the point where the Democrats now control 29 of the 50 governorships.

The Republicans, despite the President's claim of a philosophical victory, are in trouble.

Economy—and housing. And they are in trouble because of the economy.

While the President and Vice President were criticizing the Democrats for being soft on law and order, the Democrats were jabbing back with the economic issue.

Unemployment of 5½%—far

more than the Republicans predicted or wanted—was a fact, and the Democrats used it.

High interest rates—the highest in more than 100 years—were a fact, and the Democrats used it.

A big shortage of housing was a fact, and the Democrats used it.

The emotional issue of law and order with which the Republicans hoped to fire up the electorate—although formidable—was no match for the equally emotional and more personal issue of jobs and housing.

Jobs and votes. There are more than 4.3 million people out of work, and so when the Republican steamroller moved into such strong Republican towns as Rockford, Ill., where unemployment is high, the law and order issue fell flat.

This wave of economic resentment against the Administration produced Democratic victories in important areas such as California, Ohio, Indiana, Michigan, and Texas.

It is almost sure to result in a change in the Administration's handling of the economy—including housing.

Interest rates. An important facet of the economic issue put forward by the Democrats was the question of interest rates and their effect on housing. House Speaker John McCormack, on the eve of the election, scored the Administration for its poor showing in housing, pointing out that housing starts were continuing to miss the nation's housing goals by several hundred thousand.

The McCormack swipe brought a quick response by HUD Secretary George Romney, who said that housing was showing rapid improvement. But Romney's claim of "strides in housing" must have seemed irrelevant to the man paying anywhere from 8% to 10% on a home mortgage.

The new Democrats. The aftermath of the election has reunited a spirited Democratic leadership—and its sights are on the White House in 1972. This will have important implications for the economy, and particularly for housing, an industry that has borne the brunt

of the economic restraint.

Prior to the election, there were few partisan Democrats who would have given their party any chance of winning the Presidency two years from now. This feeling is now changing and the Democrats have come alive.

It is likely to bring about a switch—and fast—in the Administration's economic game plan. The President is likely to accelerate the economy even at the risk of more inflation.

More housing. Since the Democrats now control the majority of statehouses, and a number of state legislatures, they will have greater leeway in redistricting local election districts in their favor.

The President, to counteract this and to offset the vast patronage possibilities now in the hands of Democratic governors, is going to have to bring the economy back to nearer full employment. That means more support for housing.

If the President takes this tack—and many political observers have already said he must to insure his reelection in 1972—it will mean the two Congressional banking committees, which vote all housing legislation, will assume vital importance during the next session of Congress.

Housing leaders. Both committees will return next January for the 92nd session with almost the same personnel.

In the Senate Banking Committee, Senator Charles Goodell, New York Republican who was a prime target of the Administration during the campaign, is the only member who won't return to his seat. Goodell was beaten badly by Conservative candidate James L. Buckley.

In the House Banking and Currency Committee, only two changes will be made.

Rep. William E. Brock, Republican of Tennessee, who was chosen by the Administration to run against liberal Senator Albert Gore, won out in his campaign to reach the Senate. It is likely that Brock will be considered as a candidate to fill the position now opening on the Senate Banking Committee.

TO PAGE 8



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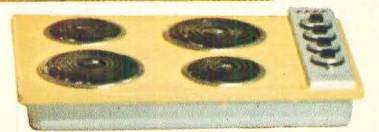
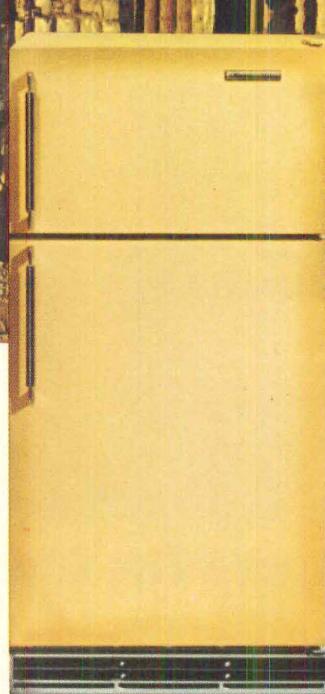
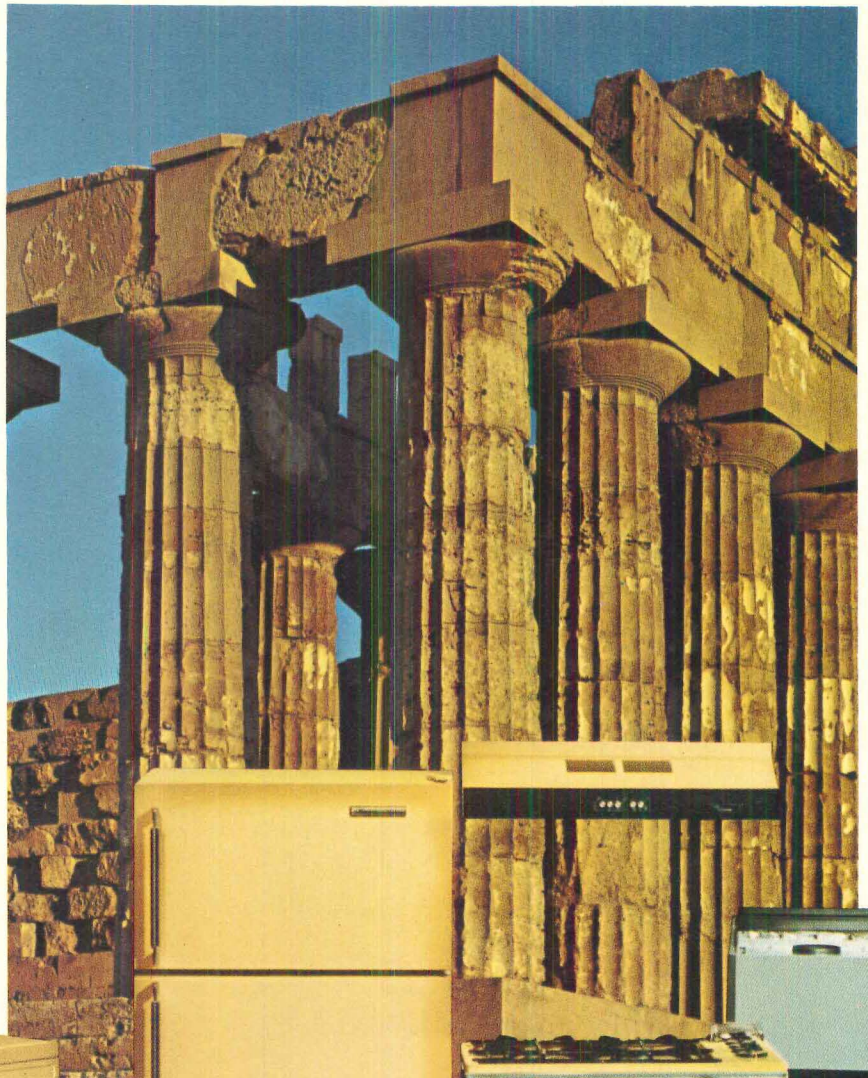


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Vote (continued)

The other change in the House Banking Committee resulted from a race in Kansas, in which Chester Mize, a Republican, lost out to Democrat William R. Roy.

As far as the housing subcommittees of both the Senate and House Banking Committees, the only change will be that of Senator Goodell, who won't be back. On the Senate housing subcommittee, all members of the full committee are also members of the housing subcommittee.

For housing interests, the makeup of the two banking committees would seem to bode well for new legislation. Both panels showed keen interest in housing during the session that is about to end.

The veterans. Such housing stalwarts as Chairmen John Sparkman of the Senate Banking Committee and Wright Patman of the House panel are, of course, back next year. Senator William Proxmire of Wisconsin was reelected. So, too, was Richard T. Hanna, Democrat of California, another friend of housing, returning to his seat on the House committee. Hanna, who runs in a highly conservative district in California, won handily, by 20,000.

Mrs. Leonor Sullivan, a Missouri Democrat closely identified with low-income housing, won. William A. Barrett, the Pennsylvania Democrat who heads the housing subcommittee, will be back.

Outside the banking committees, of course, there are members of Congress, like millionaire builder Rep. James H. Scheur, Democrat of New York, who are allied to the housing industry. Similarly, incoming Senator Lloyd Bentsen, Democrat of Texas, who beat GOP hopeful George Bush, has ties to the thrift industry.

The results of the recent election doubtless will place the economy—and that includes housing—in the forefront of the Administration's thinking. And, with a Congress that has already shown it is sympathetic to housing's plight, it would appear the housing industry may have been a winner at the polls as well.

—ANDREW R. MANDALA
Washington

Mrs. Romney's defeat: she ran behind from start

Romney is no longer a magic name in Michigan.

Lenore Romney, wife of former Governor and present HUD Secretary George Romney, ran for the Senate against incumbent Democrat Philip Hart, only to concede defeat two hours after the polls closed.

By contrast, the race for the governorship was still too close to call until 44 hours after balloting ended. And although it looked like the Republican candidate won narrowly, the closest his campaign manager would come to mouthing the name of the former governor, Romney, was a reference to "the previous Republican governor."

Hart's easy success could not be explained away as simply voter satisfaction with his performance over two terms as Senator. His 64% to 36% victory exceeded commensurate race results in other states. Moreover, the GOP gubernatorial candidate outpolled Mrs. Romney by 100,000 votes. About 2.4 million ballots were cast.

Compromise ticket. Just why Mrs. Romney ran is still subject to various explanations in Michigan.

Mrs. Romney appeared unexpectedly as a compromise candidate. A liberal withdrew and a conservative eventually dropped threats of splinter action. Michigan Republicans had a candidate and a name that had been a winner.

Agnew's blessing. The soft-spoken, frail-looking Mrs. Romney began a statewide tour of appearances at suburban teas and shopping centers that never got off the ground. Two moments vie as the campaign's peak . . . an appearance by Vice President Agnew, which



Powder-puff campaign in a hard hat describes a scene during Mrs. Lenore Romney's pre-election tour. The hard-hat vote turned against her in suburban Warren.

brought out hecklers in such force that Mrs. Romney rarely got mentioned in press coverage, and an appearance by the President's wife, Patricia Nixon, which got its biggest mention in the women's section of most state newspapers.

It is generally conceded by Michigan political analysts that Mrs. Romney's campaign was doomed at the outset, at least in part by the emergence a month prior to her primary victory of the civil rights issue.

Bias squabble. A Detroit daily reported in mid-July that HUD had picked Warren, a Detroit suburb, to force housing integration as a prerequisite to federal assistance. Secretary Romney's attempts to clarify the basic reporting job as well as to insist on the inherent equity of his department's stand appeared to have failed all around (News, Sept.).

Mrs. Romney tried to get voters excited over other issues, but her standing with blue-collar workers over her hus-

band's housing stance proved permanently damaging to her campaign. Warren voters themselves not only went strongly for Hart but endorsed as well, and by a generous margin, a referendum rejecting any further participation by the suburb in federally assisted urban renewal projects.

In her campaign, Mrs. Romney avoided the Warren issue and put her greatest emphasis on what has been called a powder-puff attack for law and order. Hart, meanwhile, spent most of the campaigning in Washington and, when meeting with constituents, concentrated on pollution and the economy.

Absent husband. Lenore's determination in campaigning, which was exceeded only by the graciousness of her concession speech, lacked two advantages—the presence of the gubernatorial candidate, and, until the last day, that of her husband.

—JIM WARGO
McGraw-Hill World News,
Detroit

Voters say no to housing issues—if they cost money

The voters were not generous to housing this year.

Housing issues played a major role in several state and local elections but the voters, while supporting 90% of the bond issues presented, kept their hands in their pockets when housing was concerned.

The biggest housing contests were in California and New York. Voters on the Coast re-

jected a proposition that would have eliminated the state's 10% interest ceiling on loans of \$100,000 or more to corporations or partnerships.

New York State's voters defeated a plan to increase state subsidies for low-rent housing by \$20 million, to \$62 million yearly.

Voters elsewhere rejected a \$100 million Michigan bond

issue that would finance low-cost housing; approved a \$180 million expansion of an Oregon state fund that provides loans to veterans purchasing homes; rejected the Santa Barbara Board of Supervisors' approval of rezoning for scenic El Capitan Ranch to provide 1,535 homesites; and, in general, heeded most pleas and proposals advanced by conservationists.



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H&H DECEMBER 1970 9

Housing in 1971: strong recovery in the first half— starts up 20% for year

Homebuilding will rise 21% in contract value, to \$30 billion. Public-private starts will total \$30 billion. Total starts will reach 1,675,000. F.W. Dodge economist George Christie tells why:

Longest depressed of all the construction markets, housing is now the one that is ripest for expansion. The latest decline and fall of the housing market dates from early 1969 when a steady, quarter-by-quarter erosion began that resulted in a 20% shrinkage in the rate of starts over the year and a half that followed.

Despite the similarity to the 1966 credit crunch, this time support by the Federal National Mortgage Association and Federal Home Loan Bank Board managed to limit the housing decline until a renewed flow of savings reversed the trend. In the six months following the relaxation of monetary restraint early this year, funds poured back into savings accounts. Savings and Loan Associations and Mutual Savings Banks averaged more than a billion dollars a month net increase in deposits during that period—twice the rate of the preceding year, and five times the volume during the prior six months.

As might be expected, the recovery of the housing market began with single-family building, where newly available mon-

ey can be put to work fastest. By 1970's second quarter, one-family building had already gained 7 per cent over the low first-quarter rate, while apartment building continued to decline. The over-all result was a standoff for a while, but by the third quarter both segments of the housing market were responding to the change in credit availability—and a strong recovery was under way.

Vacancies. That upswing will carry into 1971 . . . and beyond . . . unless the credit market says no again. Some indication of the current pressure of housing demand is given by the decline in vacant units over the past several years. By the early part of 1970, vacancies (including mobile homes) were down to 5.0% for rental units and 1.0% for owner-occupied housing.

Most of the decline in the supply of housing available for occupancy has been fairly recent. Between 1960 and 1966 (which was a period of relatively low family formation) the rental vacancy rate held stable at 7-8%. Since 1966, the combination of a rising marriage rate and suppressed building has reduced vacancies to the lowest rate in the decade that such statistics have been reported.

Quality erosion. More insidious is what happens to the

quality of housing stock under circumstances like these. As the vacancy rate declines, so does the rate of demolition and replacement of old and substandard dwellings. Instead of making progress toward the goals of the Housing Act of 1968 (which involve increasing the quality as well as the quantity of housing) the events of the past several years—war, inflation, credit restraint—have only increased scarcity and deterioration.

Does "re-ordering of national priorities" mean that the unpleasant circumstances which resulted in a deficiency of housing for the past several years are finally on the way out? A good start will be made in that direction next year, though the whole answer won't be available in 1971.

The 1971 recovery. For the short run, at least, conditions are right for a strong housing recovery. Under the pressure of a large backlog of demand, gains should come rapidly at first as housing enjoys the clearest field in the long-term credit market that it has had for a long time.

On the strength of the change in credit conditions alone, housing starts—already on the upswing—should be averaging close to 1.7 million units by the middle of next year. After that, the competition of in-

creased corporate demand for long-term funds will inhibit housing's further growth, and continued expansion will depend on Federal support through HUD.

But even if housing growth comes only in small increments after mid-1971, the year's total shapes up like 1,675,000. That's nearly 20% above current volume, and more than any year since 1950.

And residential building contract value will increase by 21%, to \$30 billion.

House vs. apartment. Because single-family housing was more limited by 1969-1970 credit restraint than apartments were, it has a good potential for expansion in 1971, even though demographic trends continue to favor multi-family building. For the year ahead, one- and two-family units are forecast to increase from 1970's 810,000 total to 925,000; apartment units are estimated up from this year's 615,000 to 750,000.

This broad recovery in conventionally built housing (which includes various degrees of modular construction) will take away some of the advantage that scarcity of shelter has given to the mobile home industry in recent years. No gain, and possibly a small decline, in mobile home output is expected in 1971.

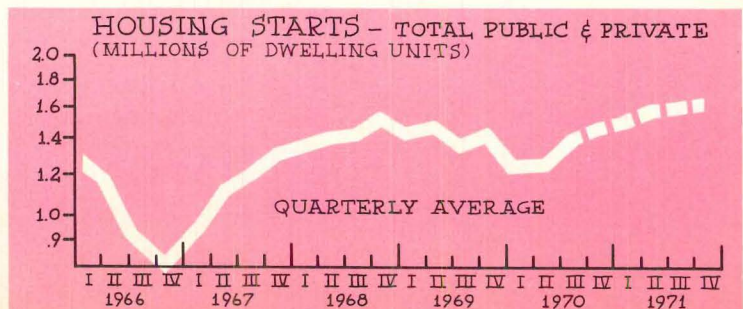
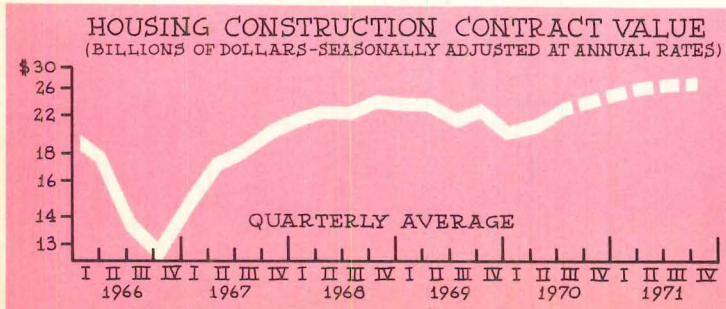
National Estimates/1971

| Construction contract value (millions of dollars) | | 1970 prelim.* | 1971 forecast | per cent change |
|--|---------------------------|------------------|------------------|--------------------|
| residential buildings | one- and two-family homes | \$15,300 | \$18,250 | +19% |
| | apartments | 8,100 | 10,350 | +28 |
| | nonhousekeeping | 1,400 | 1,450 | + 4 |
| TOTAL | | \$24,800 | \$30,050 | +21% |

| Physical volume of floor area (millions of square feet) | | 1970 prelim.* | 1971 forecast | per cent change |
|--|---------------------------|------------------|------------------|--------------------|
| residential buildings | one- and two-family homes | 1,133 | 1,313 | +16% |
| | apartments | 578 | 713 | +23 |
| | nonhousekeeping | 66 | 66 | — |
| TOTAL | | 1,777 | 2,092 | +18% |



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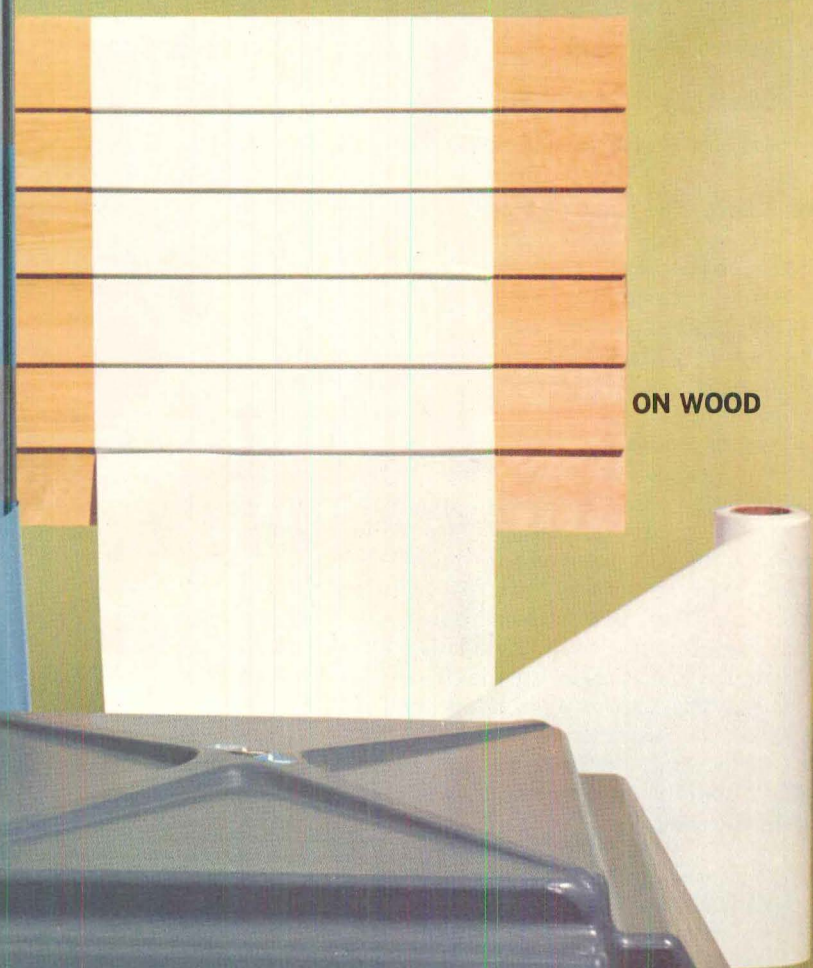
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CIRCLE 66 ON READER SERVICE CARD

Housing forecast: Northeast will lead the recovery of 1971... (continued)

The homebuilding market's response to easing credit benefitted the South and the West most during 1970. Despite the fact that the greatest need for housing was in the Northeast (as indicated by the extremely low vacancy rate there) that region, along with the Midwest, was slower in

responding to the availability of mortgage money.

It was one-family building, which is always quickest to adapt to change, that led the mid-1970 residential recovery. The delay in the Northeast and Midwest was partly because *high-rise* apartments, which

take longest of all to reflect a turnaround situation such as the past year's, make up a bigger share of housing demand there.

Just as the play of 1970's economic events fell with varying impact regionally, so the consequences of the 1971 economy are expected to bring further changes.

South

| Construction contract value (millions) | 1970 prelim.* | 1971 forecast | per cent change |
|--|----------------|-----------------|-----------------|
| Residential bldgs. | | | |
| 1-2 family homes | \$5,650 | \$6,725 | +19% |
| apartments | 3,075 | 3,750 | +22 |
| other | 475 | 500 | + 5 |
| TOTAL | \$9,200 | \$10,975 | +19% |

*8 months actual; 4 months estimated

The South. The South has increased its share of new apartment building in every year of the past five, and 1970 will make it six. Rental vacancy rates in the region are now the highest in the country, but there is still a substantial backlog of new units on the drawing boards. This is particularly true of Florida's gold coast, where the lure of a second home in a resort setting has proven irresistible to many. The current level of rental vacancy rates, though high (near 7%), is not alarming. (The West worked with 10% as a rule of thumb for several years in the early sixties.) It does suggest that there is a distinct limit to the South's apartment growth, though. In 1971 the South will be building a smaller share of the national total of apartments than it has become accustomed to in recent years. But single-family housing in the region should about match the national rate of growth next year.

West

The West. Even toward the end of 1970 there was no strong indication that the West's defense/aerospace cutback had seriously undermined the demand for housing. In that generally weak housing year the

| Construction contract value (millions) | 1970 prelim.* | 1971 forecast | per cent change |
|--|----------------|----------------|-----------------|
| Residential bldgs. | | | |
| 1-2 family homes | \$2,950 | \$3,425 | +16% |
| apartments | 1,775 | 2,150 | +21 |
| other | 325 | 300 | - 8 |
| TOTAL | \$5,050 | \$5,875 | +16% |

*8 months actual; 4 months estimated

region outdid the national residential building average without giving signs of serious surplus. Indications are that there's room for a good gain in western housing next year.

| Construction contract value (millions) | 1970 prelim.* | 1971 forecast | per cent change |
|--|----------------|----------------|-----------------|
| Residential bldgs. | | | |
| 1-2 family homes | \$3,200 | \$4,000 | +25% |
| apartments | 1,575 | 2,300 | +46 |
| other | 325 | 350 | + 8 |
| TOTAL | \$5,100 | \$6,650 | +30% |

*8 months actual; 4 months estimated

tight money and high costs of construction, which had effectively frozen many northeastern cities out of Federal-aid housing programs, has sent vacancy rates to critically low levels. This is particularly true of rental housing, as multi-family construction has fallen far behind the rampant progress of urban decay. With easier money in prospect for 1971, the stage is set for a strong gain—perhaps the strongest of any region—in northeastern housing.

The Northeast has recently been responding better to needs for institutional and public facilities, and 1971 should see further progress in these categories.

Midwest

| Construction contract value (millions) | 1970 prelim.* | 1971 forecast | per cent change |
|--|----------------|----------------|-----------------|
| Residential bldgs. | | | |
| 1-2 family homes | \$3,500 | \$4,100 | +17% |
| apartments | 1,675 | 2,150 | +28 |
| other | 275 | 300 | + 9 |
| TOTAL | \$5,450 | \$6,550 | +20% |

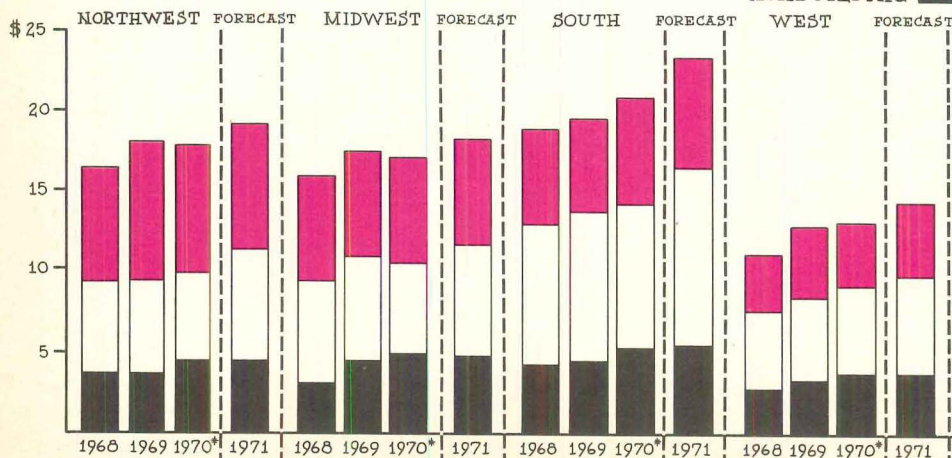
*8 months actual; 4 months estimated

The Midwest. Like the rest of the country, the Midwest has had its housing recessions during the periods of money scarcity in the late sixties. But in-between those credit squeezes, the region managed to get a good quantity of housing built. This fact, combined with a lower rate of population growth than the other three areas, leaves the Midwest relatively better off at the start of 1971. With a residential vacancy rate comfortably above the national average, the Midwest's need for housing is not quite so urgent as it is in the Northeast. Housing will be expanding next year in all four regions, but the gain in the Midwest will be a bit less than the national average.

Northeast

The Northeast. Residential building has been seriously neglected in the Northeast over the past few years. The combination of

REGIONAL CONSTRUCTION CONTRACT VALUE (BILLIONS OF DOLLARS)



*8 MONTHS ACTUAL, 4 MONTHS ESTIMATED

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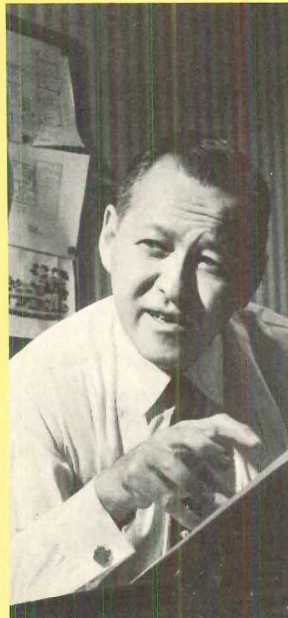
Builder: Paul Whittlesey, Denver



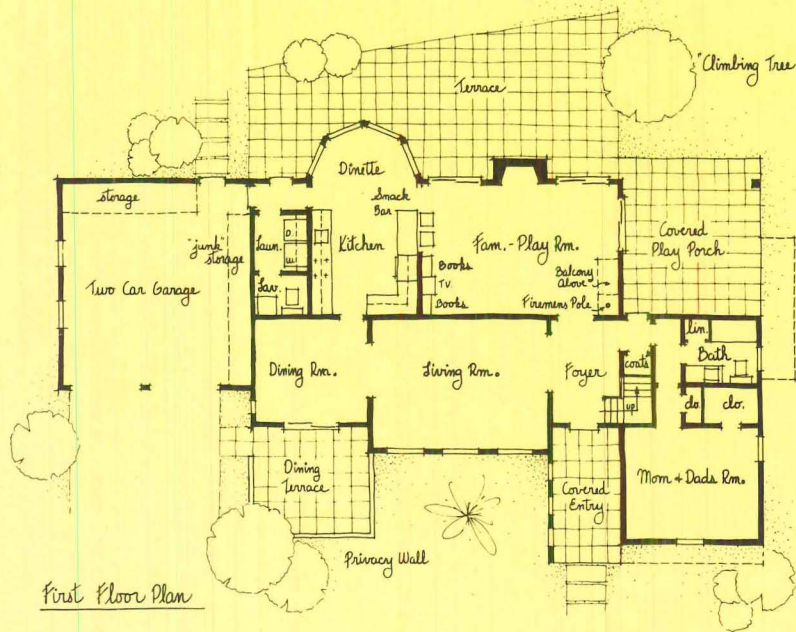
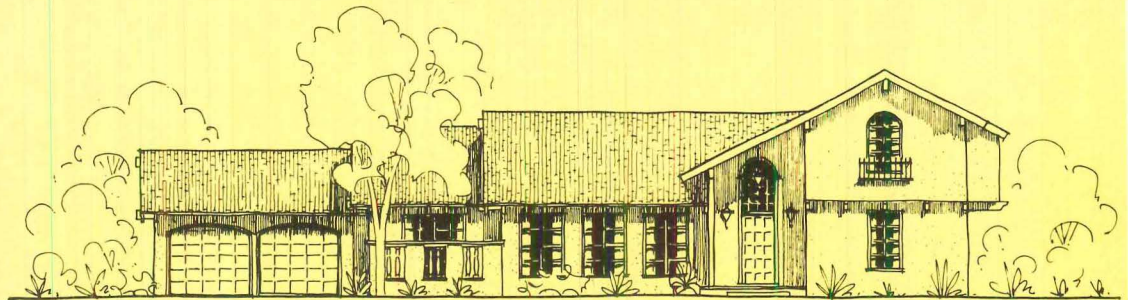
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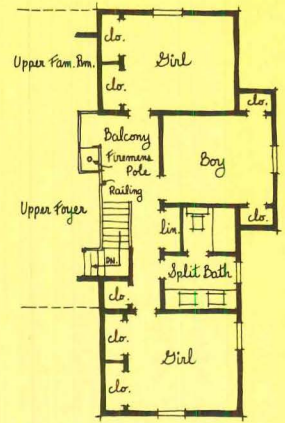
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. . . and he designed it.



First Floor Plan



Second Floor Plan

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PLAN 3376
DRWG. 1012



Dream house, as the architect sees it, is 80 ft. wide and 30 ft. deep. The house will probably require a lot 100 ft. square.

Little girl who's seen 'em all tells builder: here's how I want our house to be

Julie Sorenson has been around lately—three homes in two years. Now her family is looking for another. This time Julie knows what she wants. She described it this way in a letter to the Oakland (Calif.) Tribune.

I am an 11-year-old girl, my brother is 10, and my sister is six. My father has been transferred twice in the last two years. We are now renting a house in El Cerrito and are looking for a place to live. This is how I want the house to be.

I'm looking for a house on a

quiet street that has a good view. I want it to have at least four bedrooms, large, so I won't have to share one with my sister.

It should have a big backyard with a good climbing tree. The backyard should also have a flat place or a patio to play on.

Room for TV. . . It would have a large family room off the good-sized kitchen to play and watch television in. Somewhere in the house it would be nice to have a balcony.

There would be a double garage for all of our junk and both cars. Two bathrooms would be necessary so that

we wouldn't fight over one to wash our hands or brush our fangs.

And attic for play. The front door would have an entry hall. To one side would be a flight of stairs leading to the bedrooms and one bath. To the other side would be a living room and a dining area. Straight ahead would be the family room and off it the kitchen. Out of the family room would be sliding doors to the outside so we won't have to tramp through the living room or kitchen or something and track mud.

It would be really good if it had an attic to play around in but it wouldn't be absolutely

needed. It would be nice if it were a Spanish theme. It has to look good from outside too.

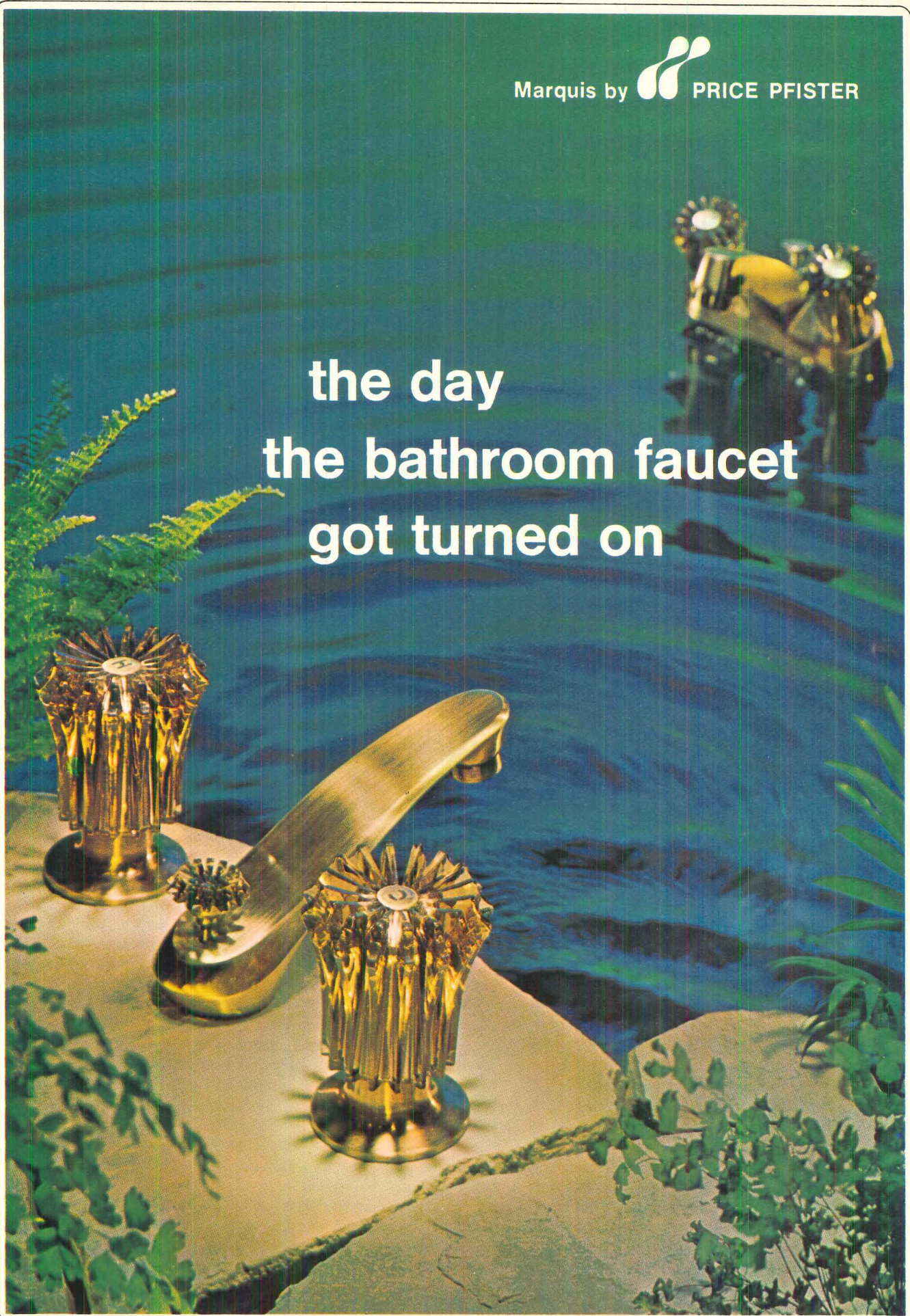
Sequel. HOUSE & HOME sent Julie's specifications to the nationally known architect Herman H. York of Herman York/Raymond Schenke, Jamaica, N.Y.

And York sketched out the house to Julie's requirements—climbing tree and inner balcony and Spanish theme and all. His only changes: a firemen's pole so the children can slide down to breakfast when rushing for school, and a downstairs bedroom for mom and dad.

Julie's house appears above.

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the day
the bathroom faucet
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From Canada—some brand new ideas on how to house Mr. Average Man

D. J. Leblanc, the author of this article, is the assistant vice president of Morguard Institutional Securities Limited, the Ontario operating subsidiary of Morguard Investment Services Limited. He has an extensive background in all phases of mortgage lending, and he spent 13 years in several cities with the Canadian government's Central Mortgage and Housing Corp.

Morguard, through subsidiaries across Canada, is an agent for institutional and private investors, originating and servicing mortgage loans, and it acts as a real estate and mortgage consultant and a property manager. With offices in Montreal, Toronto, Regina, Calgary, and Vancouver, Morguard is an approved lender under Canada's National Housing Act and a member of the Mortgage Bankers Assn. of America. Donald H. Stewart, president of Morguard Investment Services Limited, was named a governor of the MBA at the association convention in Miami.

Facing a tight money market and a critical shortage of accommodation for lower income groups, Canada initiated a \$200-million program for innovative housing in the spring of 1970. Under Robert Andras, the minister responsible for housing, the plan for producing 15,000 to 17,000 housing units was carried out by the Central Mortgage and Housing Corp., Canada's approximate equivalent of the American HUD.

Considerable publicity was given to the program, suggesting that Canadian developers come up with some ideas—ideas that would produce something new and different, and produce housing that the average Canadian could afford to buy. Indeed, the only qualification attached to an offer of money by Andras was that any proposals put forward must be innovative in some respect. It was appropriate that the government announced its program at the National House Builders Association's convention in Niagara Falls.

Wide range of ideas. Developers and builders were quick to accept the challenge, and the CMHC was inundated

with proposals for use of funds. Municipalities and private groups also suggested innovative projects, including redevelopment of rundown real estate. Some of the best ideas came from the private sector.

Intended primarily to provide housing for the lower-income group, the program produced everything from detached single-family houses to high-rise rental apartments; from a mobile home site to a renovated hotel; from homes for Indians on the reserves to a staff accommodation connected to a hospital.

Specifics. To give some specific examples of innovations that won approval:

- In metropolitan Toronto, a high-rise project only a few steps from the subway, with more than 1,000 units, half of them for people earning about \$5,000, half for those earning no more than \$7,000. The project, being built on land held under long-term lease, will include 50,000 square feet of retail space. The commercial space will be run by the developer with half of the net income turned over to the project to offset lower rents. Rents, to include all services, will be approximately 30% of the tenant's income.

- Again in Toronto, a high-rise condominium project, with interest rates geared to income, permitting lower income buyers

First sales halted under Land Act

HUD has taken action against its first violator of the new Interstate Land Sales Full Disclosure Act of April 1969.

He is Charles Geotis of Danvers, Mass., who had been doing business as Charles Endicott, Charles Endicott Development Co., and Black Horse Acres Inc.

Geotis has been enjoined by the U.S. District Court in Boston from selling lots through interstate commerce or through the mails in violation of the act. According to HUD, he had been selling via letters that told would-be purchasers they had won a lot in a drawing. The letters allegedly said the lucky winners could obtain a deed by mailing \$270 to Geotis.

GILBERT MILNE

LENDER LEBLANC
Chronicler of new ideas

to qualify. The buyers may have some equity available in the way of savings but may be unable to qualify for purchase of a home or a condominium because of high interest rates in the market. So a lease-option-to-buy plan is available, giving a potential buyer a chance to get in and become established, with two years to build his income up to the point where he can buy.

- In the Montreal area, a project of 350 low-cost single-family row-houses selling from \$10,250 to \$12,800, so successful that the entire project was sold out over the Labor Day weekend. The cooperation of the municipality in rezoning was required to permit the erection of the units, which ranged from 677 to 1,080 sq. ft.

- In the Maritimes, a low-cost home was produced as a shell, with the owner finishing additional space or non-essential items at a later date, as he can afford them.

- In the Lethbridge area of Alberta, a loan to the Blood Indians will produce 35 single-family homes. And a private developer is building a mobile home plant nearby which will employ a good number of the tribe. Other loans to provide homes for Indians were approved in British Columbia, Manitoba, and Ontario.

Social dividend. These projects will be meeting a very definite need—housing units for sale or rent to families who would not normally qualify to rent or buy units produced and financed by the private sector. These people might have ended up in public housing projects, if units were available. But they now have an opportunity to buy into a project, with the resulting pride of ownership and the knowledge that they didn't have to rely entirely on the public housing program.

Help in Ontario. While the federal government was making its commitments, the Ontario Housing Corp., under the guidance of Stanley Randall, minister of trade and development, committed an almost equal amount of dollars under the HOME plan, both in single-family units in subdivisions developed by the OHC and in condominium projects.

Under the plan (Home Ownership Made Easy), the buyer has the advantage of an Ontario government second mortgage, at 9% over 40 years, as well as an NHA first mortgage, or the entire amount in a first mortgage from OHC in some of its recent commitments. New projects have been approved under this scheme in areas across Ontario, enabling people to buy with minimal down payments, and carrying charges that permit people earning under \$7,500 to own their own homes in major cities.

The success of the \$200 million federal program is already in evidence in numerous projects which, if not innovative in design or execution, are at least innovative in concept, so as to enable the hard pressed average wage earner to have a home he can call his own, or rental accommodation to meet his needs, which he can afford.



The Kingstowne as built by James E. Carey, Daytona Beach, Florida

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Now builder Jim Carey has a second source of income, all because of the Kingsberry Man.

Meet Jim Carey of Daytona Beach, Florida. A veteran of 18 years as a builder with 1200 homes to his credit. Which means Jim has a pretty thorough knowledge of the construction business. But until last year, he hadn't met the Kingsberry Man, and he had never built an apartment. Now that he has, the venture is really paying off. Jim built six apartment buildings. Thirty-six units. Solid, well-planned Kingsberry apartments.

And this is where the second business came in. Jim's apartments look great. Renting is no problem. So Jim owns, rents, and profits from his own creation. The Kingsberry Man was the key. Jim puts it this way: "He handles so many details for me—I have more time to supervise a broader operation and increase my production."

How does he feel about Kingsberry apartments? "Top quality materials and precise engineering—so everything fits together perfectly. And financing? I can tell you the Kingsberry reputation helped me get apartment money fast!"

From now on, Jim Carey plans to stay with Kingsberry. How about you? To meet the Kingsberry Man in your area, just mail the coupon.



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Now it's a free-for-all: mortgage bankers vs. the Home Loan Bank Board

The Mortgage Bankers Assn., hopping mad over the refusal of the Federal Home Loan Mortgage Corp. to permit mortgage bankers to service loans sold to FHLMC by savings and loans, is thinking about bringing its case before Congress next year.

The new FHLMC, set up to provide a secondary market in FHA-VA and conventional mortgages, has ruled that only Federal Home Loan Bank System members—the S&Ls and a few savings banks—can sell loans to the corporation. Moreover, only system members can service the loans.

It is this last rule that has aroused the MBA, and the opposition to the FHLMC's program was much in evidence at the MBA convention in Miami Beach.

The MBA's executive vice president, Oliver H. Jones, called the savings and loan program "an outright and blatant effort to force savings and loan associations to build an FHA-VA processing and servicing staff, which is not the same as a conventional mortgage staff."



New president of Mortgage Bankers Assn., Everett C. Spelman of Denver (right), tells the press at the MBA's Miami convention to expect no big mortgage rate drop until spring. The MBA's executive vice president, Oliver Jones, appears at the left.

Issue for Congress. Jones, and others in the MBA hierarchy, contended that the new rule would result in a duplication of effort and overhead between S&Ls and those already in the mortgage banking business.

Said one MBA official: "If we can't solve this problem administratively, we may go to Congress."

The FHLMC was set up under the Emergency Home Finance Act of 1970. Its ruling to exclude mortgage bankers from servicing, however, is an administrative measure. According to Thomas R. Bomar, executive vice president of the FHLMC, the ruling is aimed at inducing

savings and loans to become more actively involved in the government-insured and guaranteed mortgage programs.

The MBA's challenge, if it comes, would be the first legislative battle for the new corporation since its formation.

Mortgage men's goals. The MBA legislative program for 1971 will also include several unfinished proposals of the mortgage bankers, officials say.

The MBA, which will formalize its legislative program in a conference early in January, will also push for sufficient budget funds to accommodate the Section 235 program—particularly as it pertains to existing hous-

ing. The mortgage bankers want existing housing programs to get 30% of the contract funds rather than the 10% permitted now.

A free rate. The MBA also will press a new drive for a free FHA interest rate—a proposal the mortgage bankers have put forward for years without success. This year, the MBA opposed a proposal for a dual interest rate system, and it failed to win Congressional approval. The dual system had been proposed by HUD. It provided for a free market rate without any discounts, or a rate set administratively with points. The MBA objected to the "no discount" approach.

In his address to the MBA convention, HUD Secretary George Romney complained that the mortgage bankers failed to support his proposal and that it was rejected as a result. Some MBA officials believe HUD will revive this scheme again in 1971.

"But," one high MBA staff aide still warns, "a free rate with no points is totally unacceptable to mortgage bankers."

—A.M.

Pennsylvania court says it again: you can't check population with zoning

The Pennsylvania Supreme Court has all but buried snob zoning under a ruling favoring one-acre plots.

The court threw in the final spadeful this fall when it insisted—again—that local governments and planners deal imaginatively with growing suburban populations and stop trying to zone them into some other community.

On Sept. 14 the court denied reargument of a 4-3 ruling that a part of the Concord Township zoning code that imposed minimum two and three-acre lot requirements is unconstitutional.

It supported Kit-Mar Builders Inc., who had turned to the court after local zoners refused to downzone a 140-acre tract the builders wished to buy.*

Population issue. By denying reargument, the court strengthened its position that the large-

lot requirement was actually an attempt to hold population down—and, in so doing, made it more difficult for other Pennsylvania towns to maintain their multi-acre minimums.

The court rejected as "sheer fantasy" the town's claim that sewage disposal would be impossible on the one-acre lots Kit-Mar proposed.

"It is not for any township to say who may or may not live within its confines while disregarding the interests of the entire," wrote the majority. "If Concord Township is successful in unnaturally limiting its population growth through the use of exclusive zoning regulations, the people who would normally live there would have to live in another community. The requirement that they do so is not a decision that Concord Township should alone be able to make."

Right to Rule. It is a similar point that divided the judges. The dissenters questioned whether the court had the

right, except in cases of proven injury, to decide how a town can zone its land.

Wrote one, citing a 1958 opinion of the court that upheld one-acre zoning, "with respect to zoning enactments, judges should not substitute their views for those of the legislators as to whether the means employed are likely to serve public health, safety, morals or general welfare."†

Although it has not been unanimous in its opinions, the Pennsylvania Court has been consistent—and virtually alone—in the last five years in rejecting all attempts to impose exclusionary zoning.

In an opinion filed just days before Kit-Mar, the court denied a plea by the Town of Nether Providence to keep itself apartment-free.**

† Bilbar Construction Co. v. Easttown Township Board of Adjustment, 393 Pa. 62, 141 A.2d 851 (1958).

** Joseph Girsh v. Nether Providence Board of Adjustment, 437 Pa. 237 (1970).

Some apartments. Here, too, the court said the town's failure to provide for apartments "zoned out" the people who would be able to live there if apartments were available.

The court added, however, that it does not suggest that a municipality must provide for all types of land use.

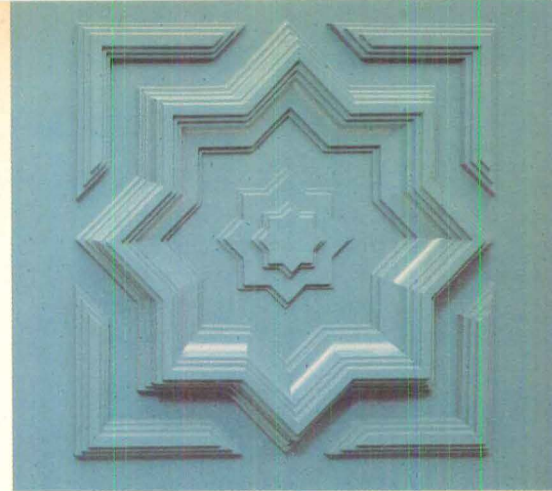
National land. Opinions on both cases relied heavily on the court's 1965 National Land ruling that ended an attempt to impose four-acre zoning. (NEWS, Feb. 66).

The court later provided a way for developers to deal with a growing population by permitting planned unit development under standard state zoning laws (NEWS, June 68).***

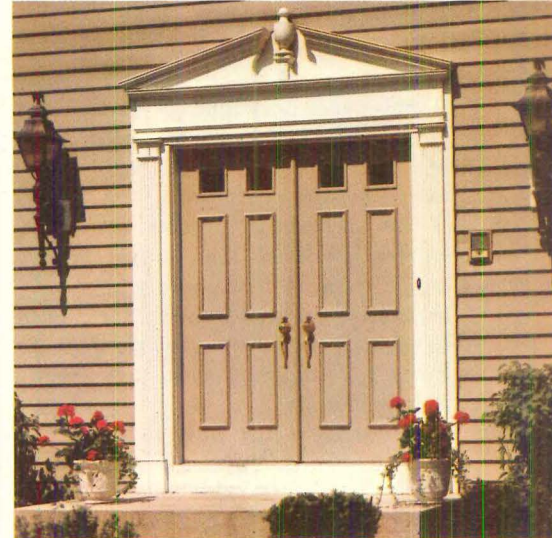
In its recent decisions, the court pointed to this 1968 ruling and suggested that local zoners take advantage of it.

*** National Land & Investment Co. v. Easttown Township Board of Adjustment, 419 Pa. 504, 215 A.2d 597 (1965).

* Kit-Mar Builders Inc. v. Concord Township Zoning Board of Adjustment, 439 Pa. 466 (1970).



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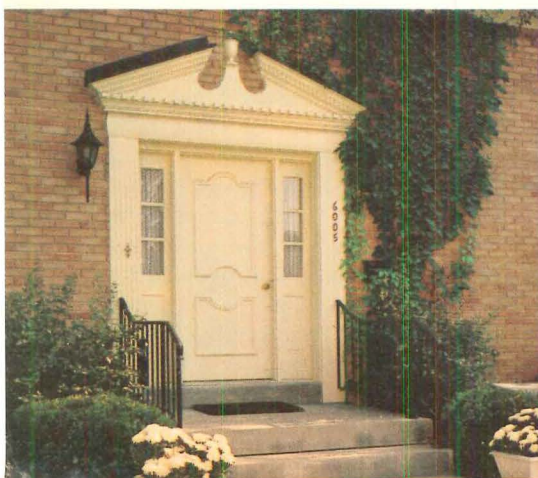
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U.S. Patents No. 3,153,817; 3,273,287; 3,238,573; 3,426,479. Patented in Canada 1965, 1966; and in United Kingdom 1962. Other patents pending.

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CIRCLE 70 ON READER SERVICE CARD



New mortgage market starts funneling money to builders next month

By mid-January the conventional mortgage will have its first true secondary market.

There will be standardized forms, uniform rules, and a central bank to handle the transactions.

The Federal National Mortgage Assn. has issued the rules under which private lenders can buy and sell conventional loans from the association, which acts as the central mortgage bank.

And Fanny May, out front with its market for conventionals, will be joined later in 1971 by the Federal Home Loan Mortgage Corp., which will have a similar operation.

The secondary markets for conventionals, so long sought, are regarded by many mortgage experts as an important device to smooth the flow of mortgage funds to builders during tight money periods.

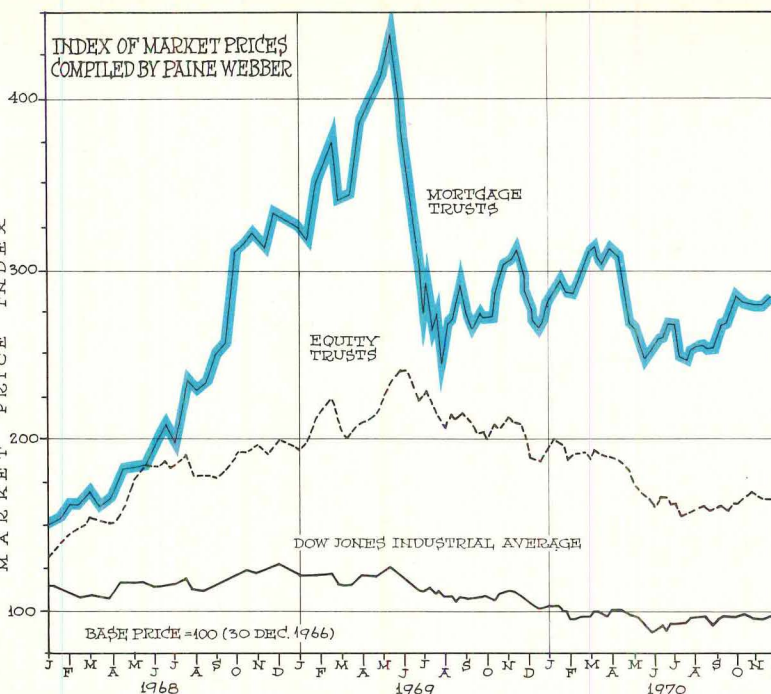
Differences. Just how much money will be made available by FNMA for its new conventional operation is unknown, but Fanny May's overall emphasis will remain with its FHA and VA markets. The FHLMC, on the other hand, will concentrate on its secondary market for conventionals, although it will deal in FHA-VA loans.

Programs will be similar for both corporations, with minor differences. Preston Martin, chairman of the Federal Home Loan Bank Board, indicates, for instance, that the FHLMC's operation will include a participation loan scheme.

Martin says the FHLMC will be "truly a secondary market, not a warehouse, but offering mortgages and participations for sales." He also notes that the FHLMC will sometimes raise capital through advances from the regional Federal Home Loan Banks, which own the new secondary market corporation.

A conventional auction. Fanny May's conventional operation will imitate the already successful secondary auction for FHA and VA loans. A 62-page sellers and servicers' guide details the program.

Seller-servicers will need at least \$100,000 in net worth. They are required to have the staff and procedures to administer a conventional loan administration program. Servicing fees will be $\frac{3}{8}$ of 1%—the same as



for servicing on FHA and VA loans.

An auction will be developed, but it won't operate as regularly as Fanny May's bi-monthly auctions for FHA-VA loans. Says the guide:

"On a periodic basis to be announced from time to time, FNMA will issue a notice stating the aggregate amount of funds

it will make available during the related offer period for the purchase of conventional home mortgages on a national basis.

"The notice will specify the maximum amount that may be submitted by any one seller (competitively or non-competitively), and the beginning and closing dates of the offer period."

Critic of FNMA gets an answer—from his boss

BLACKSTONE STUDIOS

This defense of the Federal National Mortgage Assn. is written by Ernest E. Rutgers, chairman of the board of Rutgers & Co., the New York City mortgage brokerage that makes a market in GNMA securities. Clarence Ostema, who wrote last month's critique of FNMA, is a Rutgers vice president.



BROKER RUTGERS

Four square for Fanny May

Rutgers & Co. has its Agnew.

To keep the record straight, Rutgers and Co. does not agree with Clarence Ostema's views and for this reason refused to allow its name to be used in the article.

Much of what Clarence said has merit, but we cannot go along with the conclusion that FNMA should be abolished. Whether it is fulfilling the role of a secondary market for which it was originally created or some variation, the fact remains that it is performing a necessary function which no other institution is equipped to perform. Without it we would have

chaos. To recreate it would be an impossible task.

An institution like FNMA, just like many other major institutions in this country, is a product of its times. Despite many surface frailties, they are deeply rooted in the workings of our economic system and all we have to do is perform radical surgery to find out how essential they are.

So we cheer Clarence's courage to speak out and we share his enthusiasm for the new GNMA certificate program, but let's not eliminate FNMA.

Bidding by yield. Offers of conventional loans will be received from sellers based on the yields, rather than price as in the FHA market. So no interest rates will be announced in the notices.

Fanny May will still let sellers decide not to deliver loans, even if FNMA issues a commitment. But the corporation will not extend commitments. Mortgages for which FNMA has issued a purchase commitment must be delivered within the commitment period, if at all.

Unlike the present auction for government-insured mortgages, which has three commitment periods (90-days, six months, and one year), the conventional program—at least at the outset—will have just one: six months, to cover both proposed or existing construction.

Fees. Fanny May's fees on the conventional mortgage program include an offer fee of 1/100th of 1% of the amount of funds requested in the offer. This fee is non-refundable. Also, if FNMA issues a commitment, the seller-servicer must pay an additional fee of $\frac{3}{4}$ of 1% for the six-month commitment.

The corporation will require stock purchase in the same manner as with its present system. Under the conventional market setup, sellers will have to buy stock equal to $\frac{1}{2}$ of 1% of the amount of funds committed. When the loans are finally bought by Fanny May, the sellers must purchase an additional $\frac{1}{2}$ of 1%.

Loans eligible for purchase must have at least 10 years to run, and the original term must not exceed 30 years. The unpaid balance of the mortgage at the time of delivery to FNMA may not be less than \$10,000 or more than \$33,000.

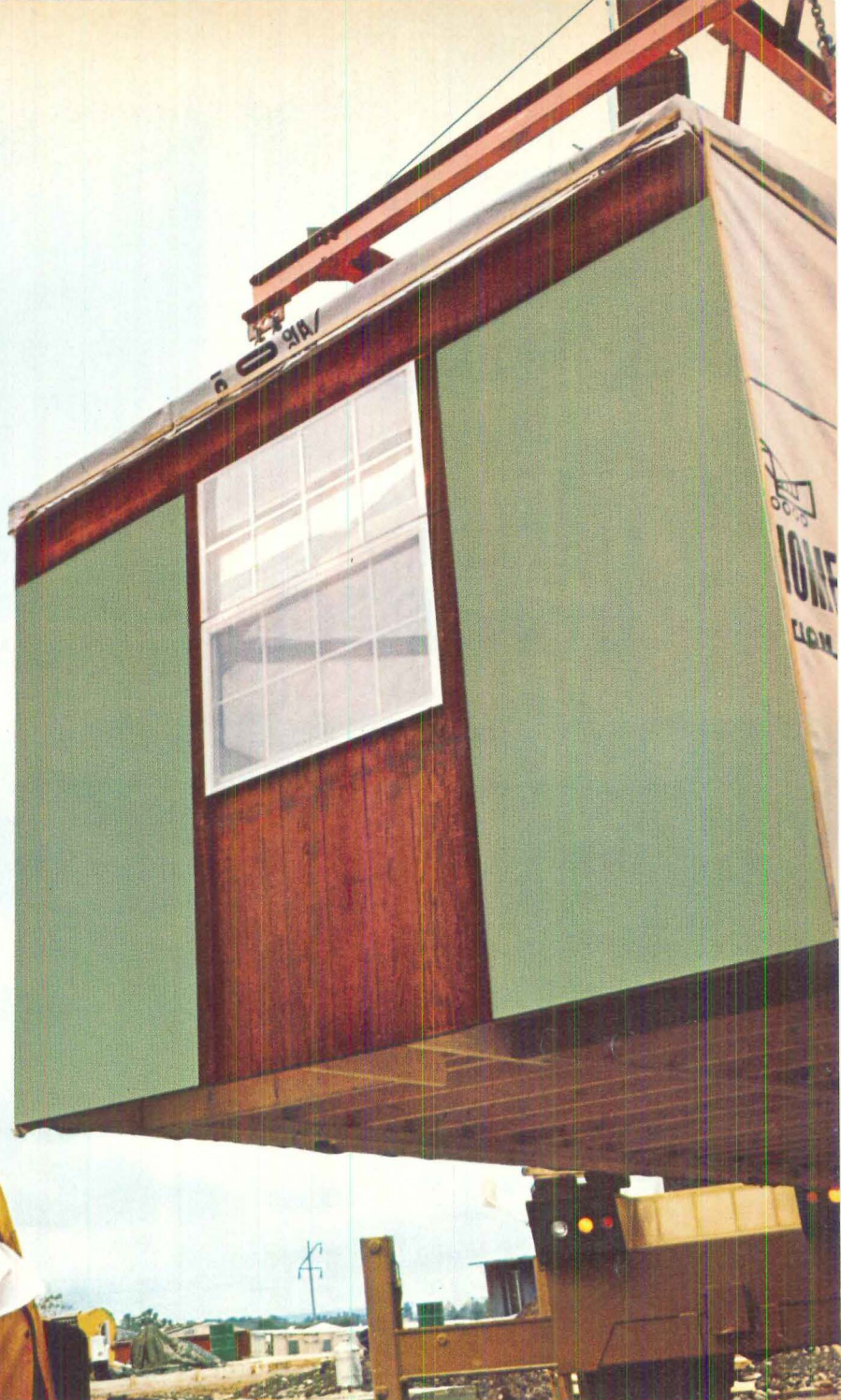
Value ratios. Loan-to-value ratios on eligible conventional loans cannot exceed 75%, except under certain conditions. Among them:

- If the unpaid principal in excess of 75% of value is insured or guaranteed by an acceptable private insurer.

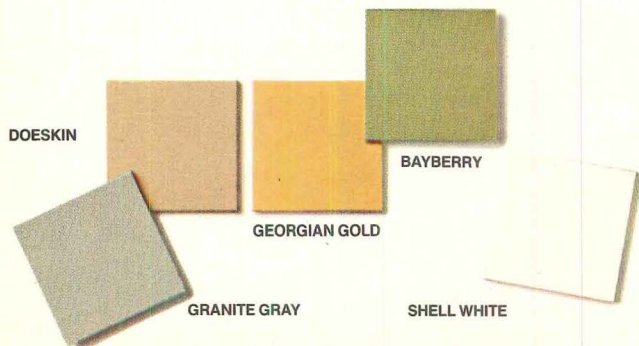
- If the seller agrees to repurchase the mortgage from FNMA in the event of default by the borrower before the unpaid balance is reduced to 75% of value.

—A.M.

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*Du Pont's registered trademark for its polyvinyl fluoride film.

Here are 11 free ideas on high density from PPG.



1 The patio kitchen. Kitchens can be given a new dimension with a layout like this to permit serving to the outdoors.



4 The light "stealer." Clerestory glass (upper right) borrows light from this cheerful living room for an adjacent bedroom.



5 The bright bath. Good overhead lighting and canted wall mirrors brighten this bath and give it an illusion of more space.



6 The cheerful dinette. A window wall and a glass return wall offer bright but intimate views of a private court.

You can get hundreds more for just 6¢.

If you'd like more ideas for your high-density plan, send the coupon for PPG's new 48-page, full-color brochure—"PPG Lifestyle/70s." See how PPG *Twindow*® insulating glass, *High-Fidelity*® mirrors, *Herculite*® K tempered safety glass and PPG tinted glass can open up your plans—open up the potential for sales, rental and profits.

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9 The glass A-frame. Glass walls of an A-frame fourplex unit wrap around an enclosed courtyard to provide indoor-outdoor living with complete privacy.



2 The front-door merchandiser. A totally glass enclosed vestibule and waiting room in an apartment building are unique design details that can be a successful front-door merchandiser.



3 The year-round pool. A retractable glass wall creates an indoor-outdoor pool; makes year-round bathing possible.

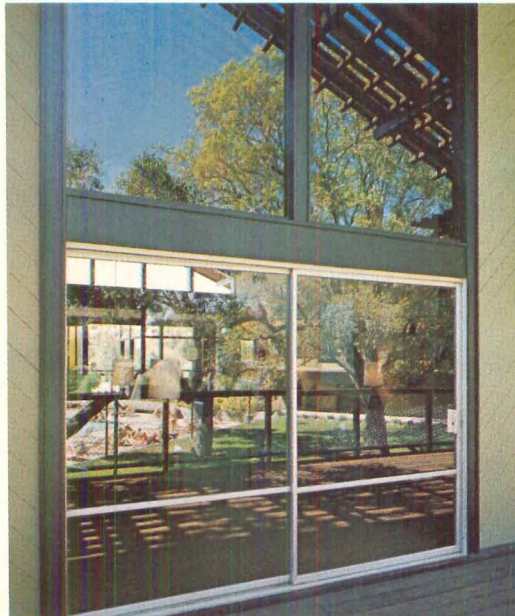


7 The spacious owner's suite. A full structural mirror wall in this townhouse bedroom doubles the spaciousness.

8 The sunlit townhouse. This entire two-story townhouse plan is designed around a glass-enclosed atrium-type courtyard. ▶



10 The dramatic stairwell. A private court turns inward to brighten this entry and stairwell, as well as inside rooms.



11 The effective environment. Glass walls overlook a private patio and pool. An effective technique for merchandising the environment.

KEY TO PHOTOS: 1, 8: Coronado Cays, San Diego, Calif. Developers: Cedric Sanders Corp. and Signal Properties, Inc. 2, 6, 11: Oak Creek, San Francisco, Calif. Developer: Gerson Bakar & Assoc. 3: Sixty-01, Seattle, Wash. Developer: W-O Associates. 4, 5: The Meadows, Los Angeles, Calif. Developer: Ring Brothers Corp. (a subsidiary of Monogram Industries, Inc.) 7: The Bluffs, Newport Beach, Calif. Developer: George M. Holstein & Sons. 9: L'Atriums, Dallas, Texas. Developer: Devane Clarke & Assoc. 10: University Park/Village Three, Los Angeles, Calif. Developer: Stanley C. Swartz Co.

PPG is Chemicals, Minerals, Fiber Glass, Paints and Glass. So far.



CBS network stretches into housing with a 49% purchase of Jim Klingbeil

The Columbia Broadcasting System has diversified into the building industry by purchasing a 49% interest in the Klingbeil Co., Columbus, Ohio.

CBS paid \$10 million cash for its share of one of the nation's largest developer-managers. It holds an option to buy it all in 1975.

Klingbeil has built more than 12,000 units in nine states. These include garden apartments, townhouses, and, a growing part of the Klingbeil operation, housing projects under the FHA 236 interest-subsidy program.

Its 1969 construction volume was \$30 million.

The CBS program. CBS, with 1969 net sales of \$1.16 billion, has expanded so far into motion pictures, publishing, toy making, recording, and baseball.

It owns the New York Yankees.

Klingbeil is the broadcaster's first housing venture. CBS was attracted, a statement said, because it wants a part in meeting what it believes is one of the nation's most pressing needs—enough satisfactory housing.

Klingbeil's quest. It has been known for some time that Klingbeil Company's young president, James D., was looking to sell the company or take it public. Why he came to terms with CBS is not known—and no one is saying.

The CBS-Klingbeil agreement has left the Council of Housing Producers, an organization of the country's 13 largest housing producers, with only one independent, the Perl-Mack Companies of Denver.

Plywood accord. U.S. Plywood-Champion Papers Inc. has

agreed in principle to buy Carl M. Freeman Associates Inc. and four related companies.

If the deal is approved, U.S.

future earnings and stock prices. Based on current values, the price tag should be about \$15.9 million.

The Freeman group, based in Silver Spring, Md., builds single- and multifamily dwellings, commercial buildings, and planned communities.

U.S. Plywood, a forest product manufacturer, also develops land and builds houses.

Mosser merger. U.S. Financial of San Diego, Calif., and Mosser Construction Inc., Fremont, Ohio, have agreed in principle to merge for an exchange of stock.

Mosser is a leading midwestern builder. U.S. Financial, active in virtually all facets of the shelter industry, designs, produces, markets, and finances all types of housing. It has 90 projects in six states.

WILLIAM R. EASTABROOK



JAMES D. KLINGBEIL
Teaming up with a giant

Ply. will pay up to 586,000 shares of common stock; the number will be determined by

Centex buys Foster City for \$15 million—pledges to complete development

Centex Corp., which once backed away from a purchase of part of San Francisco's Foster City, has just bought the 2,600-acre development for \$15 million.

In taking control, the large Dallas builder-developer eased the lagoon community's upstream struggle for survival against financing and resident unrest (News, Feb.).

Three Foster brothers, sons of the city's founder Jack Sr., retain some commercial property and various ground leases. Centex has taken over 1,500 acres of developed and undeveloped land through a subsidiary, Centex West Inc.

Foster City is the first of two major acquisitions Centex has made recently. It also purchased for stock the Great Lakes Development Co., a privately held recreational land company with operations in Northern California.

Building plan. Foster City, built along lagoons of San Francisco Bay at San Mateo, now has some 2,400 single-family homes and townhouses in the \$24,000 to \$60,000 range, 575 occupied apartment units and 644 under construction, and a partially-filled industrial park.

About 320 acres are reserved for industry, schools, parks, and commercial buildings; some 1,400 remain for development.

Foster City is one-third completed, but Frank M. Crossen, president of Centex, has pledged to do everything possible to

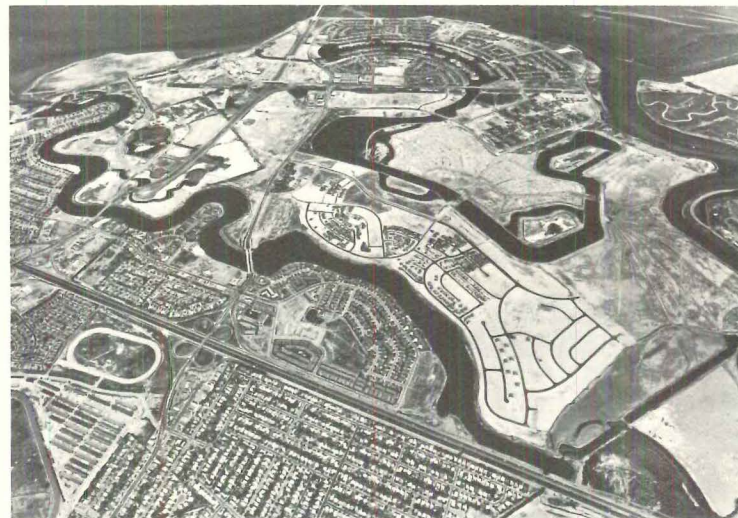
complete development.

"We intend to work closely with builders who have purchased lots, residents, the San

Mateo County Supervisors, and the Estero Municipal Improvement District to insure continuation of plans for a high quality community," he said.

Tax solution. The California legislature created the Estero district to allow Foster City to issue bonds to finance its development. This unconventional method of financing—combined with tight money—was responsible for much of Foster's financial woe.

Residents now hope to incorporate the district as a city so it can collect taxes.



The Island of Blue Lagoons, a Foster City no longer owned by the Fosters, reaches into San Francisco Bay. A lagoon divides Foster City from San Mateo, in foreground.

A first: bonded new home warranty

Southern California builder M. J. Brock & Sons is offering the nation's first bonded new-home warranty against structural defects.

The five-year guaranty is bonded by Insurance Company of North America, like Brock, a subsidiary of INA Corp. of Philadelphia.

President M.J. Brock Jr. said he believes his company has

started a practice that will be standard in the homebuilding industry in four years: "Consumers will demand it."

"Most families make their largest investment in a home," he said. "Structural defects can be an economic catastrophe."

Brock says sales have doubled since the warranty—as yet not advertised—was introduced in September as a closing device.

At hand— a revolution in land development?

Stephen D. Moses, general manager of recreation Communities for Boise Cascade, to a New York investment forum:

"The land business is in the throes of a revolution that will force the demise of the build-and-run speculator and threaten responsible developers as well.

"In the next year there will be a major redirection on the part of some land companies as they respond to the genuine concern for proper environmental use of the land."



702

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New team takes over Great Southwest and arranges financial rescue

Great Southwest Corp. has negotiated an \$83 million refinancing package—including \$19 million in new money and \$64 million in debt extensions.

President Victor Palmieri of gsw announced the financing after his Los Angeles real estate counseling and investment firm, Victor Palmieri-Bruce Juell & Co., took command of the big land developer for a 60-day trial run. At that time Palmieri was named president of gsw, replacing Angus G. Wynne Jr., and Juell, vice president.

Wynne remains on the board of directors, but chairman William C. Baker and five other members have resigned.

Liquidity squeeze. Palmieri's appointment and the refinancing are apparent efforts to ease what Palmieri calls "frightfully large liquidity problems" that surfaced last summer after the Penn Central Transportation Co. entered bankruptcy proceedings.

Great Southwest is a 90%-owned subsidiary of the Pennsylvania Co., a subsidiary of Penn Central Transportation Co.

Great Southwest is in turn a holding company for Macco Corp., Newport Beach, Calif., and Six Flags Inc., Arlington, Tex., which develop land and amusement parks respectively.

Palmieri admits the new package solves only the short-term problems and will not halt retrenchment at gsw. It had a long-term debt of \$114 million listed in its 1969 annual report.

The company has already sold its best residential land—owned by Leadership Housing Systems division of Macco Corp.—to Cerro Corp. The remaining real estate, some 35,000 acres, has been on the block since July.

Development role. Palmieri hinted, however, that he might attempt joint ventures on some of the land and thus preserve the gsw-Macco role as a land developer.

"There is no question gsw's liquidity problems will require further retrenchment," he said. "But it remains to be seen whether that will require the sale of most assets (Macco's land) or whether we can joint

venture with other companies." Palmieri said several companies have indicated some interest.

Such ventures might not be an easy matter. Most of Macco's 35,000 acres are raw land divided into a half dozen large parcels. Among them are the 4,000-acre Coto de Caza, adja-

cent Mission Viejo in Orange County; 14,000 coastal acres near Santa Barbara; the 4,000-acre River Lakes property along the Sacramento River and the 640-acre Porter Ranch in the San Fernando Valley.

—BARBARA LAMB
McGraw-Hill World News,
Los Angeles

All building halts at El Dorado Hills

All lot sales and home construction have been suspended at the 9,800-acre El Dorado Hills planned community 25 miles east of Sacramento.

Sierra Pacific Properties of Boston, a subsidiary of John Hancock Mutual Life Insurance Co., called the halt. It wants to take another hard look at the troubled project.

A spokesman said "reduction in work forces at nearby defense industries, high interest rates, and a shortage of mortgage funds made it impossible for the development to gain enough momentum to operate at a profit."

The dream. The community, planned to house 75,000 in 12

villages, has only 2,000 in 500 homes.

Eldorado Hills was begun 10 years ago amid a booming economy in Sacramento with design by some of the nation's top planners—Victor Gruen & Associates did the site plans and Robert Trent Jones the two golf courses.

And the reality. But the economy fell off, and two years ago El Dorado's founder and principle stockholder Allen H. Lindsey, sold it to John Hancock.

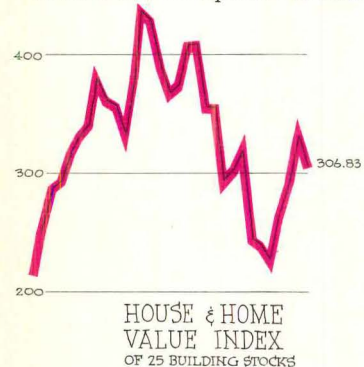
There was talk then of "accelerated activity," but it has not occurred.

—TOM ARDEN
McGraw-Hill World News,
Sacramento

Housing stocks down

HOUSE & HOME's index of 25 housing stocks fell to 306.83 from 332.07 in the month ended Nov. 4. It was the first drop after three months of gains. Stocks on the index are indicated by bullets (•) in the tables at right.

Here's the composite index:



SHARE PRICES OF JANUARY 1965 = 100

How top 5 did in each group:

| | Nov. '69 | Oct. '70 | Nov. '70 |
|----------------------|----------|----------|----------|
| Builders | 503 | 412 | 388 |
| Land develop. | 633 | 443 | 408 |
| Mortgage cos. | 594 | 558 | 547 |
| Mobile homes | 850 | 702 | 630 |
| S&Ls | 193 | 157 | 139 |

HOUSING'S STOCK PRICES

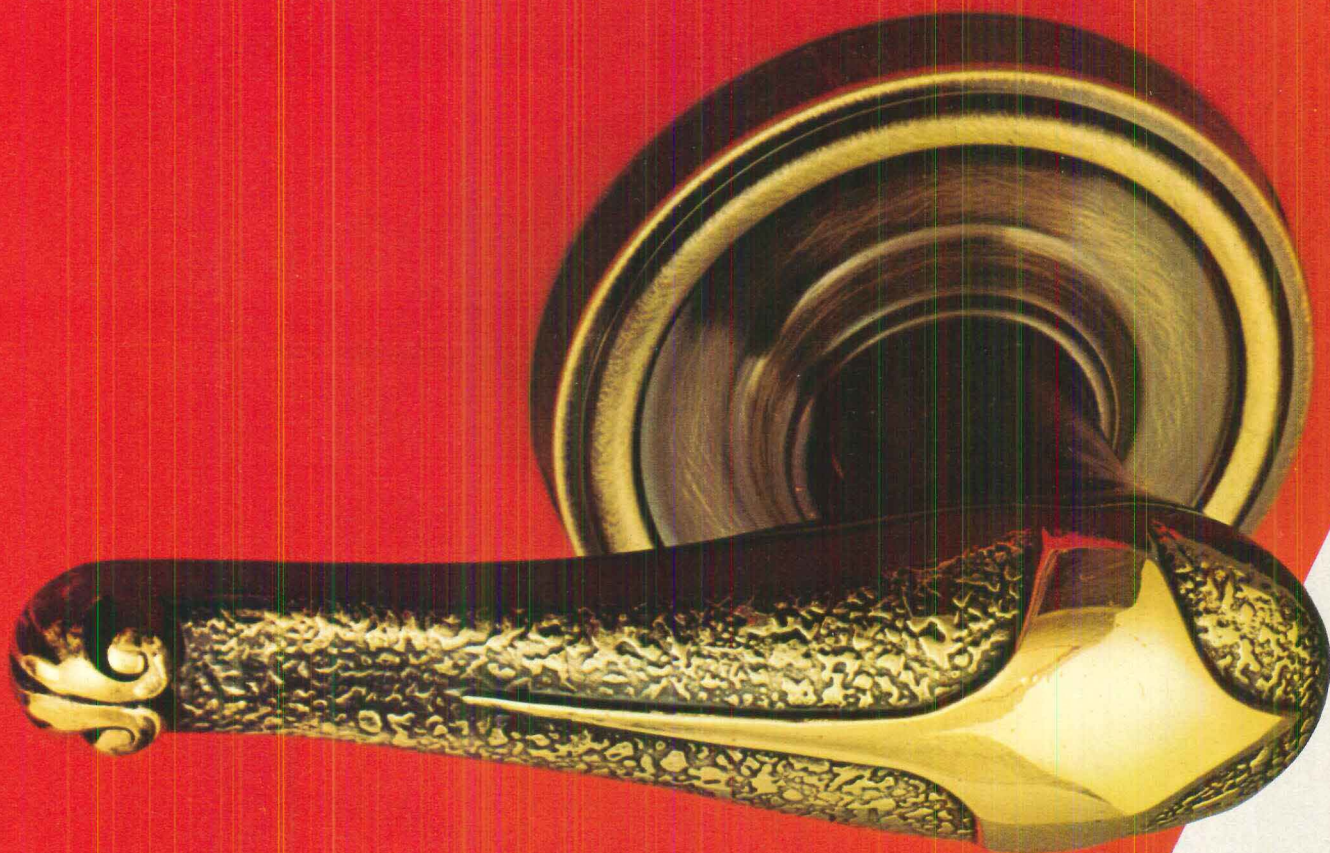
| COMPANY | Nov. 3 Bid/Close | Chng. Prev. Month |
|-------------------------------------|------------------|-------------------|
| BUILDING | | |
| Behring Corp. a,b | 17 | |
| Bramalea Cons (Can.) | 2.87 | - .50 |
| Capital Divers (Can.) | .93 | - .12 |
| Centex Corp. | 31 3/4 | + 3 3/4 |
| Christiana Oil b | 8 3/4 | - 2 1/2 |
| Cons. Bldg. (Can.) | 1.00 | - .20 |
| Dev. Corp. Amer. | 16 1/4 | + 2 1/4 |
| Dev. Int. Corp. | 10 3/4 | + 3 1/2 |
| Edwards Indus. | 7 1/2 | + 1/4 |
| First Hartford Rlty. | 5 | - 3/4 |
| First Nat. Rlty. b | 2 1/2 | - 7/8 |
| Frouge | 1 1/2 | - 1/2 |
| •General Bldrs. b | 4 1/2 | - 1 1/2 |
| •Kaufman & Bd. c | 39 1/2 | + 1 1/2 |
| Key Co. b | 6 1/2 | - 3/8 |
| (Kavanagh-Smith) | | |
| Leisure Technology Corp. b | 15 | - 4 |
| H. Miller & Sons | 6 | + 3/8 |
| McGrath Corp. | 5 1/2 | |
| National Environment (Sproul Homes) | 1 3/4 | - 3/8 |
| Nationwide Homes | 7 1/4 | + 1 1/2 |
| •Presidential Realty A b | 10 | + 1 |
| Presley Development | 20 1/2 | + 3/4 |
| Pulte Homes | 10 1/4 | + 3/4 |
| Ryan Homes | 47 | + 3/8 |
| Shapell Industries | 16 3/4 | - 3/4 |
| Standard Pacific Corp. b | 5 3/8 | - 1 3/4 |
| U.S. Home & Dev. b | 33 1/2 | + 3/4 |
| •Jim Walter c | 29 | - 3 1/4 |
| •Del E. Webb c | 8 3/8 | - 1 1/2 |
| Washington Homes | 6 1/2 | - 3/4 |
| Western Orbis b | 4 | - 1 1/2 |
| S&Ls | | |
| American Fin. | 14 3/4 | - 2 3/4 |
| Calif. Fin. c | 7 3/4 | - 7/8 |
| Empire Fin. b | 14 | + 3/4 |
| Far West Fin. c | 12 | - 2 1/2 |
| •Fin. Fed. c | 13 3/8 | - 2 3/8 |
| •First Char. Fin. c | 37 1/2 | - 5 1/2 |
| First Lincon Fin. | 3 3/8 | - 1 1/2 |
| First S&L Shares b | 15 1/2 | + 1 1/4 |
| First Surety | 3 1/8 | - 1 3/4 |
| First West Fin. | 2 1/2 | - 3/8 |
| Gibraltar Fin. c | 19 1/4 | - 1 1/2 |
| •Great West Fin. c | 20 1/2 | - 1 1/2 |
| Hawthorne Fin. | 8 1/4 | - 2 |
| •Imperial Corp. c | 11 1/2 | - 1/4 |
| •LFC Financial (Lytton) c | 4 3/4 | - 1 1/2 |
| Trans-Cst. Inv. | 6 3/4 | - 1 1/2 |

| COMPANY | Nov. 3 Bid/Close | Chng. Prev. Month |
|--|------------------|-------------------|
| TRANS WORLD FIN. | | |
| Trans World Fin. c | 9 3/4 | - 3/8 |
| Union Fin. b | 7 3/4 | - 1 3/4 |
| United Fin. Cal. c | 7 3/8 | - 1 1/2 |
| Wesco Fin. c | 16 1/2 | - 2 3/8 |
| MORTGAGE BANKING | | |
| Charter Co. | 16 1/4 | + 4 1/4 |
| •Colwell b | 18 1/4 | - 4 3/4 |
| •Cont. Mtg. Investors c | 17 3/4 | - 1/4 |
| Cont. Mtg. Insurance | 22 3/8 | + 4 5/8 |
| Excel Investment | 9 1/4 | - 1/8 |
| FNMA c | 54 | - 2 1/2 |
| First Mtg. Ins. Co. | 7 1/4 | - 1 |
| •First Mtg. Investors c | 22 1/4 | - 1 |
| •Lomas & Net Fin. | 10 | - 1/4 |
| •MGIC Invest. Corp. c | 59 | - 1/2 |
| Mortg. Associates | 20 1/2 | + 1/4 |
| Mortg. Trust of Amer. | 18 | + 3/8 |
| North Amer. Mtg. Inv. b | 21 3/4 | - 1 3/4 |
| Palomar Finan. | 6 3/4 | + 1/4 |
| UIP Corp. b | 3 3/4 | - 3/4 |
| (United Imp. & Inv.) | | |
| LAND DEVELOPMENT | | |
| All-State Properties | 3/4 | + 1/8 |
| American Land | 1 1/2 | - 1/2 |
| •AMREP b | 29 3/8 | - 2 1/2 |
| Arvida | 7 3/8 | - 1 1/8 |
| Atlantic Imp. | 13 | - 4 |
| Canaveral Int. b | 5 | - 1 |
| Crawford Corp. | 4 1/4 | + 1 |
| •Deltona Corp. b | 27 | - 3 3/8 |
| Disc Inc. | 2 3/4 | - 1 |
| Don the Beachcomber Ent. (Garden Land) | 6 3/4 | - 3/4 |
| FPA Corp. (Fla. Palm-Aire) | 8 | + 3/4 |
| •Gen. Devel. c | 20 | - 2 3/8 |
| •Holly Corp. b | 13 1/4 | - 3/8 |
| Horizon Corp. | 29 1/2 | - 2 1/2 |
| Major Realty | 5 1/2 | + 1/4 |
| •McCulloch Oil b | 33 3/8 | - 3/8 |
| Scientific Resources c (Sunasco) | 4 3/8 | - 1 3/8 |
| So. Rlty. & Util. b | 4 1/2 | - 3/4 |
| DIVERSIFIED COMPANIES | | |
| Boise Cascade c | 49 3/8 | - 3 3/8 |
| Citizens Financial b | 11 3/8 | - 1 1/2 |

| COMPANY | Nov. 3 Bid/Close | Chng. Prev. Month |
|-----------------------------------|------------------|-------------------|
| MOBILE HOMES & MODULES | | |
| City Invest. c | 14 1/4 | - 1/2 |
| CNA Financial c | 13 3/4 | |
| Cousins Props. | 31 1/2 | + 2 |
| Forest City Entr. b | 13 1/4 | - 3 3/8 |
| Great Southwest Corp. | 3 1/4 | + 1/4 |
| Investors Funding b | 10 1/2 | - 1 1/2 |
| Leroy Corp. c | 4 | |
| Midwestern Fin. b | 17 3/8 | + 2 |
| Rouse Co. | 29 1/4 | - 3 |
| Tishman Realty c | 15 1/2 | - 3 3/8 |
| MOBILE HOMES & MODULES | | |
| Con. Chem. Co. b | 7 3/4 | - 1/4 |
| •Champion Homes b | 29 | - 3/8 |
| Commodore Corp. b | 6 3/4 | - 3 |
| •Fleetwood c | 35 | - 1 1/2 |
| •Guerdon b | 15 1/2 | - 3/8 |
| Mobile Home Industries b | 14 3/8 | - 1 |
| Monarch Ind. c | 16 1/2 | - 1 1/4 |
| •Redman Indus. c | 21 1/2 | - 3 1/2 |
| Rex-Noreco b | 18 1/4 | + 1/4 |
| •Skyline c | 26 3/8 | - 4 3/8 |
| Town & Country Mobile b | 7 3/8 | - 2 1/4 |
| Zimmer Homes b | 12 | - 6 3/8 |
| Hodgson Houses | 3 3/4 | - 3/4 |
| Modular Housing Systems Inc. | 20 1/4 | - 1/4 |
| Nat. Homes A. c | 17 1/2 | + 5/8 |
| Shelter Resources | 11 | - 3 1/2 |
| Stirling Homex | 19 3/4 | - 3 3/8 |
| Swift Industries | 3 3/4 | - 3/8 |

a—stock newly added to table. b—closing price ASE. c—closing price NYSE. d—not traded on date quoted. g—closing price MSE. h—closing price PCSE. k—not available. —Computed in HOUSE & HOME's 25-stock value index. y—adjusted for 1-for-5 reverse split. z—adjusted for 3 for 2 split. NA—not applicable.

Sources: New York Hanseatic Corp., Gairdner & Co., National Assn. of Securities Dealers, Philip Beer of Russell & Saxe, American Stock Exchange, New York Stock Exchange, Midwest Stock Exchange, Pacific Coast Stock Exchange. Listings include only companies which derive a major part of their income from housing activity and are actively traded.



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Polyurea factory finish

Read about this window before you start your next job.

It could save you a pile of money and a whole lot of grief.

This window is the Andersen Perma-Shield® Narroline™—a contemporary version of the traditional double-hung.

The core is made of warm natural wood.

But all exterior surfaces, except the sash, are encased in a sheath of rigid vinyl. (Just like a coat of armor.) And the sash is protected by a special polyurea factory finish that won't chip, crack, peel or require painting for at least 10 years.

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With Perma-Shield Narroline, you don't have to pay a cent to have them painted. Less clean-up cost, too.

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You won't have people complaining that these windows are cold and drafty. Their unique combination of wood, vinyl, and welded insulating glass make Perma-Shield wonderfully snug and weathertight. (No storm windows needed.)

And, they're easy to operate, too. No sticking or binding. No changing shape with the weather. No rattling, leaking, or balking.

Very simply, they don't bug people. So people won't bug you.

Actually, we could go on forever telling you about Perma-Shield windows—how they come in 4 styles and hundreds of sizes.

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So, why not get the rest of the story from your nearest Andersen dealer. (He's in the Yellow Pages.) Or send for our free booklet.

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HH-120

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NEWS/PEOPLE

U.S. Home arranges to buy its 10th . . .

. . . company, that is.

The Jersey-based developer, described by financial analysts as one of the few still building profitably and expanding at the same time, has contracted to buy Ellis Suggs Construction Co. Inc. of Phoenix, Ariz.

The proposed purchase is part of U.S. Home's program to expand and diversify through acquisition of successful building companies.

U.S. Home chairman Robert H. Winnerman said Suggs shareholders will receive 100,000 shares of common stock plus additional shares based on Suggs' earnings in the next five years. The stock closed at 33 1/2 on the American Exchange the day agreement was announced.

Suggs, a builder of single-family homes and townhouses, is the fifth company U.S. Home has arranged to buy in the last 60 days. The others: Port Builders Inc., Clearwater, Fla.; Soble Construction Co., New Jersey; First Development Corp. of America,

Florida; and East Construction Co., Ohio.

All five purchases were subject to approval by U.S. Home stockholders.

Winnerman has predicted record year-end financial results. Earnings for the nine months ended Nov. 30 were reported at \$1.9 million, compared with \$1.2 million for the same period last year. The company earned \$2.3 million on revenues of \$52.5 million during the year ended Feb. 28, 1970.

WILBORN & FITZGERALD



U.S. HOME'S WINNERMAN
Onward and upward . . .

Another giant forms shelter group

American-Standard is the latest industrial titan to set up a full-fledged shelter division. Veteran builder William Lyon heads the operation as a new executive vice president of the parent company.

By organizing the division, American-Standard follows the steps of Boise Cascade and Weyerhaeuser.

Lyon is president of the William Lyon Development Co., a Standard subsidiary. He directs the new division from his own corporate headquarters in Newport Beach, Calif.

The parent, through Lyon

Development, builds single-family houses and develops recreational land and urban sites in the United States and Europe.

Lyon reported sales of \$50 million in 1969.

Kaiser Aetna's move. Another developer, Kaiser Aetna, is now working 200,000 acres in California and Arizona, and that is twice the size of its operation when it opened its doors two years ago.

So the company has set up a land development division under Charles E. Cobb Jr., who had been president of City Management Corp., developer of an urban center known as The City in California's Orange County.

Kaiser Aetna, with headquarters in Oakland, is a partnership owned equally by Aetna Life & Casualty and Kaiser Aluminum & Chemical. Its projects are Rancho California between Los Angeles and San Diego; Rancho Ventura in Ventura County; and two agricultural projects, Rancho San Luis near San Jose, and McCormick Ranch in Scottsdale, Ariz.

RICHARD PUCILLO



STANDARD'S LYON
Up the corporate ladder . . .

PRODUCTS '71

New Products from House & Home Advertisers

a timesaving guide to the 1971 NAHB exhibits

Builders attending the big sprawling NAHB convention in Houston next January will face a bewildering array of products, new and old, spread out over a huge exhibit area. Products '71 has been created by House & Home and its advertisers to organize your shopping tour of this impressive display and copies will be available free at the show.



see the best, newest, most exciting

This pocket sized guide to the exhibits is a collection of building products, materials, tools and equipment . . . in each case especially selected by the exhibitors themselves as being the best, the newest, the most exciting they will be offering in 1971. Each product will be handsomely illustrated in full color, described in detail and identified by company and booth number.

save time and steps

The order of presentation in Products '71 will be by booth sequence enabling you to move quickly and

efficiently through the aisles pinpointing just the specific products of interest to you.

The booth numbers will also be color coded to match the carpeting and banners that identify the different sections of the exhibit area. This means you can start your Products '71 tour at any exhibit and still save hours of time and thousands of footsteps.

can't make the show?

If you can't make the show this year you can use Products '71 to see for yourself just what the participating exhibitors are displaying as their

best, their newest, their most exciting. Every copy of Products '71, including those distributed at the show, will have two reader service cards so that you and your associates can request catalog information by mail.

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If you can't make the show, you can reserve a copy now by sending one dollar along with your name and address to Products '71, House & Home, 330 West 42nd St., New York, New York 10036. Your copy will be mailed immediately on publication in early January.

Be sure to attend the NAHB Convention in Houston: January 17-21, 1971

THAI-TEAK

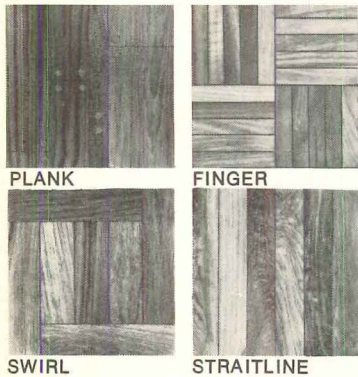
**helps sell homes
...and apartments, too!**

Thai-Teak makes a prestige floor with rich, full lifetime beauty that sells itself. It costs no more than many custom vinyls, many wood floors, many wall-to-wall carpetings ... in large installations.

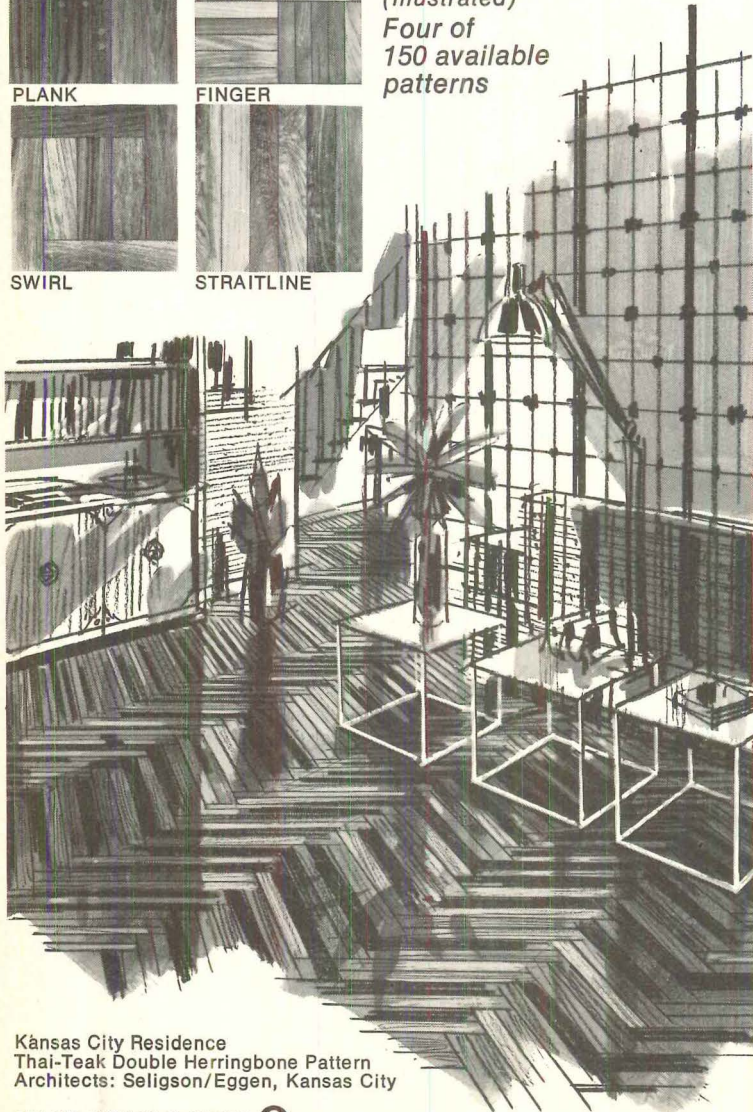
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NEWS/PEOPLE

San Francisco can rebuild skid row; tenants approve the relocation plan

It bowed to residents' demands, but the San Francisco Redevelopment Agency will build its Yerba Buena business and convention complex.

A federal judge has permanently lifted an injunction that halted the planned transformation of skid row. But before he permitted site preparation to resume, Judge Stanley A. Weigel waited for the agency and area residents to find a way to house dislocated dwellers.

The accord. Their agreement included three provisions:

- The San Francisco Housing Authority will provide 1,500 units of new or rehabilitated low-cost housing in three years or Judge Weigel will reopen the suit residents brought against the agency.

- A three-man arbitration panel will be set up to hear tenant complaints of unacceptable (not decent, safe, or sanitary) relocation housing. The tenants will appoint one member; the agency a second; and the tenants a third, to be selected from three nominees of the agency.

- The Redevelopment agency will refurbish five hotels in the area for displaced residents who wish to live in them until the 1,500 units are available. The remaining residents will be housed in the surrounding area, where there is a 10% vacancy rate.

The winner. The judge's action in lifting of the injunction that had halted work since April, is another victory for the agency chief M. Justin Herman. Herman has a reputation for surviving such battles—and for appeasing some citizens.

Two weeks before the judge issued this final ruling, he temporarily lifted the injunction and Herman had an even sweeter victory in sight. But he lost it when residents surprised just about everyone by rejecting a similar but weaker relocation plan.

HARTSOOK



SAN FRANCISCO'S HERMAN
Transforming skid row

At the judge's command the principals resumed negotiations and found the solution that satisfied everyone.

Business center. The \$200 million project will be developed by the local firm Schlesinger-Arcon/Pacific.

Selection of the firm was announced at the time Judge Weigel temporarily lifted the injunction. It was chosen on the basis of its financing program, development team, and development schedule.

Financing included issue of a public bond for \$95 million supported by income from the facilities.

The project is to be finished in 1975.

HUD has given it an honor award for urban design.

Park fee held unfair to home buyers

That is the welcome word to California home buyers and builders from the state's First Appellate District Court.

In a ruling expected to affect new residents of some 100 cities, the court overturned a Walnut Creek ordinance that required new buyers to pay an extra tax for parks they would have to share with older and nontaxed residents.

The ruling was sought by the Associated Home Builders of the

Greater Eastbay Inc. President Tom Gentry calls the decision a landmark and adds that the homebuilders' attorneys are beginning to file suits for damages and refunds against the other offending communities.

The association has filed suit against the city of Newark, Calif., to eliminate a tax applied to new bedrooms only. The AHB claims unequal treatment of new as against existing bedrooms.

We have great ideas going for you! Mellowood cabinets by Kitchen Kompact add up to a creative kitchen. A built-in wine rack is just one of the hundreds of features we can suggest to make your kitchen exciting.

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the story. More than 225 distributors cover the major market areas which means you get on-site delivery when you need it. There are many reasons why Kitchen Kompact is the number one cabinet manufacturer. Contact your nearest distributor. You'll find

him in the Yellow Pages. Or, write Kitchen Kompact, KK Plaza, Jeffersonville, Indiana 47130.



IMAGINATION!



FHA Section 235 stirs up a debate between NAHB and NAREB

Briefly, NAHB feels that the government subsidy program should be aimed almost entirely at creating new for-sale housing, and that it should be open to moderate as well as low-income families. NAREB, on the other hand, would like to see the program

The solution to the nation's housing shortage is simple: produce more houses.

Essentially, that concept was the basis for Section 235 approved in the Housing Act of 1968.

It is as valid today. Section 235 was intended to enlarge the supply of new homes for low and moderate income families, to put jobless skilled craftsmen to work, and bolster the industry's economy by using new materials and equipment.

Production is the key.

The House Report accompanying the Housing Act of 1968 said of the Section 235 program:

"In order to achieve the substantial increase in the number of dwellings available to low and moderate-income families that is sorely needed, the committee expects that assistance under this new program will be oriented toward new or substantially rehabilitated units. . . The existing supply of good, low-cost housing is entirely inadequate and shows little tendency to improve without the impetus a program such as this can give it."

Now the income eligibility limits are under attack by those who would divert more of the program's funds to the financing of existing housing.

That can only lead to further inflated prices for used homes, cripple the effort to expand supply, and dampen the economy.

Its effect would be to bar substantial numbers of otherwise eligible homebuyers from the opportunity to purchase a newly-built home.

The ultimate effect will be destruction of the program.

The income limits were not arrived at lightly; they were the result of lengthy examination in committees and floor debate.

They have been working remarkably well. Production has increased; skilled craftsmen have been put to work; manufacturers' productive machin-



BARBA

ery has been put in gear; thousands more families are enjoying decent homes, and the nation has moved a step toward meeting its housing goals.

Consider the family and income range this program attempts to serve. Almost 81% of all families receiving assistance under Section 235 through June 30 had a gross annual income of less than \$7,000; 93.1% had a gross annual income of less than \$8,000. The median gross income for all such families was \$5,650.

NAHB has no objection to providing the Secretary of Housing and Urban Development with discretionary authority to allocate a reasonable portion of Section 235 funds (he has suggested 15%) to existing housing.

But to propose that eligibility be further tested by the "100 percent Sec. 203(b) median mortgage formula" would destroy the program's viability.

HUD Secretary Romney described a similar formula as "not a workable proposal."

The proposal would lump median mortgages for both new and existing houses. The composite median would vary greatly from area to area, from month to month, and in all cases would be heavily weighted toward existing older housing.

As Secretary Romney has said, "a composite median would virtually preclude activity in new construction under Section 235 in many areas."

He has taken care of the problem administratively, instructing that no family qualified under Sec. 203(b) will be approved for subsidy. Thus, specific cases with the same factors of income, assets, and credit history can be considered individually.

The central point is this: in terms of enlarging the housing supply, providing jobs, using more materials, and reaching the nation's housing goals, the bulk of assistance under Section 235 should be channeled into new construction.

We cannot lick our housing shortage by playing musical chairs with existing supply.

include more existing housing, but restrict it to low-income families. The two positions are presented below by Louis R. Barba, president of NAHB, and H. Harland Crowell Jr., chairman of the Realtors' Washington Committee of NAREB.

It is most regrettable that the efforts of the National Association of Real Estate Boards to insure a more effective administration of the



CROWELL

Section 235 program, to confine the benefits to the low income families for which it was designed, have been misinterpreted as an attack against housing production.

We are receiving almost daily reports from Realtors that many families whose incomes would readily enable them to purchase adequate housing on the private market without federal subsidies are taking advantage of the Section 235 program to obtain more expensive new housing, often at less cost. Consequently, it is apparent that an income test alone is insufficient to identify those families who truly need some federal assistance in order to own a home.

NAREB therefore proposed, and the House Banking and Currency approved, an *additional test* for determining the eligibility of any family to receive assistance payments under the Section 235 program.

Under this test, any family which would qualify for the regular FHA Section 203(b) unsubsidized mortgage in an amount equal to or greater than the median mortgage insured under the Section 203(b) program in the particular area for the last preceding three-month period for which such figure is available could not, regardless of its eligibility under the income test, receive Section 235 benefits.

This additional test is consistent with the primary objective of the Section 235 program—to make home ownership a meaningful possibility for lower-income families who cannot afford ownership without some assistance.

Another amendment recommended by NAREB would authorize a 30% allocation for existing housing under Section

235. The Congress has approved a 30% allocation, although HUD has administratively reduced this to 10%.

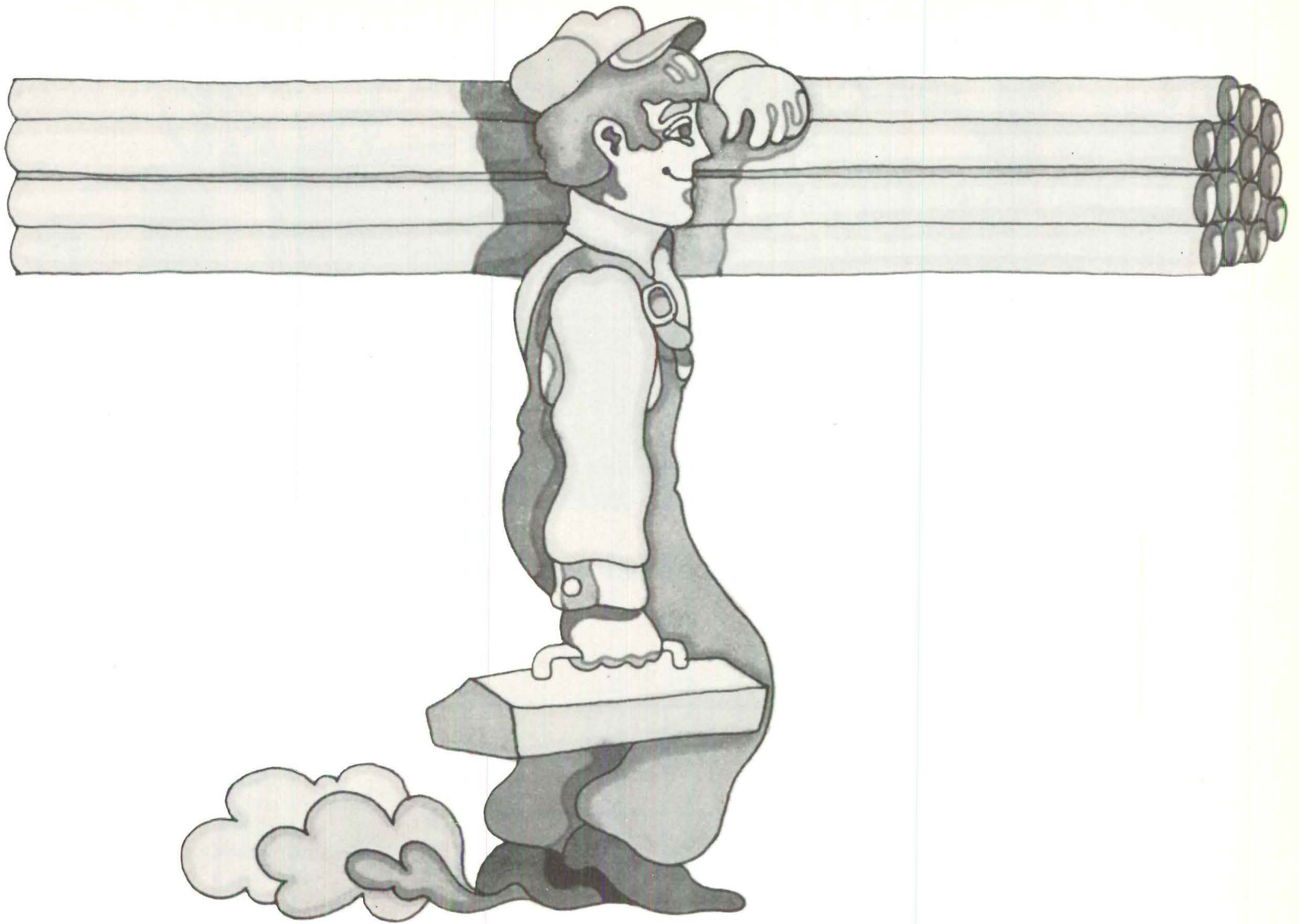
An eligible family of low income should not be denied the benefits of this program because the home of its choice, adequate as to size and location, is not new. Because existing homes are generally priced lower than new construction, their greater use will benefit more low-income families.

The present 10% allocation has necessitated strict limitations on the use of Section 235 for existing housing, such as limiting benefits to only families having five or more minor children, or widows with three minor children. This is patently inequitable, and for this reason alone the allocation should be raised to 30%.

Crippling the market for modestly priced existing homes, because of the availability of Section 235 new construction, denies to many families the opportunity to sell their house and use the equity to purchase a new unsubsidized home. Moreover, the building of Section 235 houses in areas where great numbers of foreclosed homes stand empty in the hands of FHA with no system to market these under the program is not in the public interest.

We hear much eloquence about the problems of the inner city where new construction is almost nonexistent. Yet under HUD's arbitrary limitation of 10%, many families in the inner city with less than five minor children are denied the benefits of this program unless they decide to purchase a more expensive new home.

We reiterate that the Section 235 program was designed primarily to assist low income families to become home owners. NAHB and HUD officials contend that Section 235 is a necessary instrument for the revival of homebuilding. We have more confidence in the potential of this great industry than to consign its future to the twisting of purpose and direction of this limited subsidy program.



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Tubing manufactured from our hi-temp Geon CPVC is now covered by a standard. This standard permits code bodies to include thermoplastic systems for hot water distribution in building codes. It is the first thermoplastic pressure pipe to be approved for service conditions above 73 degrees F.

ASTM Designation D 2846-69T states in part: "These components comprise pipe and tubing, socket-type fittings, plastic-to-metal transition fittings, solvent cements, and adhesives. Requirements and methods of test are included for materials, workmanship, dimensions and tolerances, hydrostatic sustained pressure strength, thermocycling resistance, and solvent cement viscosity, joint strength, and shelf stability. The components covered by this specification are intended for use in residential and commercial, hot and cold, potable water distribution systems."

Now plumbing code officials can refer to a

recognized standard for a CPVC hot water distribution system. And not a minute too soon. Because piping made from our hi-temp Geon CPVC material is light in weight. It is easily fabricated. It is ideal for the booming industrialized housing market.

The standard, ten years of testing and 350,000 installations proved the maturity of the product. So if you've been waiting for this, or if you want to know more about hi-temp Geon vinyl, or if you want to know who makes the pipe, write B.F. Goodrich Chemical Company, Dept. H-20, 3135 Euclid Avenue, Cleveland, Ohio 44115.

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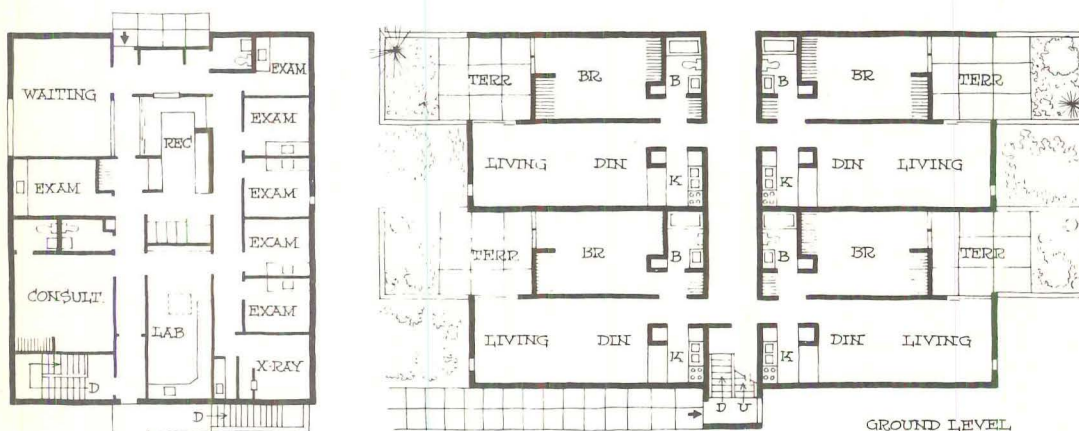




Here's a project that combines a professional building with apartments



Sections show one-story medical building (left), and 2½-story apartments with balconies or sunken terraces.



Floor plans show medical building (left), typical layouts for one-bedroom terrace apartments (right), with efficiency kitchens.

The key was the land. The owner, a doctor, wanted a new medical building for himself, and the property was ideally located for it—within a mile of downtown Dayton, and zoned for both office buildings and multifamily residential. But the site was also big enough (140'x253') for apartments. So the owner decided to go in both directions at once. In front, he put a one-story office building and in back, a 27-unit apartment project for a rental income.

Architect Richard Levin Associates designed both buildings to relate visually and be in proper scale with each other. Roof lines are repeated, even though the buildings are dissimilar. In addition, ample parking space is provided for both patients and tenants (photo, above). Apartment parking is on a 1:1 ratio.

The apartment units are tailored specifically for the young singles and working couples market. Rents ranged initially from \$125 to \$135 but have since gone up.

The medical building gives the doctor a long-needed office plus complete facilities for receiving patients (plan, middle left). Owner: Dr. Burt Schear; builder, Charles Vangrov & Son.



Apartment building on rear of lot was completely rented within two months after completion. Both buildings are of lightweight concrete brick.

Let your fingers do the talking.

Just point out the General Electric kitchen, laundry, heating and cooling appliances.

That reassures the customer's wife you're talking quality. You're selling goods she knows and trusts.

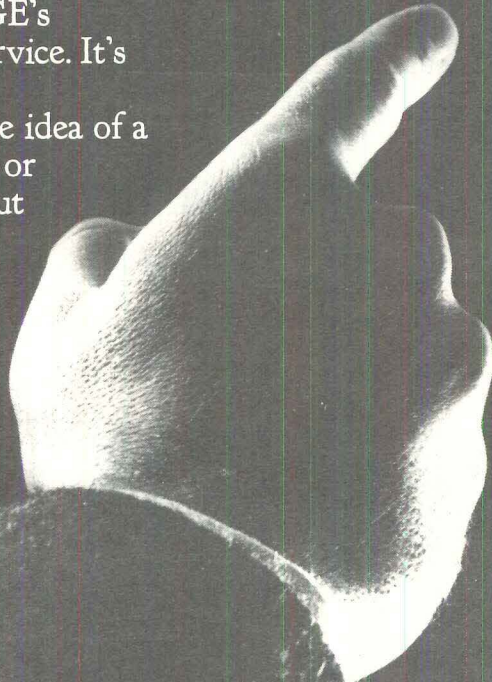
And you don't have to do any more selling than that.

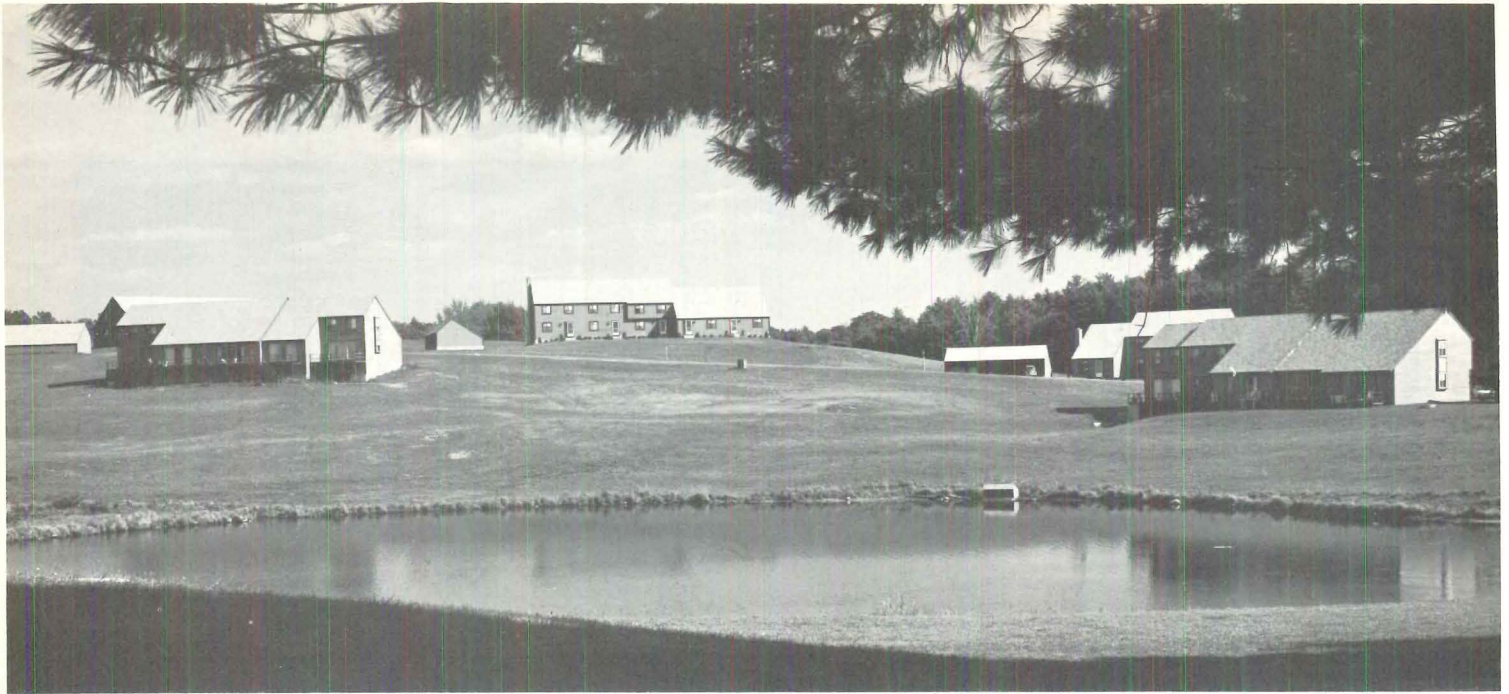
Oh, you might remind her that GE's famous warranty assures her of GE Service. It's seldom needed but always nearby.

But you never have to talk up the idea of a General Electric kitchen and laundry, or heating/cooling system. Just point it out—and let General Electric quietly help sell another home.

Progress Is Our Most Important Product

GENERAL  ELECTRIC





What are townhouses like these doing way out in the country?

The country is rural New Hampshire, and the townhouses, all rental units, are the first housing in a 200-acre project that will eventually include single-family homes and garden apartments.

Developer Norman W. Francis started Olde Pendleton in Londonderry with rental townhouses (\$200 to \$300 a month) for two reasons. First, his market studies showed that rental housing would appeal to families who could not buy homes because of tight money. Second, he felt he could easily convert the townhouses to condominiums if the money market were to loosen.

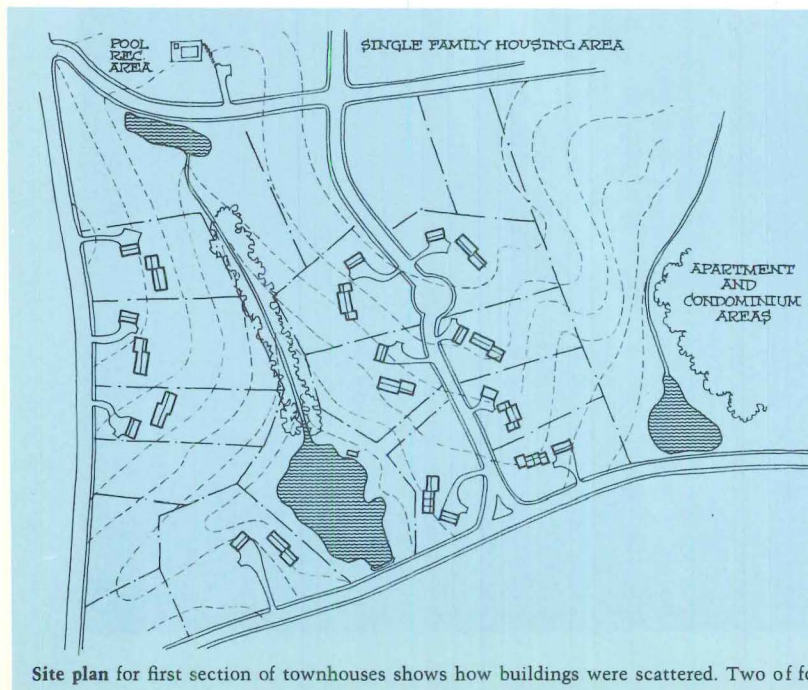
Francis had to scatter the townhouses over the rolling terrain because local zoning requires one acre for the first unit in a building, plus 5,000 sq. ft. for each additional unit. Each building has four or five units and about 1½ acres around it.

With 65 townhouses finished and 30 more under way, Francis says he has a waiting list of renters. He has also started ten detached houses priced at \$40,000.

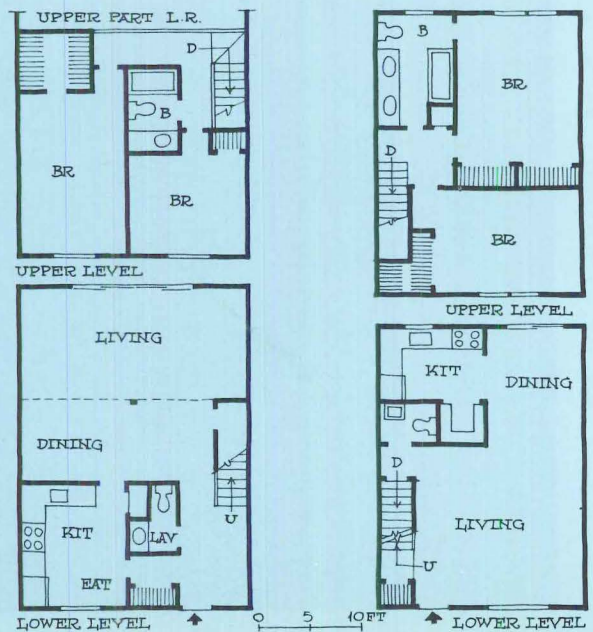
When complete, Olde Pendleton will have 300 to 400 townhouses, 50 detached houses, and 75 apartments. One section will include 50 condominium townhouses and/or apartments.



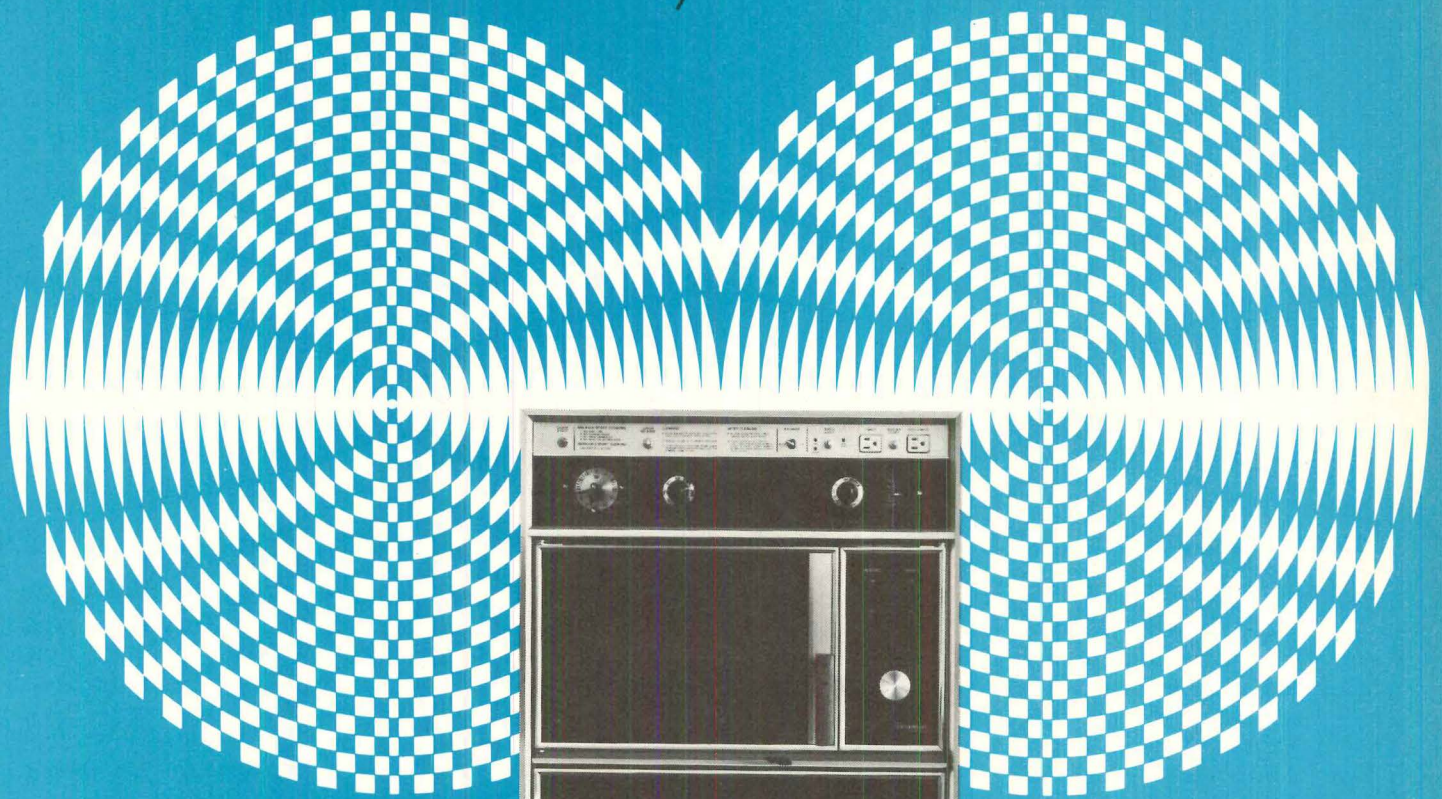
Five-unit building and adjacent garage are at left of project's main entrance (triangular intersection near bottom of site plan). Garages are reminiscent of old carriage sheds.



Site plan for first section of townhouses shows how buildings were scattered. Two of four plans by architect Claude Miquelle are shown at right.



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Self-Cleaning Convenience

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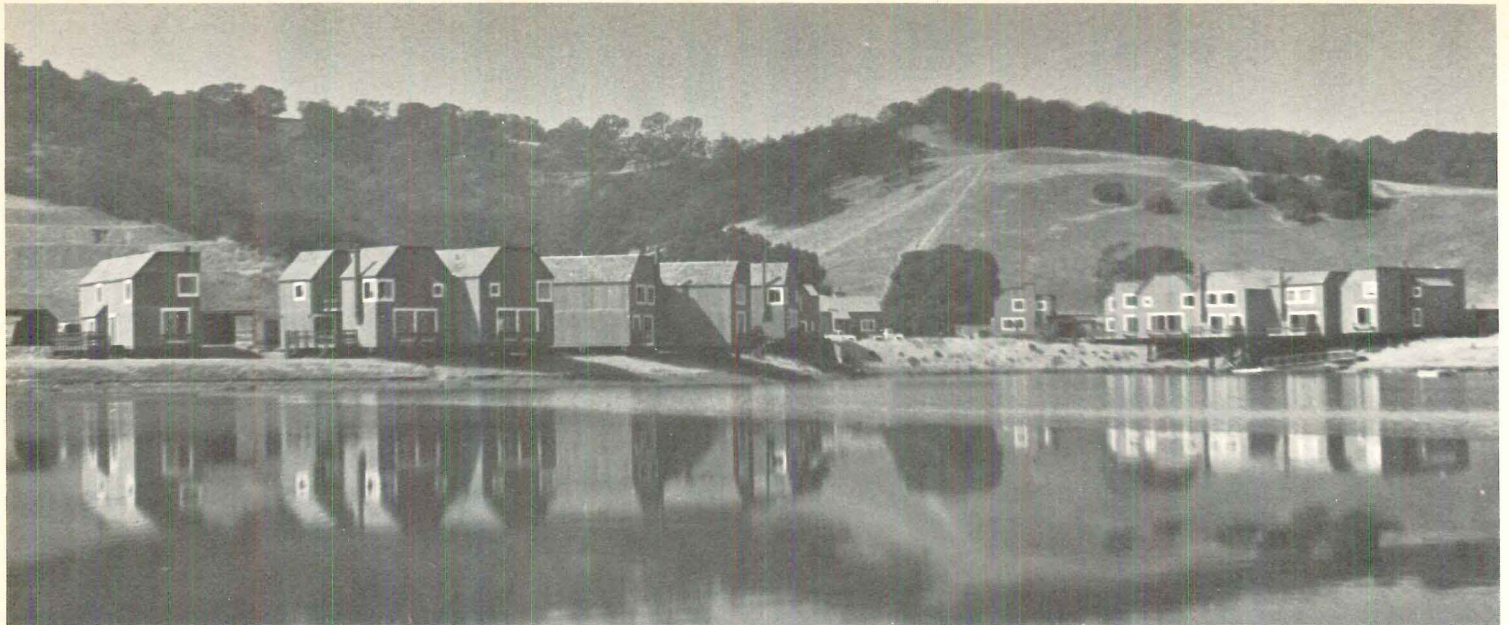
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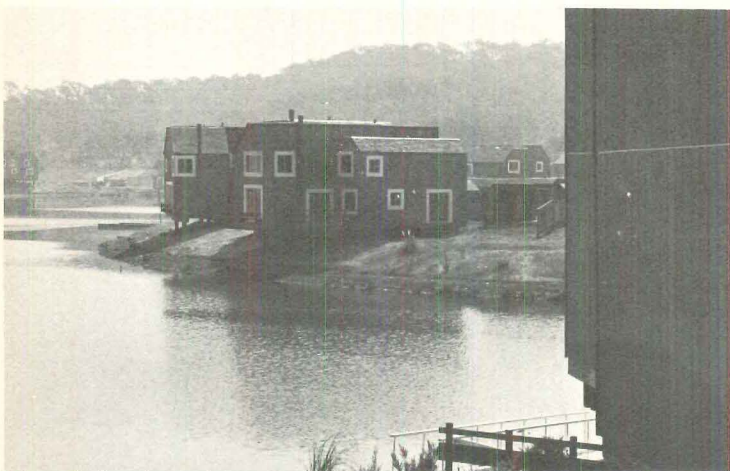
“Detached townhouses” add an extra dimension to narrow waterfront lots

Like most shore land, this was expensive. To get the most return out of it, the developers wanted to keep their frontage down. At the same time they felt that in the area—San Francisco Bay’s Marin County—the public wanted detached houses. The two-story houses shown

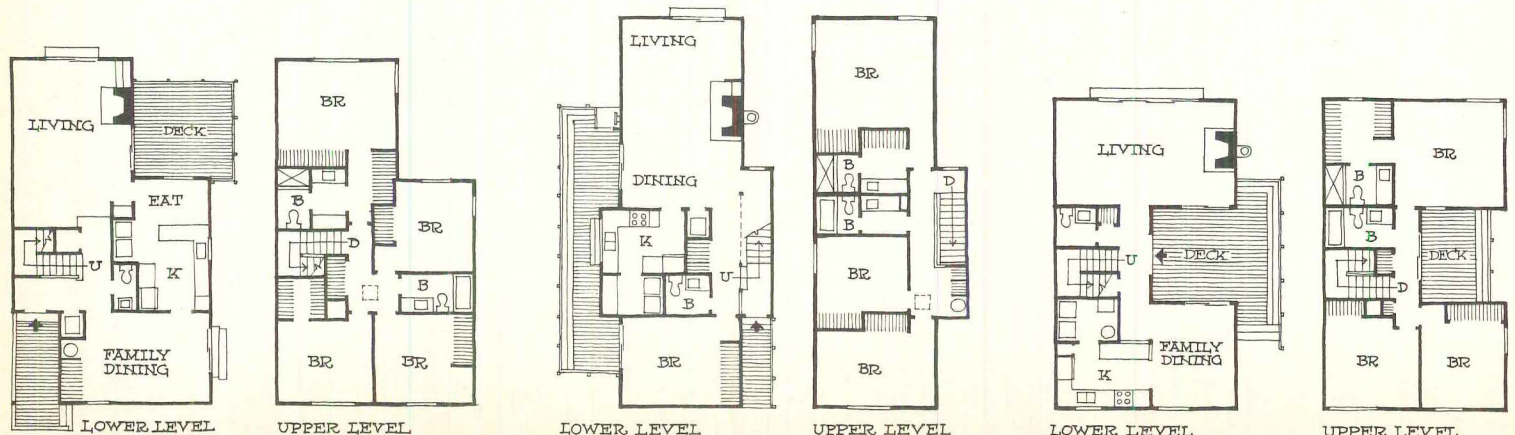
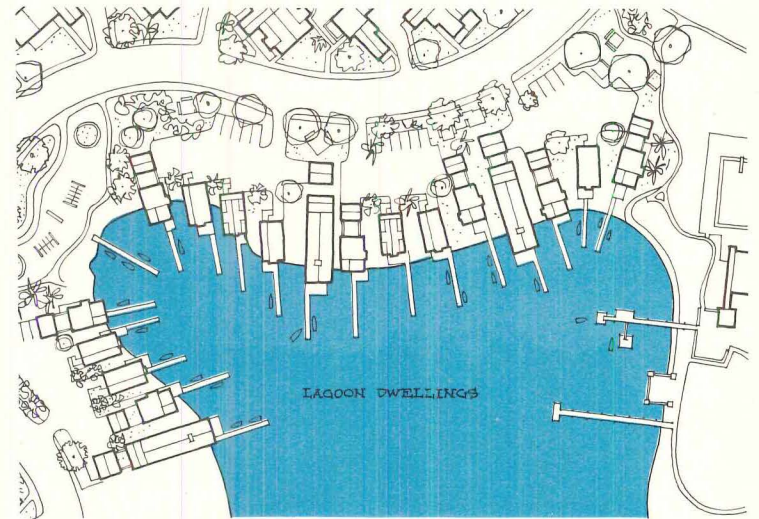
above are, in effect, a compromise. They are long and narrow, like townhouses, but they are also detached. Result: they fit comfortably on lots with frontages of 40 ft. And they offer better outdoor living than most townhouses—first in the form of sideyards that abut the

windowless walls of their next door neighbors, then in the form of decks (*plan, below right*). For detached houses, the off-street parking solution is unusual: some houses share a common court; others have detached or attached carports

for parking (*plan, below*). The architect, Callister and Payne, drew five townhouse plans, three of which are shown. Of a proposed 2,250 units for the 800-acre project, 50 have been built. Builder/developer: the Hoffman Co. and Union Bank of California.



Private docks, slips and launching facilities are part of Bahia package. Houses and carports share a Callister trademark—truncated gable roofs.



Three townhouse plans include 2,005 sq. ft. four-bedroom model (*left*); 1,860 sq. ft. unit with side deck (*center*); and double-decker (1,640 sq. ft.)



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“ ‘Apartment management’
is a misnomer—
the term should be
‘apartment marketing’ ”

One of the worst mistakes that can be made by a company that both rents and manages apartments is an organization chart that puts marketing and property management into two separate boxes. Maybe the purpose is to impress stockholders and lenders with a busy-looking table of organization sporting row upon row of department heads. Maybe the company really believes the division is necessary. Whatever the purpose, talking about marketing and property management in two different breaths is a mistake.

Not only is it okay to confuse apartment marketing with apartment management, it's also smart business.

Fast-growing developer/managers tend to lose sight of property management's real purpose. They begin thinking of it as the department that takes charge of new projects after the marketing people have finished getting them rented up.

In this scheme of things, management is supposed to keep the established projects running smoothly, holding vacancies to a minimum and keeping the grass cut. Marketing is supposed to concentrate on getting new projects off the ground. Marketing helps out management only when an established project gets into trouble and needs special promotion.

This arrangement is more than likely a carry-over from the homebuilding business. In homebuilding, marketing efforts stop after the house is sold. When the contract is signed, the customer is on his own, except for his warranties.

He's still yours. In an apartment project, by contrast, the customer can't be cut loose. The sale doesn't end when you sign up the tenant—you've got to re-sell him constantly. So marketing should begin with the rentup campaign and go on for the life of the project.

But this is not encouraged by the traditional concept of property management.

Traditionally, it is the property manager who controls sales, merchandising, promotion and public relations in established apartment projects. He hires and fires resident managers, oversees maintenance, places classified ads and sets policies for tenants. It is he who decides how to answer a petition from outraged tenants threatening a walk-out because rents were raised. He decides when to get tough about delinquent rents and when to be sympathetic. He decides whether to get rid of a manager tenants don't like. He decides what kind of manager to place in a particular

project and how the manager should be trained. He may even choose furniture styles, or design his own signs for posting instructions and rules.

Developer/managers often get the idea that all these routine management functions are necessary evils. They start thinking that the marketing challenges exist only in the development end of the business. It's not that they don't understand the importance of keeping their established projects at full occupancy. They just fail to recognize the difference between managing a project and marketing it. They fail to see that all those necessary evils could be turned into marketing tools.

So it's easy to see how a property management man can lose sight of the need to market the product rather than merely manage it. Under the pressure of his daily routine, he tends to be a problem-solver rather than a promoter. It isn't easy to think like a merchandiser or a salesman when you're coping with delinquent rents, evictions, leaky roofs, furniture repairs, broken swimming-pool heaters, rising costs, tenant strikes and hiring and firing resident managers.

The silver lining. But apartment operators can't afford to look upon property management as a series of problems. Those problems are actually marketing opportunities which—as long as management is divorced from marketing—aren't being exploited.

Should a rent-raise protest from a tenant union be answered by a property management specialist or a public relations man? The management man knows his operating expenses. He can justify the increase from the standpoint of rising costs. But the public relations man can add some diplomacy to the justification and perhaps reach a level of tenant rapport that pure business language can't achieve.

Should tenant policy-making be left entirely to property management people? For example, closing a recreation lounge at 10 p.m. makes good sense from a management standpoint. But if enough tenants want it open until 11 or 12 p.m., the marketing value of a later closing hour should be allowed to outweigh the extra maintenance and utility costs.

And why should control of resident managers be vested solely in property management? The resident managers are first and foremost the developer/manager's sales staff. The sales success of an established apartment project is in their hands. They are

called managers, to be sure, but their function is marketing. Almost everything they do, from cleaning apartments to screening tenants, is aimed at marketing their projects.

How do apartment operators avoid losing sight of the marketing opportunities in property management? Small companies get by with property managers who are marketing-minded. Some larger companies have merged marketing and management into virtually one department. A few very large companies have gone so far as to place all or part of property management under the supervision of a marketing man.

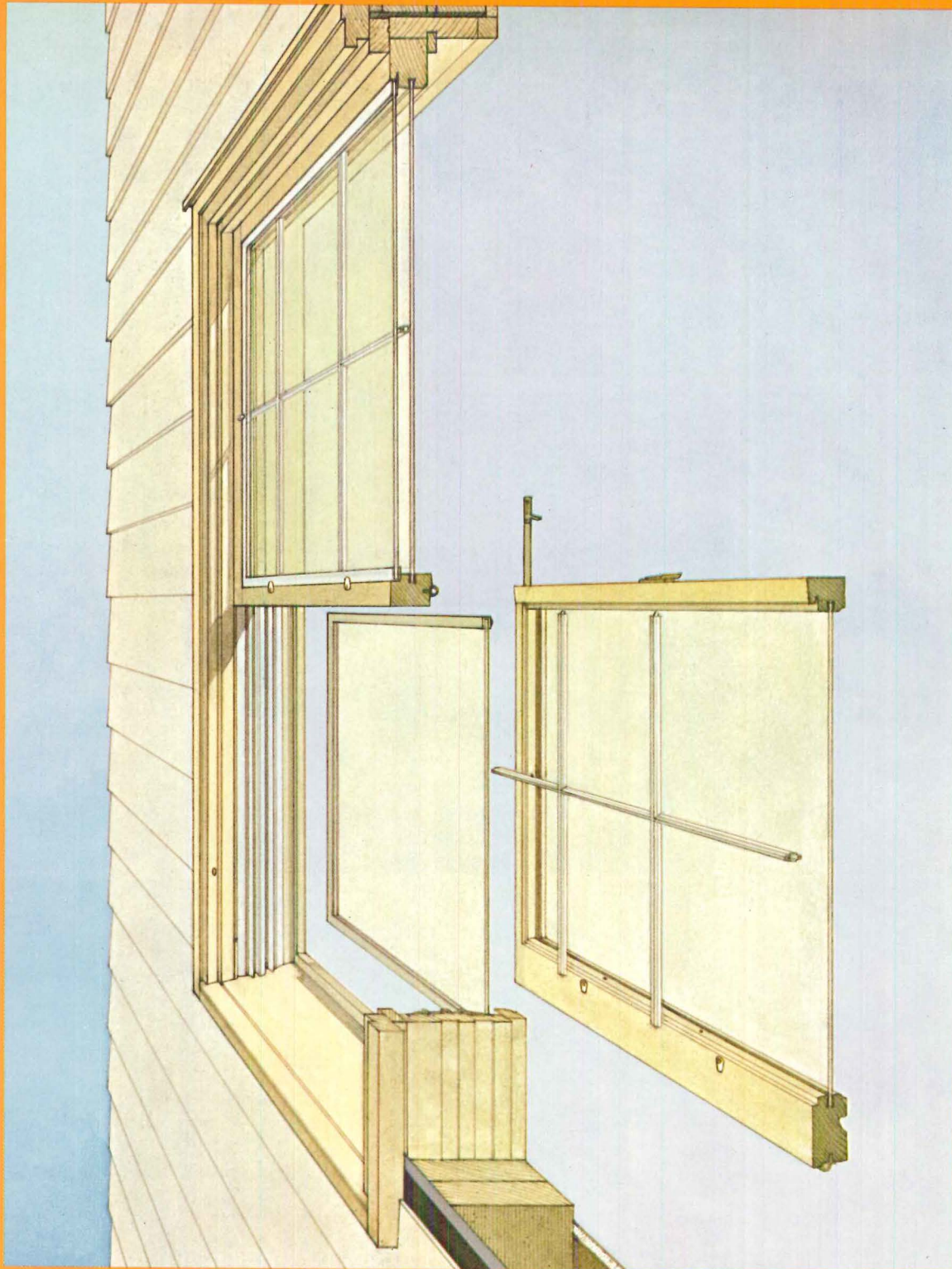
The team approach. Our company follows the second approach. Marketing and management are so closely coordinated that they operate like a single department. Marketing rents up new projects, keeps renting existing projects, and functions as both a service arm and consultant to property management.

For example, say management needs a new set of rules posted in a recreation area. Marketing edits them and chooses both design and location of the sign. When a project has vacancies coming up, management reports the move-out dates and apartment features to marketing, which composes and schedules an ad. And when resident managers are hired or fired, management and marketing have a 50-50 say in the decision.

This kind of teamwork—particularly in the handling of resident managers—is critical to our marketing effort. Our staff of managers consists of (1) rent-up specialists, (2) established-project managers, and (3) managers-in-training. The rent-up specialists run new projects exclusively. They start out with the pre-opening campaign during construction and stay with a project until 4 to 6 months after it reaches full occupancy. Then they move to the next new complex and are replaced by a manager who specializes in running established projects. Hopefully, to replace the second manager, we have a manager-in-training waiting in the wings.

Without control over manager recruiting, training, and promoting, our marketing program would be literally without a sales staff. Like homebuilders, we would be forced to recruit temporary sales personnel for each new opening. Our permanent managers would be cut off from marketing ideas and techniques being pioneered in the new projects. And, like so many of our competitors, we would fail to interpret “property management” as “property marketing”.

H. CLARKE WELLS, MARKETING VICE PRESIDENT, L. B. NELSON CORP., PALO ALTO, CALIF.

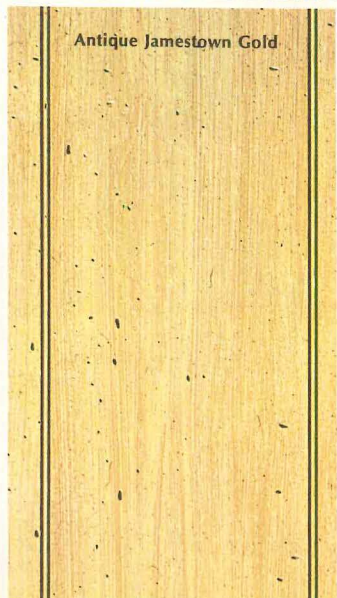
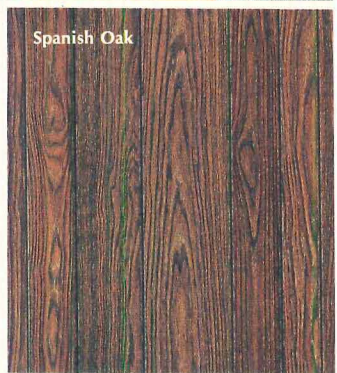
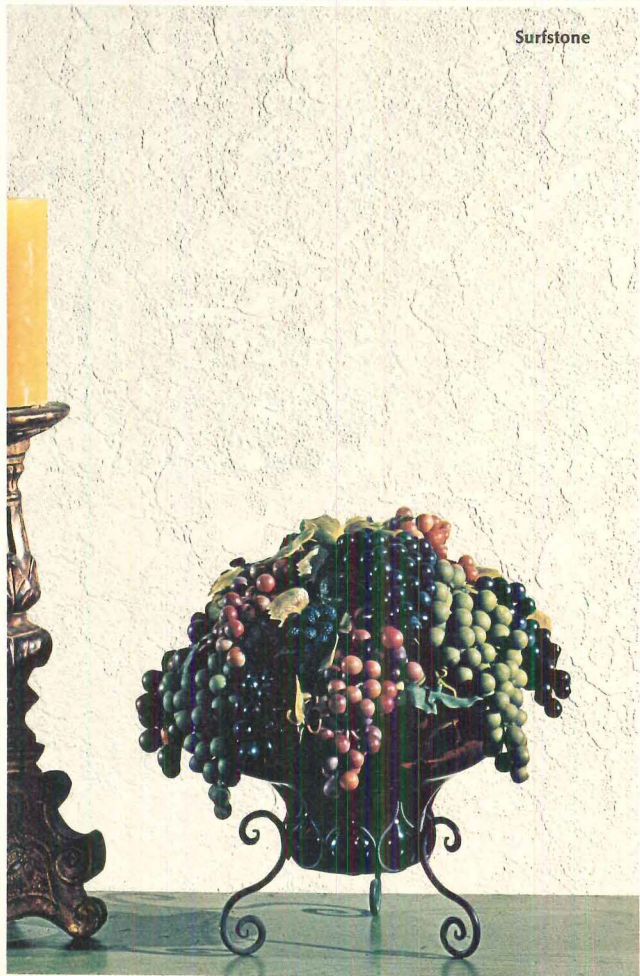
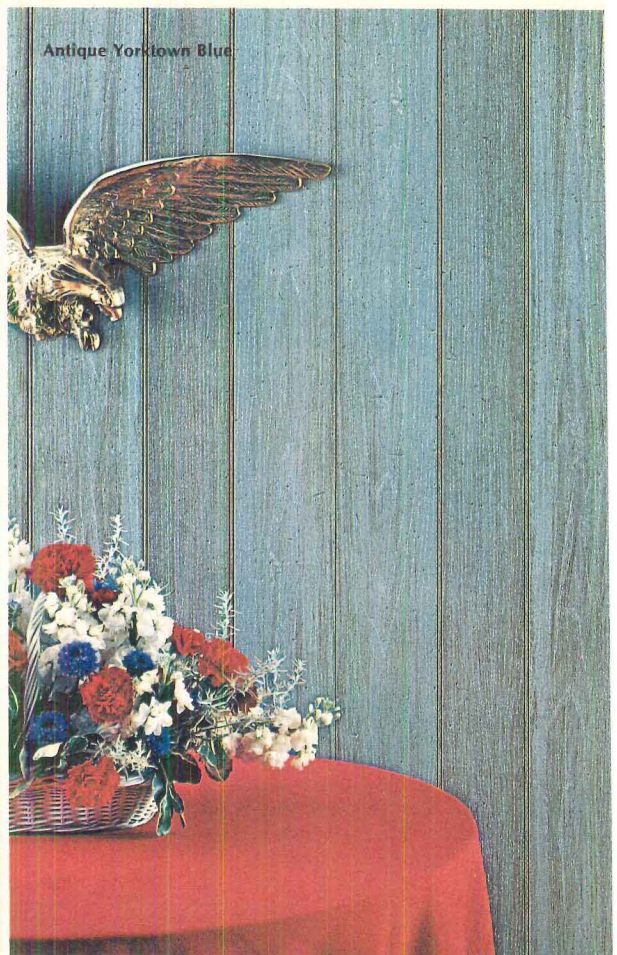


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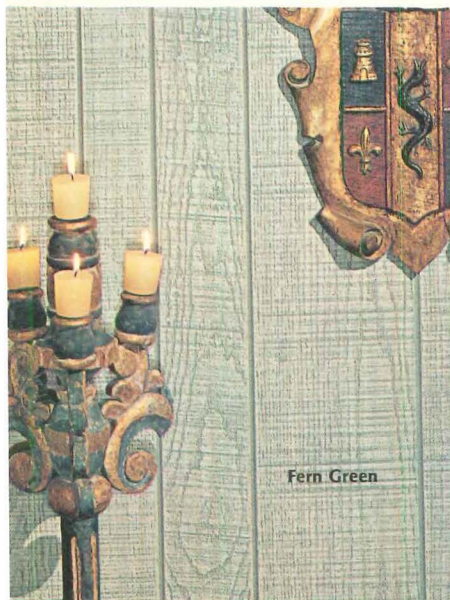
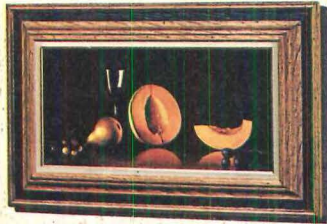
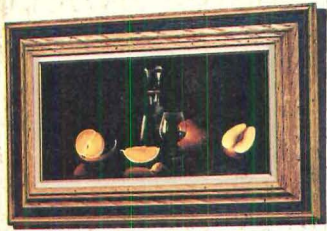
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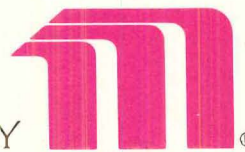
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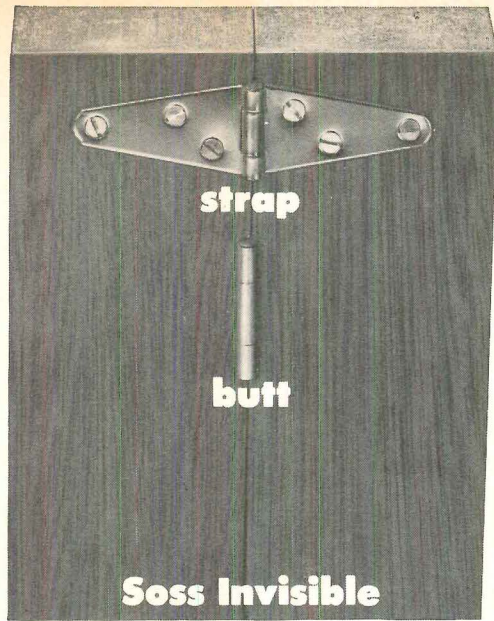
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- The owner is McGraw-Hill, Inc., 330 West 42nd St., New York, N.Y. 10036. Stockholders holding 1% or more of stock are: Paul T. Babson, 330 Beacon St., Boston, Mass. 02116; Barnett & Co., c/o Bankers Trust Company, 16 Wall St., New York, N.Y. 10015; Maxwell M. Geffen, 1271 Avenue of Americas, New York, N.Y. 10020; Donald C. McGraw, Elizabeth McGraw Webster, Donald C. McGraw, Jr. & Harold W. McGraw, Jr., Trustees under Indenture of Trust m/b James H. McGraw, dated 1/14/21 as modified; Donald C. McGraw, Trustee under an Indenture of Trust m/b James H. McGraw, dated 7/1/37 as amended; Donald C. McGraw, individually; Donald C. McGraw & Catharine McGraw Rock, as Trustees of the Estate of Mildred W. McGraw, all of 330 West 42nd St., New York, N.Y. 10036; Stanford E. Taylor, Hawk Dr., Lloyd Harbor, Huntington, N.Y. 11742.
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- Not Applicable.
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|---|--|--|
| A. Total No. Copies Printed | 113,918 | 111,087 |
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I certify that the statements made by me above are correct and complete.

(Signature of owner)

McGraw-Hill, Inc.
 By: JOHN H. COOKE
 Senior Vice President & Secretary

LETTERS

Modular housing

H&H: Our people are entitled to their own opinions, and we give them complete leeway to express themselves. I note that Ed More [Formica Corp.'s director of building industry relations], in a letter published in your September issue, did so with respect to your appraisal of the modular housing industry.

I just wanted to make the point that Ed is not stating a formal Formica Corp. posture.

We believe very strongly that, while there is a great deal of confusion and conjecture regarding the future of modular or industrialized housing, the best service and help the industry can get from influential publications such as HOUSE & HOME is honest communication. The day that your editors, with their knowledge about the industry, lose their objective perception and quit telling it like it is the day HOUSE & HOME will lose its value.

JACK ALEXANDER, director
 Public Relations
 Formica Corp.
 Cincinnati, Ohio

Mergers

H&H: I thoroughly enjoyed your October article on the "high cost of mergers." Most informative and well written, as I've come to expect from your fine magazine.

However, there was one oversight, and that was in the tabulation on the first page, covering builders who have been merged in recent years. The missing line would have read as follows: *Builder:* Milt Brock, *Giant:* INA Corp., *Sales when merged:* \$15 million, *Merger price:* —, *Merger date:* Sept. 1961: Still chief executive—(1 yr.).

LESTER GOODMAN
 M.J. Brock & Sons Inc.
 Los Angeles

Site planning

H&H: HOUSE & HOME has an admirable reputation for recognizing the importance of site planning as a basic, integral part of building design. The articles on the Irvine Co. development at Newport Beach (August) and Lincoln Property's Sharon Green project (September), with notable appeal to outdoor living, are well weighted with the significance of preserving as much open space as possible and respecting natural site characteristics.

Our familiarity with these two developments is founded on our being the firm participating in the site planning for both, a fact which may lead to some confusion for your readers because the articles did not refer to our role as the site planners or landscape architects.

We do not minimize the architect's role, but rather emphasize that on these two projects, the environmental quality achieved was

the result of collaboration in an atmosphere of mutual respect and contribution between the architect and our firm as land planner-landscape architect.

HOUSE & HOME should be aware that this kind of collaboration is increasingly prevalent and is making a substantial contribution to the building of better residential environments.

EDMOND KAGI, principal
 Sasaki, Walker Assoc. Inc.
 Sausalito, Calif.

H&H apologizes for not crediting Sasaki, Walker Associates Inc. with having done the site planning and landscaping for the projects in question. That we have for several years been aware of the need for close collaboration between the land planner and the architect should be readily apparent to our regular readers—ED.

New towns

H&H: I read your September editorial on new towns with more than cursory interest.

While I would not suggest that new towns are a panacea, I do submit that they can provide the missing link that will allow compatibility with other programs.

I respect your thoughts on an experimental new town—I recall Secretary Romney raising the same point. I don't deny that we need experimentation—particularly when you think of how automobiles, air conditioners, television, etc., have adversely affected human activity patterns. However, the sense of urgency regarding the urban crisis suggests that we must follow the experience of the British and other countries that are far ahead of the United States in this area.

Your comments on financing are noteworthy, particularly the analogy to the C5A cargo plane.

CARLOS C. CAMPBELL, special asst.
 Department of Housing and
 Urban Development

Treasury notes

H&H: On October 9, I sent a letter to David M. Kennedy, Secretary of the Treasury, strongly protesting the new offering of U.S. Treasury notes in denominations as low as \$1,000. We feel that this action will once again raid the savings and loans and thrift institutions of this country and will severely cripple the ability of the American people to own or rent adequate housing.

We ask the Treasury to speedily adopt a policy which does away with small minimum denominations in all its issues and which is more properly geared to the realities of the market place.

ROBERT B. HOFF, president
 Home Builders Association
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Housing and the elections

My crystal ball is all clouded up, and President Nixon has been backed into a bad corner

President Nixon has three big problems now, the solutions to which may well determine whether or not he gets another term in office in 1972:

1. The Democrats solidified too much strength in key electoral states in the nation's breadbasket, traditional Republican territory. The most important of those states are Pennsylvania, Ohio, Wisconsin, Minnesota, South Dakota, and Nebraska.

2. The inflation is still steaming along at a great rate as far as prices go, even though the current real growth rate of the gross national product is about zero and capital spending plans for the new plant and equipment are the most bearish since 1960.

3. Unemployment is almost at 6%, and if President Nixon wants to beat Senator Muskie in 1972 (I could explain to you why Kennedy, Humphrey, McGovern, and Lindsay have no chance, but I haven't the space here), then he must cut the unemployment rate back to almost 4%.

What is the President to do? What indeed? The advice he gets would leave anybody in a quandary.

Among the big boys the thinking goes like this: if the federal budget deficit in the current fiscal year comes about because of a shortfall in tax revenue, then pumping up the economy by relaxing fiscal and monetary restraints will not be inflationary. But if the deficit comes about because Congress is simply allowing too much money to be thrown around, then pumping money into the economy by relaxing restraints will be inflationary.

You can complicate that picture even more by throwing into the mix the fact that the federal budget deficit in the current fiscal year will come close to \$20 billion and would be \$7 billion bigger were it not for the earnings of the Social Security and other trust funds. That big deficit is, and will be, caused by both a shortfall in tax revenue and more Congressional spending. Furthermore, most people know, by historical precedent, that increasing deficits lead to higher prices, which lead to more inflation.

So, on the face of it, the first thing the President will probably do is to bite the bullet on inflation. Fighting that fight will take top priority, which means that you cannot count on a continued easing in the money markets. Even if the Administration could perform miracles and permit a continued lessening of monetary restraints, the pressure brought on the capital markets by the Treasury's bills, bonds, and notes and the offerings of FNMA and the Federal Home Loan Bank—all still up there near record highs—will continue.

Fighting the inflation will continue high unemployment levels unless a lot of domestic federal

programs are instituted to take up the slack. But such key men in the Congress as House Ways and Means Committee Chairman Wilbur Mills and the Senate's powerful William Proxmire, now entering his 14th year in the Senate and with six more to go before coming up for re-election, don't like big deficits, so something will have to give. Housing could benefit at the expense of things like Defense.

Of course, new domestic programs can help the President in key electoral states, but the Democrats have got their blood up for 1972. So they will do everything they can to get their stamp on their own programs, at the expense of the Administration. That battle could be a standoff for housing.

Well, come on O'Neill, what is it that you're trying to tell us? That in 1971 we're going to have to work hard politically to get the 1.7 million starts that we know the market can absorb, and that we can produce, but which all kinds of factors can and will mitigate against.

And the fight for housing does not just lie in the Congress and the Administration. There's a lot more trouble out there to keep your eye on.

While savings and loan associations are scoring big net inflows of deposits, the savings banks in the East and particularly in New York, are suffering some of the biggest drains on their deposits in years.

With the Federal Home Loan Bank Board trying to enlarge the services that S&Ls can offer to attract depositors, like allowing them checking account privileges on interest earning funds, the Federal Reserve Board wants to eliminate Regulation Q. The elimination of Regulation Q would permit the commercial banks to attract all kinds of thrift accounts and, therefore, massively disintermediate funds from the S&Ls.

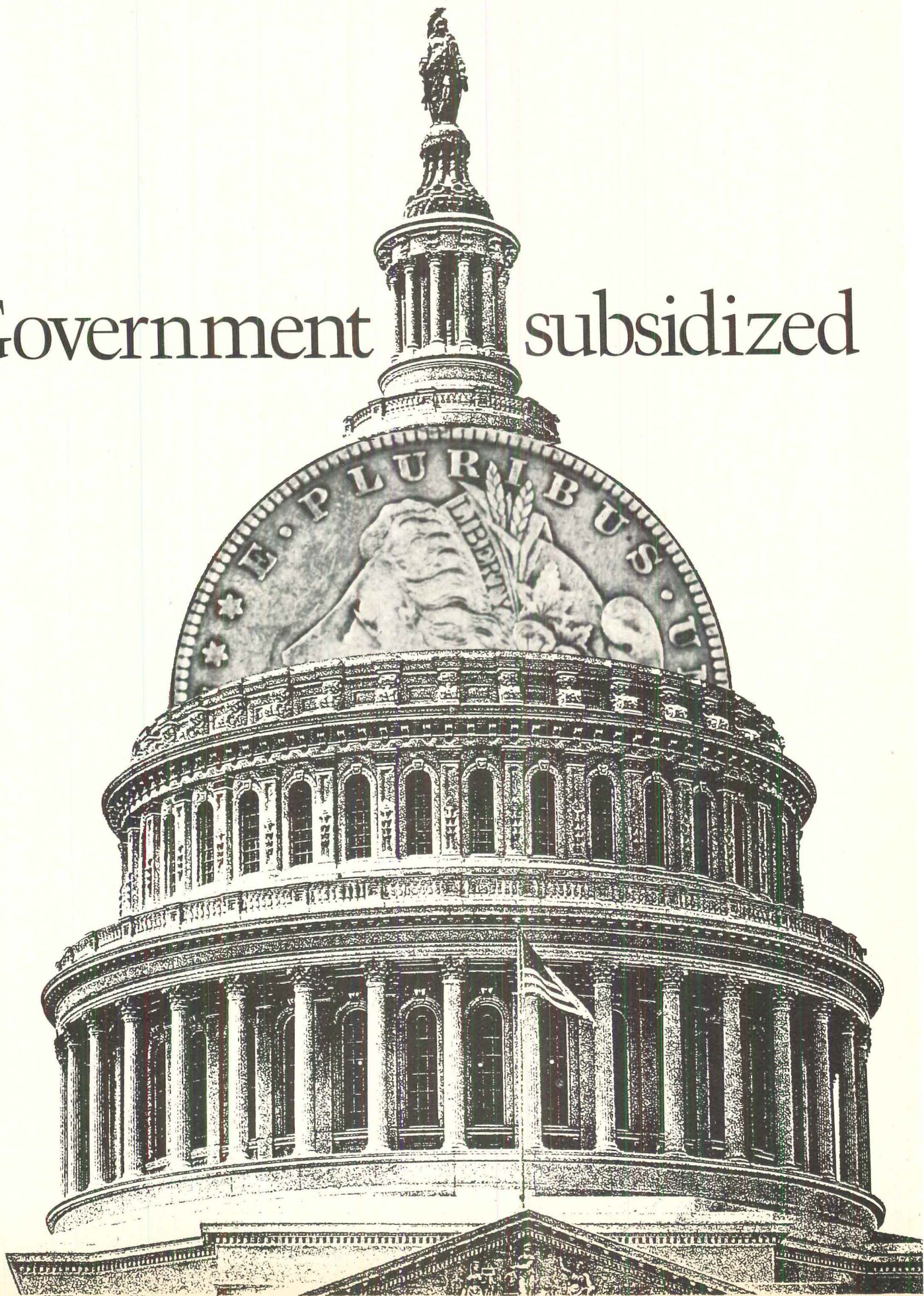
Commercial bankers, who are not allowed to pay interest on checking accounts, would probably like to see all of the S&Ls merged into the commercial banking system, a system which has demonstrated that it does not hold housing's needs for debt financing in high priority.

The list of imponderables that could and will affect housing can go on and on. For instance, how much President Nixon can raise taxes to fight inflation may be a matter of simple political expediency against the 1972 elections. If he can't raise them much, then we still have inflation and tight money.

We have a jump on 1971 right now. Spending on housing is up, and the indicators for the industry look good. But don't take anything for granted. We'll have to fight hard to reach 1.7 million starts next year.

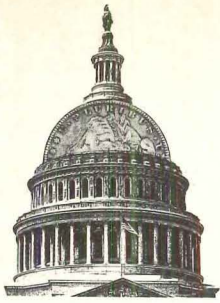
RICHARD W. O'NEILL

Government subsidized



housing: Sleeper market of the Seventies

It's a sleeper because unless you've had something to do with government housing programs, you may not realize how big the subsidy market has suddenly become. This year, subsidized units will total about 450,000 units—roughly double what it was last year and a whopping 25% of all housing starts. And according to HUD Secretary George Romney, it's going to get even bigger—possibly well beyond 600,000 units a year in the next few years. Apparently the government is now committed to backing its housing programs with enough money to make a real dent in our shortage of low-income housing. If so, the long-term result could be a market that is both big and much less vulnerable to tight-money problems. Few builders can afford to ignore such a market.



"Congress made a commitment in the National Housing Act of 1968 to build 6 million low-income housing units," HUD Secretary Romney points out, "and we've fallen behind in

our efforts to meet that goal. We have to catch up. And we're going to catch up."

Romney hedges his prediction by pointing to uncertainties about the budget and the

economy. But he contends that as the nation converts from a wartime economy to a peacetime economy, it will turn to housing to take up the slack in national output.

Subsidies couldn't have picked a better time to take off

To builders, the sudden shift in government housing policy means the instant creation of a large, new market.

In a tight money market like the one builders have had to deal with this year, the acceleration of government housing activity has been a godsend. To some builders it has meant the difference between solvency or bankruptcy, between building or withdrawing from the market until money loosens up—whenever that is.

In fact, on the builder's side of the picture, tight money may well have been the singly most important factor in 1970's tremendous increase in subsidized housing starts. While it's true that HUD Turnkey I public housing and FHA's interest-sub-

sidy programs have proved to be the easiest to work with of all government housing programs of the past 30 years, it is also true that given a choice, most builders would still prefer to use conventional financing.

But this year there was no choice. Single-family mortgage funds were available in minute quantities if at all, and multifamily mortgage funds were available only at the most exorbitant terms.

The price of mortgage money was so high that it priced many single-family builders out of the market. By contrast, FHA's Section 235 program enabled builders to reach down the income scale and sell a market that they've pretty much had

to bypass since the middle of the 1950s.

In the multifamily rental market, insurance companies have insisted on equity kickers as a condition of extending loans to builders, and these kickers are so burdensome that many builders have simply opted not to build. But with the government's subsidized multifamily program, FHA Section 236, it is still possible to mortgage out—or at least come close enough to kindle builders' memories of the beautiful way things used to be. And the federal government has not yet become presumptuous enough to demand a piece of the action—although it does put some limits on the builder's share of the action.

Most of the action has been in three subsidy programs

This is the year that many builders have discovered public housing. The National Association of Home Builders has always favored the turnkey concept in public housing, contending that if the government eliminated bureaucracy and let the efficiencies of private enterprise work for the poor, public housing could be produced faster and cheaper than in the past.

All of the bureaucracy has

not been eliminated, and neither have all of the efficiencies of private enterprise come into play. But HUD's Turnkey I public housing program will account for approximately 80,000 starts this year—more than twice the annual rate of production sustained over the past three decades. And Turnkey I is producing public housing for roughly 15% less than it would cost to build under the old method of having the gov-

ernment prepare the specifications and ask for bids from a number of builders.

The figures are even more impressive for FHA Sections 235 and 236. Last year only 8,547 units were started under Section 235, and 8,298 under Section 236. When the figures for this year are tallied, they'll show about 60,000 starts under the Section 235 program, and 100,000 starts under Section 236.

Who gets the credit for the subsidy boom? A lot of people

First of all, the administration and Congress deserve credit for finally making the necessary money available, and doing it at a time when conventional sources couldn't provide the funds to sustain an acceptable rate of housing production.

HUD and Romney also merit praise. They have streamlined the processing required to start a subsidized housing project, and they have encouraged homebuilders—with notable

success—to use the various subsidy programs.

While HUD is still looking for the magic technological breakthrough that will enable housing to reap the benefits of mass production, it has not ignored the here-and-now need to use existing technology (and funds) to maximum capacity. That is to say, if Romney has his head in the clouds with Operation Breakthrough, he still has his feet on the ground with

the subsidy programs. And he's pushed those programs well.

But HUD, Romney, and the government deserve only part of the credit; the homebuilding industry deserves the rest. Given the opportunity, they provided pretty conclusive evidence this year that they can produce enough housing to satisfy the needs of the country's low-income population.

To a degree, circumstances pushed homebuilders into the

subsidy market. The condition of the economy made the decision not only practical, but in some cases, necessary.

Once made, however, the decision has usually proved fortunate. It is no secret among

builders that the subsidized housing programs can be made to yield a profit comparable to the best margins obtained from conventionally financed housing. And it never was a secret that if a builder could find a way

to reach the low-income market, his days of worrying about sales or rentals were over. The demand is overwhelming. A builder has to try hard to miss the market when he's building a \$15,000 house.

Subsidies and builders have a great future together—if . . .

There seems no way the government and the homebuilding industry can avoid a long and profitable honeymoon extending throughout the seventies.

Except . . .

Except for the tendency of Congress to balk when asked to fund housing programs. Except for the tendency of builders to return to business as usual when money loosens. And except for the reflexive action of bureaucrats to throw up a wall of red tape when housing programs come under attack by congressional investigators.

Example: while Congress and President Nixon engaged in battle over the 1970 housing bill late last summer, production of low-income housing virtually stopped. All over the country, builders had to sit on their hands, waiting for the dispute to be settled so that their programs could receive their allocations. It was an ominous indication of what would happen

if Congress or the Executive Branch ever decided to renege on the commitment made in 1968.

There are some people who contend that the government will renege. They point out that the housing units now being started require a continuing subsidy over the life of the unit's mortgage. Thus Congress will continue to subsidize the 100,000 units built this year under Section 236 until the year 2010. Further, the total subsidy will increase each year by substantial sums. If 100,000 more units are started next year under Section 236, the subsidies to which Congress has committed itself will double. The situation is comparable to a family which buys a new house every month without ever selling one: the monthly payments go up by leaps and bounds, and at some point they become unbearable and the family says, no more houses.

Congress could reach that point.

Builders, for their part, have never liked restrictions on the selling prices or profit margins of the homes they build. Yet the government imposes just such restrictions. Because right now Uncle Sam is, for many builders, the only pipeline to money, and because a limited profit is better than no profit at all, large numbers of builders are working under the government housing programs for the first time.

But if money loosens to the levels of the mid-sixties (and there are still some who say it will someday), the government may find itself with ample funds, good programs, and few builders.

"I wouldn't be in this subsidy program if money weren't tight," says one East Coast builder, "and I'm not going to be in it when conventional money becomes available again."

Romney's view: builders should stay with subsidy programs

Says the Secretary: "Builders would be well-advised to maintain their subsidized housing production as a base, and use conventionally financed housing for their expansion. We're always going to have peaks and valleys in housing, and when money gets tight again, the builder who kept his hand in the government programs will be glad he did."

Assuming that Congress continues to appropriate the necessary funds, and that builders heed Romney's advice, there is still the question of what happens when the first scandal breaks.

There will be a scandal. No matter how well administered a government program is, no matter how honest the majority of builders are, there is always someone who manages to beat the game—and someone else who brings it to the attention of Congress. When that has happened in the past—as with

the 608 and urban renewal programs—the bureaucrats administering the program, who are, after all, the most vulnerable people involved, have tied up the programs in red tape, rarely succeeding in preventing further scandal but always succeeding in destroying most of the effectiveness of the programs.

Whether that will happen this time around is conjecture. One mitigating factor is the size and importance of the market: builders are putting up one subsidized dwelling unit for every three financed conventionally.

Romney says that the absolute number of subsidized units started during the next few years will continue to rise. But the growth will not be as dramatic as the 100% jump which occurred this year. Nor will subsidized units continue to account for 25% of all housing starts during the seventies, because conventionally financed housing will almost

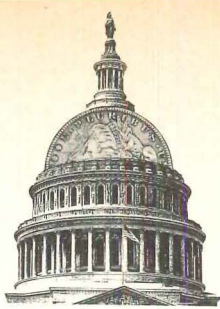
certainly not continue at its presently depressed level.

But there is substantial reason to believe that subsidized housing, after 30 years of innocuousness, has finally been turned into a significant market. If so, the seventies may yet be known as the decade of subsidized housing.

Whether or not this actually comes to pass will depend on a number of factors, including the money market, the attitude of government at all levels, and the degree to which builders remain interested. On the next ten pages, three builders with wide experience in subsidy programs give their views on the advantages and problems of the market. And in an exclusive interview with HOUSE & HOME, Secretary Romney tells why he thinks subsidy housing will continue to be a major factor in the housing picture for the entire decade.

—DAVID THALER

CONTINUED



Government-subsidized housing can boom in the seventies

IF

the bureaucrats don't kill it

There are few builders who won't agree that HUD officials have become more cooperative over the past few years, particularly since Eugene Gullledge, former president of the National Association of Home Builders, took over the reins of the Federal Housing Administration. But there are still widespread differences in the degree of cooperation builders get from different HUD regional offices.

Even more important in the turnkey program is the approach taken by city officials. They can, in effect, determine whether a builder is able to participate profitably in the program.

The case of Tucson, Ariz., illustrates the point. Tucson recently decided it would give the turnkey program a try—after years of resisting public housing.

But more than a year after it invited proposals, the city has only one completed project, and homebuilders are steering clear of the program.

"It's become a speculator's program," says Stan Abrams, vice president of MAR Development, a homebuilding company which completed the first turnkey project in Arizona and is successfully selling single-family houses under Section 235.

"The speculators have ruined turnkey in Tucson," says Abrams. "They don't know what they're doing. They submit low prices and get the contracts. Then they get into trouble, ask for more money, and are still unable to complete the project at the higher price."

Adds MAR President Mel Ritter: "It's very easy to cheat on your first presentation. If you get the award, then you negotiate. There's too much of that going on."

Ritter cites a case in which he submitted a bid which was considerably higher than one submitted by an out-of-state builder.

"If you analysed his proposal, you discovered that it didn't measure up to HUD's standards. But he got the award."

In another case, MAR did not submit a bid. But when the contract was awarded to a joint-venture firm, the successful bidder asked Ritter to build the project as a general contractor.

"We couldn't do it at the price he gave the housing authority—and he couldn't do it either," says Ritter.

The joint-venture firm is a phenomenon created by Tucson's turnkey program. A packager puts together a money man and a builder and submits a bid to the housing authority. Often a builder is not included in the group, leaving it without any construction capability.

Says Ritter: "Local housing authorities and government agencies should be made to understand that a builder with a long and

successful history of producing housing should have some advantage over someone who has simply put together a contractor and a money man."

As a result of the approach taken by Tucson officials, MAR Development, which trades under the name of PAT Homes, will not consider undertaking a turnkey project in Tucson. In fact, MAR has decided to withdraw entirely from the turnkey program.

Why?

"Ask the city manager of South Tucson," says Abrams.

South Tucson is a pocket of poverty surrounded by Tucson. Tucson has refused to annex the one-mile square municipality, thus avoiding the need to deal with what is really the city's Mexican-American barrio.

The city manager is 39-year-old Paul Laos. An obviously dedicated man who can reel off the needs of his city in terms of precise statistics, Laos has been managing the town's affairs since 1966, trying to provide much-needed social and municipal services on a budget of \$850,000.

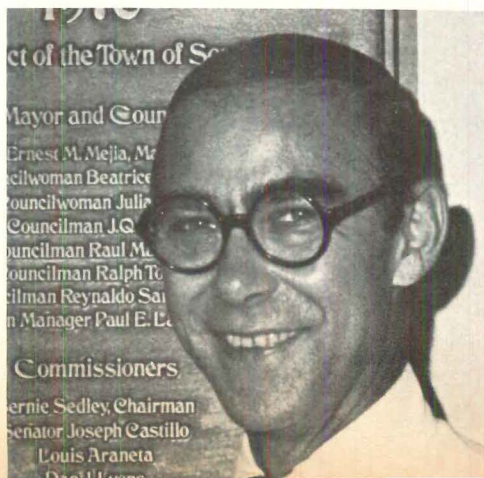
MAR and South Tucson worked together to develop the state's first turnkey project in what appeared to be the beginning of a long, productive relationship. The initiative for the project came from Art Timmel, an official in the San Francisco regional office of HUD. Timmel suggested that South Tucson use the turnkey program to get the first of the approximately 1,000 public housing units the town needs.

The town, in turn, approached MAR, which was eager to try turnkey. MAR had optioned a three-acre site in an area that was a perfect target for a Beautify America campaign—a junkyard piled high with the remains of automobiles.

The company, according to Ritter, had been talking to FHA about utilizing the site for a rent supplement project.

But after talking to Laos, Ritter changed his plans. He decided to start with a 50-

Mel Ritter has seen the ups and downs of the homebuilding industry. In the credit crunch of 1966 he was caught with a substantial land inventory and neither the money to develop it nor buyers to purchase it. Taking instruction from that experience, he was well-prepared for the current money squeeze. This year he will have record sales and earnings. Almost all of Ritter's sales are made with FHA and VA financing, and most of his volume is in the lower end of the market, providing "housing for the people who need it most."



unit project, following up with 150 additional units. The company also decided to give the town 1½ acres, to be used as the site of a neighborhood center.

From that point, Ritter and Laos imply, they had little but grief from HUD.

Says Laos: "There are too many bureaucrats producing paper instead of the commodity they're supposed to be producing—housing."

The turnkey concept, Laos says, is good, but "it's being changed. It's becoming more like the old public housing program."

Ritter would like to satisfy the tiny city's need for public housing, and Laos says the town has a good relationship with MAR.

But MAR will not provide the units. After the first project began, another builder raised conflict-of-interest charges. Local newspapers picked up the story, and MAR had a problem.

"The charge was never specified, it was all very vague," says Ritter. "But the people in the San Francisco office are afraid. To them, accusation is guilt. We would have made the newspaper back down, but it was very careful to state in every story that there was no proof. Not coincidentally, we are well-known as Democrats, and the newspaper is Republican. We don't need turnkey, and we certainly don't need the headaches that go with it here. So we're simply withdrawing from the program. Someone else will have to build South Tucson's public housing."

One program Ritter has not considered withdrawing from is Section 235.

"It's worked for us," he says. "We sold 75 houses under 235 in the month of February, and we'll end up selling about 125 by the end of the year."

Adds Abrams: "If we had an unlimited allocation, we could have sold 500 homes with 235 financing. We've had people walk in the office with money and say, 'We know you don't have houses now, but we want one when you get them.'"

MAR operates in the low end of the Tucson market, even with conventionally financed homes. When it decided to use 235 financing, it opted to use it and conventional financing in the same subdivision.

"When the program began," says Abrams, "there was a stigma attached to it. People didn't want to live next door to a 235 house. We don't hear that now."

The company instructs its salesmen to try to qualify prospects for conventional mortgage. If the prospect doesn't qualify, the salesmen begin to talk about Section 235.

"Most families who need the interest subsidy," says Ritter, "earn approximately \$400 to \$450 a month. They are usually very large families."

Last year, the company delivered 400 conventionally financed homes and 25 homes financed under 235. This year, it will have delivered 625 conventional homes, and 125 houses under 235.

The company is building in three locations: the southwestern part of Tucson, where the price range is \$14,000-\$17,000; and two locations in the eastern part of the city, one in which the price range is \$16,000 to \$18,500, and the other in which the price range is \$19,000 to \$25,000.

The average sale is \$17,500, which coincidentally is the maximum price allowed under Section 235.

"It's the first sensible program that the government has come up with," says Ritter. Still, he would like to see some changes.

"There are too many people getting 235 subsidies who could qualify under Section 203(b). I'd like to see a little better screening."

Ritter has instructed his own salesmen

not to accept an application for 235 financing if the prospect qualifies for 203(b).

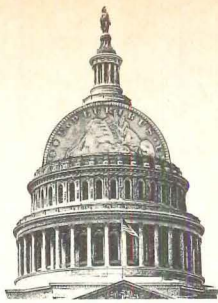
"We've had people sign up for 235 who qualify for 203, and we've refused to take their application. They shrug their shoulders and tell us they'll get another builder to take their application. And they do. There are enough people who need the subsidy. We shouldn't be helping those who don't need it."

With the limited allocations available, Ritter adds, the people who need 235 won't be able to use it.

MAR does not advertise the availability of 235. "We don't look at it as a marketing tool," Ritter says. "We don't feel there is enough of an allocation to satisfy the demand that is there without creating additional demand."

MAR is ready to try another of the government-subsidy programs, Section 236. It has plans for two projects with a total of 200 units, but it has not submitted them to FHA, because the agency cannot issue a feasibility determination until it receives its allocation. As in the rest of the country, work on the subsidized-housing programs has slowed to almost a standstill until allocations are made.

CONTINUED



Government-subsidized housing can boom in the seventies

IF

the money problem doesn't go away

Whatever the problems of dealing with government agencies—and they can be considerable—the fact remains that when conventional construction money has dried up, mortgage funds for government-subsidized housing are still available.

A case in point is John Errichetti & Associates of Waterbury, Conn., which has been building under government programs since 1966—like 1970, a tight-money year.

In 1966, Errichetti was building under Section 221(d)(3), a below-market interest program now being phased out in favor of Sections 235 and 236. Errichetti has moved over to Section 236 without any difficulty, and now plans to expand into Section 235, the single-family program.

Still, Errichetti considers its involvement in the government programs a temporary situation.

"We're in government housing now," says President John Errichetti, "because that's where it's at in homebuilding today. There aren't a hell of a lot of things you can do with the cost of conventional money at its present level, the participations demanded by insurance companies on apartment loans, and the cost of labor. You have to turn to government housing."

If money were not tight, Errichetti implies, his company would be building with conventional financing.

"Let's face it," he says. "It's easier to go conventional. You have fewer headaches, and you can make a bigger profit."

But in today's money market, it's necessary to work with the government.

There is no magic, Errichetti says, in making the government programs work. His company has established a good relationship with both local and federal government officials, and it has been able to get cooperation on even the most complicated projects.

"There isn't any problem working with the government," he says. "Builders who

are afraid of the programs just don't understand them. There are builders who have experienced a lack of cooperation on the government's part. But there are also builders who don't have the patience to find out what's required and then go ahead and implement the requirements."

He concedes that the government sometimes "tends to make the programs a mystery. They're not. Anyone with a reasonable amount of intelligence can learn what he needs to know."

This year Errichetti built and sold a 170-unit project built under Section 236, started another 170-unit high-rise (11 stories) project under 236, and is packaging three turnkey projects with a total of 530 units.

The project which he sold illustrates the attractiveness of subsidized housing programs during periods of tight money.

The project, Southwood Apartments, was originally planned for another site. HUD

issued a commitment, but Errichetti was unable to get the land zoned.

Faced with a commitment and no land, he purchased a 15-acre site for \$115,000 and asked HUD for approval to proceed on the new location.

Under Section 236, the maximum mortgage amount is determined by the gross rental income, which in turn is determined by the income limits established for a particular area.

Southwood has 128 two-bedroom units and 43 three-bedroom units. A family of three would probably occupy a two-bedroom apartment. For Waterbury, the adjusted income limit for that family is \$6,820. The maximum rent that family can pay is 25% of its adjusted gross income, or \$145. (Section 236 income limits are about 90% of 221 (d)(3) limits.)

The three-bedroom unit would probably be occupied by a family of four or five. The adjusted income limit for that family in Waterbury is \$7,495; the maximum rent it can pay is \$162.

Based on those figures, HUD approved a \$2.9 million mortgage. As in every Section 236 project, the mortgage covers 90% of the entire cost of development.

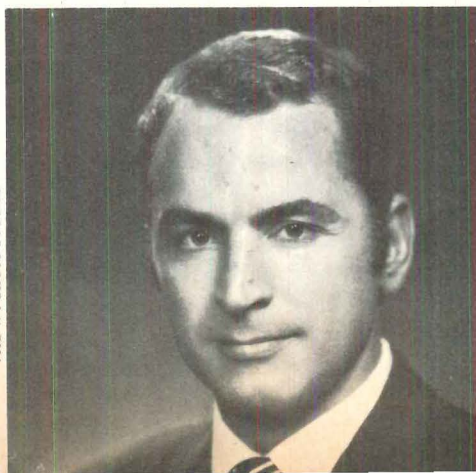
"It's highly leveraged," says Bill Bragg, executive manager. "You have to put up 10% equity, and you're allowed almost that much for builder's profit and risk. You have to put up front money, but the equity required isn't close enough to what's required on a conventional loan to justify a comparison."

The 40-year mortgage carries a constant of 3.331%.

"Compare that," says Bragg, "with the constants on conventional loans. They're up over 10%."

Errichetti could have taken an 11.11% return on the company's equity if it re-

John Errichetti was a small-volume single-family builder until 1966, when he decided to try a 221 (d)(3) project. When the project proved to be a financial success in a year when most builders were having money troubles, Errichetti moved to expand his volume of government-subsidized housing. Still operating in Waterbury, Conn. and the small towns around it, Errichetti's company in 1971 will have one of the larger sales volumes among builders using the government programs.



THE WYCKOFF STUDIO

tained the project, and in addition could have received an 8% management fee.

But before the project was completed, the company had a buyer. The project was sold at a profit to a group of limited partners. The buyers get a cash throw-off of \$19,201 per year and depreciation which averages \$50,000 per year.

For its part, Errichetti retains a portion of the project, and gets a quick turnover of capital—and immediate profit instead of one accrued over the life of the project. It also retains the management—for the 8% fee.

So, when conventional loans were not available or were available only under unacceptable terms, Errichetti was able to get a highly-leveraged loan with a low-constant—and then convert it into capital.

Getting the mortgage was relatively painless. A submission was made to the Hartford FHA office in January, approval was given in February, and the initial closing took place at the end of March.

Errichetti received even better cooperation on the 11-story project, Prospect Towers. Without the help of local government, the project would not have been feasible. Errichetti assembled three separate parcels and assigned the option to the Waterbury Housing Authority. Errichetti then put up \$70,000—one third of the purchase price. The state of Connecticut and the city of Waterbury each put up \$70,000—and the project was almost ready to go.

But the taxes on the downtown site were too much of a burden. So, the state provided 100% tax abatement for 40 years. At the same time, the Waterbury Housing Authority agreed to lease 20% of the units, using rent supplements to qualify its tenants.

For its part, Errichetti & Associates obtained a \$2,804,000 mortgage over 40 years and went shopping for a bond.

The company needed a 25% performance bond and a 25% bond to assure payment to subs and suppliers.

"We had trouble getting it," says Bragg. "Bonding capacity is a problem for all home-builders going into government programs." Errichetti went to the Colonial Bank & Trust Co. of Waterbury and the Waterbury Savings Bank and negotiated a \$700,000 irrevocable letter of credit as a substitute for the bonds.

"It was an unusual solution to a problem that all builders have to solve," says Errichetti. "We were lucky we had the financial strength and bank's confidence to get a letter of credit. But if the bank had not been willing to go along with the idea, we would have lost a project and Waterbury would not be getting some badly needed housing for the elderly."

Bonding is becoming less of a problem for Errichetti as his record of performance and reputation grow. A year ago, the company had a \$3- or \$4-million bonding capacity. Today, its bonding capacity exceeds \$10 million.

With the letter of credit, Errichetti was able to break ground in March. The units will be ready for occupancy in February or March of 1971.

The building will have 120 efficiency apartments, renting for \$91 a month, and 50 one-bedroom units, renting for \$115 a month. Rent supplements will reduce rents on 20% of the units. The project will throw off \$18,692 a year.

Currently, Errichetti is seeking approval of three turnkey projects. One would be built in Naugatuck—150 units on a four-acre site, the units to be leased public housing. The other two would be built in Waterbury. One would contain 180 units; the other, which would be built in a redevelopment area, would contain anywhere from 150 to 200 units.

In addition, the company has submitted three applications for Section 236 projects. One is for a 176-unit high-rise building in Waterbury. The second is for a 176-unit

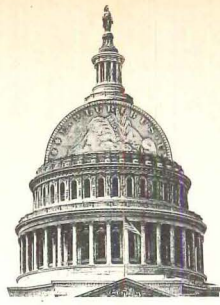
garden apartment project on a 35-acre site in nearby Torrington. The third is for a 160-unit project on a 160-acre site in Waterbury.

Errichetti has also been building an average of 50 conventionally financed single-family houses a year and is planning a 525-unit planned-unit development, to be called Flanders Green, in Southington. And when money loosens up, the company will undoubtedly swing more into conventionally financed housing. But meanwhile it has experience in the government programs and assurance that this is not the last period of tight money the homebuilding industry will see. Those two factors justify continued participation in the government programs.

"In working with the government," says Errichetti, "you have to know what to do, what to submit, and what not to submit. And you have to resist the temptation to fight the government when you think it has misjudged the market. There's no use getting bogged down with feasibility studies. You're better off accepting the government's decision. Otherwise, you'll tie up a piece of land for a year and the wind up not being able to build subsidized housing on it."

Even with things going smoothly, Errichetti says, a builder can expect a minimum lead time of 120 days from the day he submits his initial applications to determine feasibility to the day he receives a firm commitment.

"It could be done faster," Errichetti says, "and when HUD completes its current reorganization, it probably will be done faster. But even with the present lead time and an occasional balky bureaucrat, I think that right now the government as a lender is easier to get along with than the insurance companies are." CONTINUED



Government-subsidized housing can boom in the seventies **IF** it gets the support of the community

That proviso is particularly important in the case of government-subsidized housing in an urban ghetto. Further, community support can be a powerful tool for the builder who is trying to get cooperation from local and federal government officials.

American-Standard and Celanese Corp., which for the past two and a half years have been heavily involved in turnkey public housing in the black and Puerto Rican ghettos of New York, simply will not undertake a project which does not have the support of the community.

Says Leonard Sucsy, president of Construction for Progress Inc., the joint-venture building company established by the two corporate giants: "If the community supports you, it's almost politically impossible for the city to explain why you can't build housing in the ghetto."

Because Construction for Progress has succeeded in obtaining the support of the community and also the cooperation of government officials, it has been able to build and process its applications to the New York City Housing Authority simultaneously. This reduces the total time required to complete a turnkey project, although it also incurs the possibility of the city housing authority refusing to purchase the completed housing.

"It would be risk-free to process and then build," says Sucsy, "but the time required would be longer, our exposure

would be greater, the turnover of capital would be slower, and the return on investment would be lower."

In deciding to participate in the government's subsidized housing programs, American-Standard and Celanese said they wanted to test the theory that a profit could be made while satisfying the social obligations of a large corporate citizen.

"The statement which obtains here," says Sucsy, "is, if you cannot meet your business objectives, you cannot finance your social objectives."

The two companies are willing to accept a lower return on turnkey housing than they expect from other types of ventures: 10% on equity and 3.5% on sales. When they undertook their first project in New York's Spanish Harlem in 1968, they made

a conditional commitment. If the first project proved profitable, the commitment would be extended.

The project, a 66-unit building erected on the site of a parking lot, showed that it is possible to "build low-income housing and make a reasonable profit," says Sucsy. It also proved to him that any builder's success in the ghetto depends on the attitude of the community.

"That community," he says, "has experienced frustrations for decades. They are minority groups who have lived in a closed society. Their income and ability to earn are in great disparity with the cost of living. They are living in conditions that are deplorable. Anyone who walks into a depressed area will absorb those frustrations; the only way to avoid it is to create a dialogue."

Failure to create a dialogue, Sucsy adds, could result in physical violence directed against the builder and the building. It could also produce opposition from government officials.

"The minorities in the cities have political power," Sucsy says. "If they declare a builder unacceptable, he is unacceptable."

On the first project, Construction for Progress formed a special group, Concerned Citizens of East Harlem, composed of representatives from nine community organizations. CFP gave the group \$3,200 and

By all rights, Leonard Sucsy should not be president of Construction for Progress, the joint-venture firm established by American-Standard and Celanese. Sucsy was a young marketing executive on his way up the A-S corporate ladder when he was asked to assume responsibility for the joint venture. Although he still considers himself a marketing man, Sucsy has succeeded in an area where many a man with a long background in the building industry has failed—building low-income housing profitably in an urban ghetto. Says one A-S executive of the 31-year-old Sucsy: "He had a lot to learn—and he learned it."



contracted with it to develop a list of recommended tenants for the first turnkey structure.

The group received 500 applications from prospective tenants in one week, and it submitted a list of 123 people to CFP. Sucsy says 85% of the tenants were selected from the list; the others had legal priority.

CFP also insisted on the use of minority craftsmen by the contractors working on the project.

"If we insist on a high ratio of minority workers," Sucsy says, "this will create a demand for them in union halls and draw more of them into the unions."

Of the men employed at the site, 35% were minority workers. "They were hard to find," says Sucsy.

Construction for Progress also wanted to use a black general contractor. But the man they had in mind, Fred Eversley, didn't have sufficient experience at the time, and his price was higher than one submitted by Valridge Construction, which became the builder.

"We had a decision to make," says Sucsy. "We wanted to produce low-income housing, and we wanted to promote black entrepreneurship. We decided we could achieve only one objective at a time."

The decision was especially difficult to make because American-Standard has a substantial investment in Eversley's com-

pany—\$500,000 in cash and \$500,000 in bonding. But Sucsy decided that Eversley could be used on subsequent projects—after the joint venture partners had been shown that turnkey housing could be made to yield a profit.

Sucsy originally intended to negotiate a contract with the New York City Housing Authority before construction began. But state law requires the Authority to take sealed bids on any project costing more than \$50,000, and also requires separate bids for various mechanical contracts.

Adhering to the letter of the law would have increased the time and cost of producing the housing. But Sucsy's lawyer suggested that Construction for Progress negotiate the contract with the Authority *after* the building was completed, thus obviating the need for bids.

Sucsy and the chairman of the Authority, Albert A. Walsh, translated that suggestion into what they call Handshake Turnkey.

"We discuss the project with the Authority before we begin construction," Sucsy explains. "If they decide they want the housing, they give us their word they will purchase it when it's completed, provided it meets their specifications and the requirements of the Department of Housing and Urban Development."

Although the Authority is not legally bound to the agreement, Sucsy says the political power of the community minimizes the risk.

The handshake technique, says Sucsy, saves more than a year on Construction for Progress's timetable and makes it possible for CFP to bring in a project at 10% less than what it would cost the Authority to build by the conventional process of taking bids and letting contracts.

CFP is now growing. It has \$7.9 million worth of housing under construction, enough land under option for another \$13 million worth of housing, and a joint venture with Modular Communities, Inc. that will produce still another \$3.6 million worth. Actual sales for 1970 will be close to \$6 million.

Sometime in the future, CFP will take its turnkey program to other cities. But for now, the company will confine its activities to New York City.

"There's enough to keep us busy right here," says Sucsy, "and since we are a corporate citizen of New York, we should do a job here before going elsewhere."

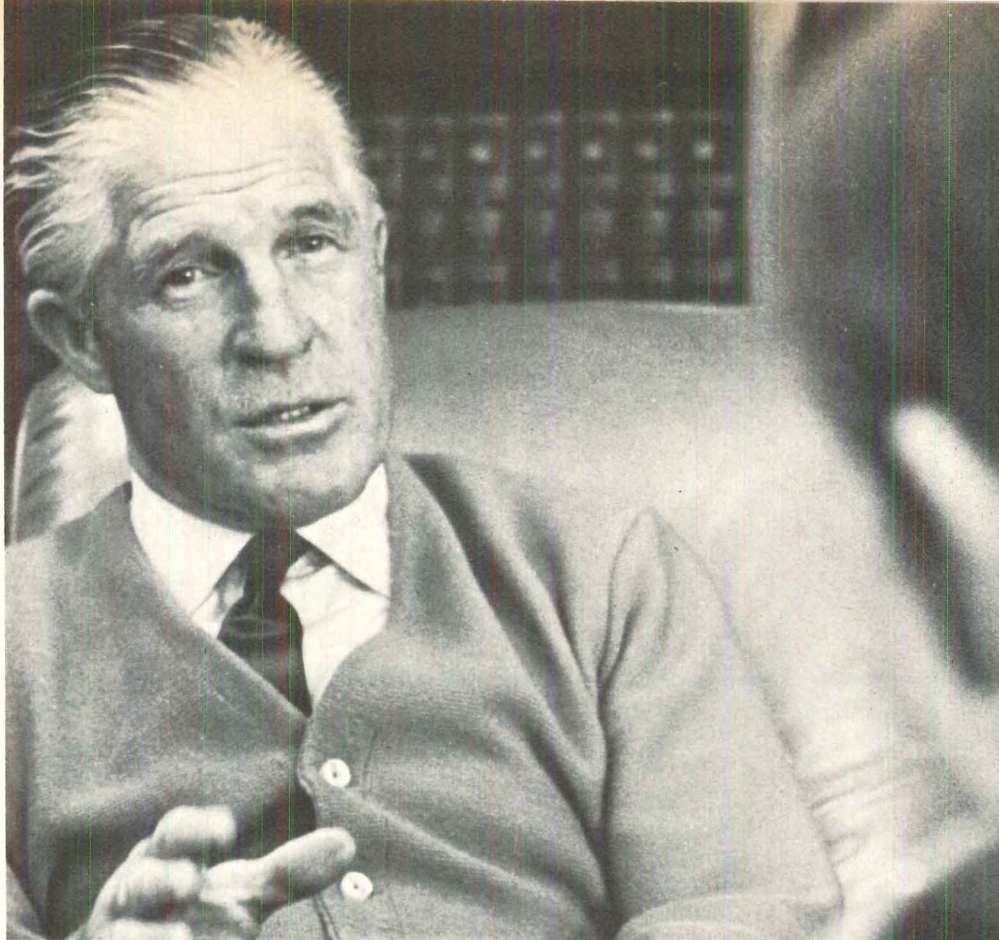
There is no chance that the market will be overbuilt. According to Sucsy, 200,000 housing units were abandoned in New York City between March, 1965, and March, 1968, causing a net decline in the city's housing inventory of 21,000 units.

Construction for Progress is working toward a production rate of 1,000 units a year, which would give the company annual sales of \$25 million.

Sucsy believes that other corporations will follow the lead of American-Standard and Celanese. He says a basic change has occurred in the way low-income housing is being produced.

"Until recently, a few big builders who had a good relationship with the government produced all of the low-income housing. We've seen the end of that era. Whoever wants to build low-income housing in the urban ghettos now must also have a new relationship with the community."

CONTINUED



PHOTOS: DEL ANKERS



HUD's chief tells why he thinks subsidy housing is a good long-term bet for builders

The Nixon Administration has used subsidized programs to ameliorate the second devastating credit crunch the homebuilding industry has experienced in the past four years. To find out whether the Administration intends to continue to spur subsidized housing activity, HOUSE & HOME sent contributing editor David Thaler to Washington to interview HUD Secretary George Romney.

Most of the interview's emphasis was on the need to increase the country's total housing production, and implicit in Romney's remarks was his inability to convince the White House that housing needed a higher priority than it is presently given by the Administration. At one point, he stated that he could argue the case for housing, but the people in the White House thought otherwise. As a member of the Administration, he was obliged to abide by their decision. Romney apparently believes that when the Administration decides it is time for the economy to be reviewed, housing will come to the forefront. To get the economy moving again, he says, the Administration will need a much higher level of activity by the homebuilding industry. Throughout the interview, he gave Thaler the impression that the problem of finding the means to meet the nation's need for low-income housing had been solved, that now HUD had to concentrate on stimulating production of housing for Middle America. To Romney, subsidized housing is a sleeping giant that awakened in 1970 and will stay awake the remainder of the decade.

Why, after all these years, have subsidized housing starts increased so dramatically?

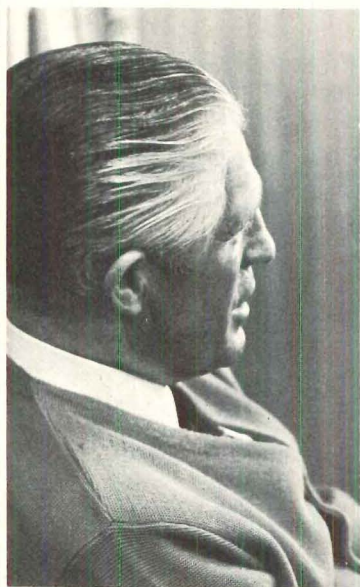
I think that is easy to explain. There is more of a commitment by this Administration than there was by other administrations to getting the housing built.

Other administrations attempted to stimulate the production of low-income housing. What has the Nixon Administration done differently?

We've taken steps to make it possible to build the housing. More money is being provided now, and we're getting the job done.

Is it just a matter of money?

Not entirely. We're taking steps to see that the money is used well. A lot of the credit would have to go to the Federal



Housing Administration, particularly Gene Gullede, who as you know, was a builder and the president of the NAHB. The people at FHA have gone to a number of cities and met with groups of builders, explaining the programs.

Do you think most builders are now aware of the opportunities which the subsidized-housing programs present?

No, I wouldn't say that. We have been able to meet with builder groups in a relatively small number of cities. I'd say that most builders are still not aware of the opportunities

available to them in this area. But we're continuing our efforts to make them aware.

The goal set forth in the National Housing Act of 1968 is 6,000,000 low-income housing units in 10 years. Are we on schedule?

No, we fell behind right away. This year, we're very close to the rate we would have had to maintain to achieve that goal. But we have a lot of catching up to do.

How many low-income housing starts will we have this year?

We should have 450,000.

Can we maintain that pace?

We're going to increase it. I expect us to have 600,000 low-income starts in 1971. That would include all of the programs—public housing, FHA, and the Farmers Home Administration, which had its biggest volume ever this year.

There is skepticism about the willingness of Congress and the Administration to provide the support needed as the subsidies accumulate. How do you feel about that?

I don't anticipate any reduction in the Administration's support of the housing programs. I think the record speaks for itself.

In what way?

Well, the previous high for subsidized housing starts as a



percentage of the total was 9%. This year, it's going to be as high as 33%. Now, part of the reason for that is the reduced total of all housing starts. Low-income starts won't always be as high a percentage of the total as they are this year. But the absolute number of low-income units will remain high.

Are you saying that you anticipate a substantial rise in total starts?

I'm not going to get into the business of forecasting. There are other people in that business and they have enough trouble without my trying to help. But I will say this. I am more concerned with increasing the total housing production of the country than I am with just low-income housing.

How would you increase total production?

You have to remember that this department doesn't build anything. All we can do is encourage private effort.

Can't the federal government encourage private effort by tak-



ing steps to make mortgage money available?

Yes, and we have broadened the base of financial participation through the Federal National Mortgage Assn. and the Federal Home Loan Bank Board—and by taking advantage of the special assistance fund. I'm thinking here of the Government National Mortgage Assn.

Is it realistic to expect a substantial increase in housing starts in the present economic climate?

It's difficult: inflation is the greatest restriction on housing. Inflation always occurs faster and has a greater impact on housing than in any other area. I've said many times that we can achieve our housing goals if we can control inflation and if we can produce a budget surplus.

Why a budget surplus?

Obviously, if you have a budget surplus, you have a lower demand for credit by the federal



government. That means less demand for the available money.

You think, then, that a change in economic conditions would create a housing boom?

I think that as the Vietnam war winds down and the nation changes from a wartime economy to a peacetime economy that the country is going to look to housing to take up a



large part of the economic slack which that changeover will create.

The country will need a housing boom?

I'm not saying that, exactly. I am saying that housing will then be given a prime priority in the effort to sustain economic growth.

How does that relate to inflation?

If inflation continues, more and more people will be priced out of the housing market.

Do you think Congress will appropriate the funds necessary

to achieve the national housing goals?

Congress is responsive to its constituencies. Right now, there is public support for housing. There's more support than there has been in the past, and I think there will be even more support in the future. Because of that support, I think Congress has a greater commitment than it had in the past.

Where will the low-income housing be built?

There has been much misunderstanding of my position on this question. I want to make it clear that I am not in favor of forced integration in the suburbs. The housing will be built where people are willing to build it and where there is land available.

Are you giving priority to suburban locations?

We are giving first consideration to those groups who have the land appropriately zoned



and the approval of the local governing bodies in low-density areas. But we are not rejecting applications for projects that are not in suburban locations, and we are not rejecting applications for projects in racially impacted areas. We are determining each case on its merits and according to the funds available.



Do you think more builders are becoming aware of the subsidy programs?

Yes, and I think that as they learn about the programs, they will participate in them. We have an educating job to do. We've just begun.

Some builders say they're now in the programs only because there is money for low-income housing and no money for conventionally financed housing. Do you think that when money loosens up, you'll lose a substantial number of builders?

No. I would say to those builders that they would be well-advised to maintain their present involvement in the subsidy programs, and when credit conditions ease, use conventionally financed housing for their expansion.

Why?

We're always going to have peaks and valleys in housing, and when we come to the next valley, the builders who stayed in the government programs will be glad they did. They'll have a solid base for their businesses.

Are you saying that this isn't the last tight-money period we'll see?

I don't know if it is or not, but I wouldn't want to predict that when money becomes loose again, it will remain that way forever.

Earlier this year, you called on various types of lending institutions to voluntarily commit extra funds for housing. How was the response to that request?

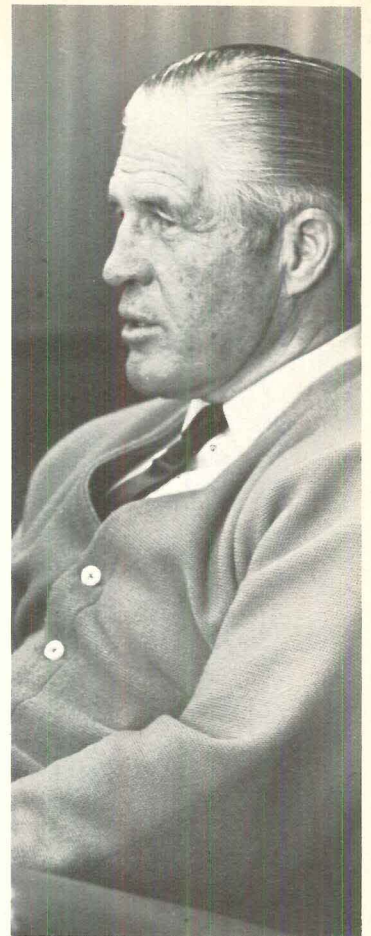
It was very good. More than \$3 billion was pledged voluntarily.

Have those pledges been redeemed?

It's difficult to measure that sort of thing. But based on what's happened, I would say that the pledges have been honored.

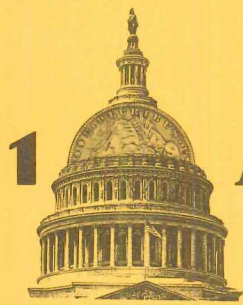
Were you encouraged enough by the results to use voluntarism again as at least a partial solution to a shortage of mortgage funds?

It wouldn't be necessary. Since the time we requested voluntary commitments, we've been able to tap other sources of funds. With these new sources, we wouldn't have to rely on a program of voluntary commitments.

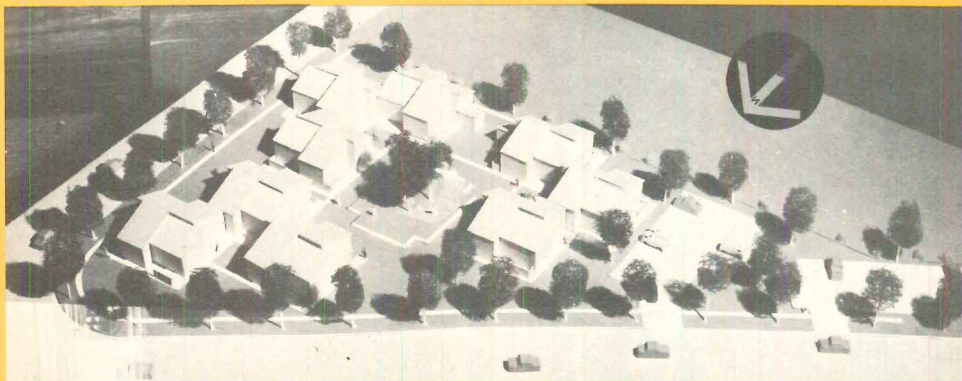




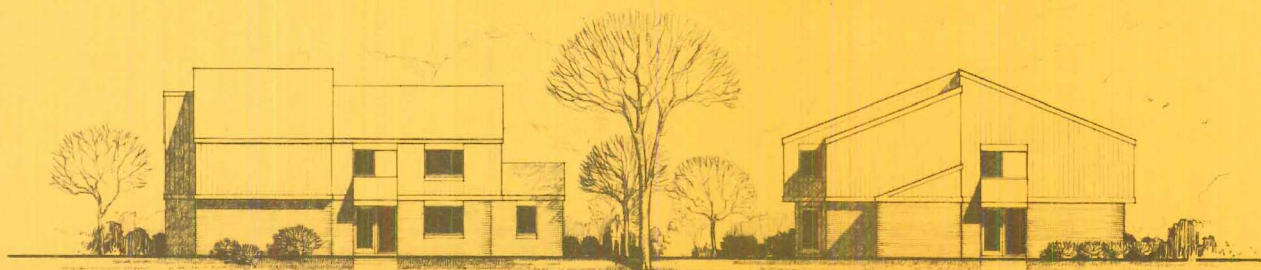
Private walkways and entrances mark approaches to Randles Estate in Cleveland. This is first 221(d)(3) rent-supplemented project in Ohio with citizen-group sponsor.

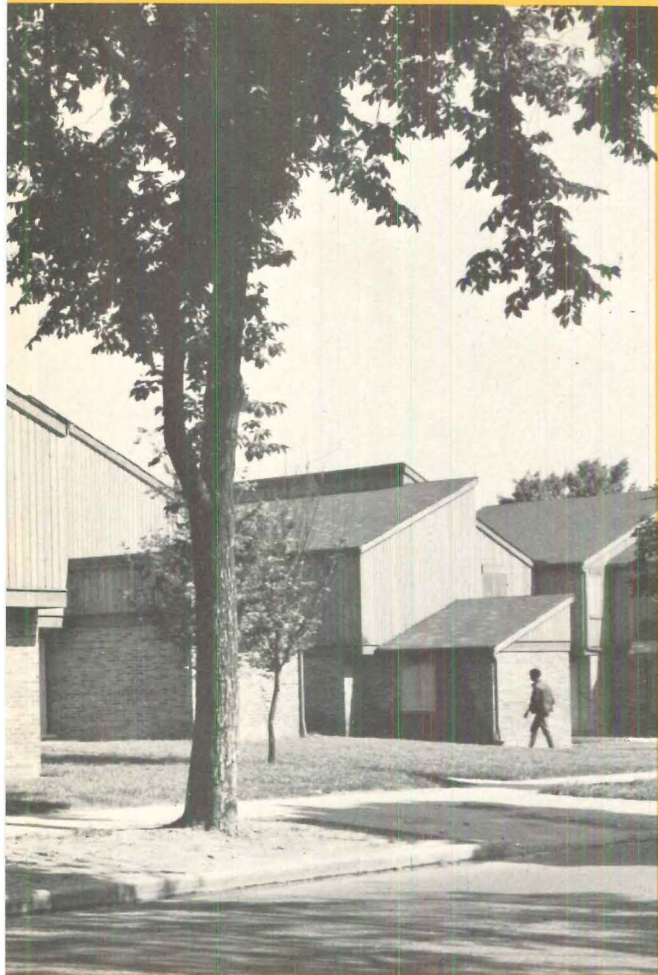


1 A project of fourplexes for a small triangular site

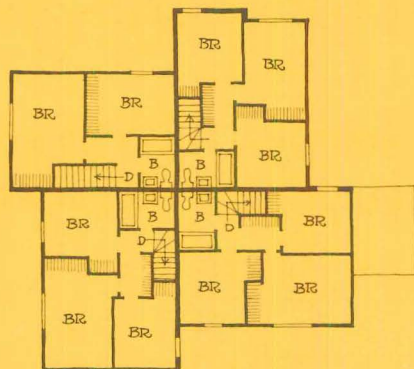


Its 36 housing units, in the Hough section of Cleveland, are in nine four-unit buildings on 1.9 acres (*site model, left*). The arrangement allows for back-to-back baths (*plan, top right*), private entrances and terraces. There is also a central play space. Designed for low-income black families, the apartments rent for \$125 to \$175, part of which is rent-supplemented. Cost of the three-bedroom units averages about \$11.50 per sq. ft. There are 28 of them, plus three two-bedroom and five four-bedroom units. Architect: Whitley-Whitley. Builder: Ozanne Construction Co. Owner: Citizens for Better Housing Corp.

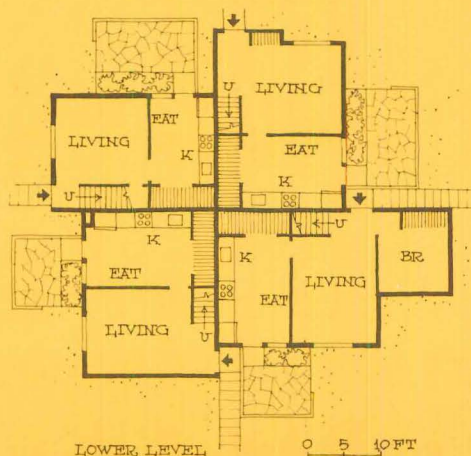




PHOTOS: C. W. ACKERMAN



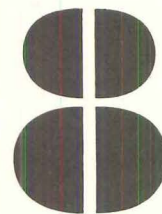
UPPER LEVEL



LOWER LEVEL

The popular image of low-cost housing is derived from the worst of our public housing projects—brick boxes sitting on concrete-paved sites surrounded by steel chain-link fence.

Fortunately, this image is no longer as valid as it was. The best projects built under government programs are both well planned and well designed—as you'll see here and on the next eleven pages. With one exception, all were built under FHA Section 221(d)(3), a program that is being phased out. But there is no reason to believe that the same excellence will not be possible under the new programs.



PROJECTS

that set a standard for government-subsidy housing



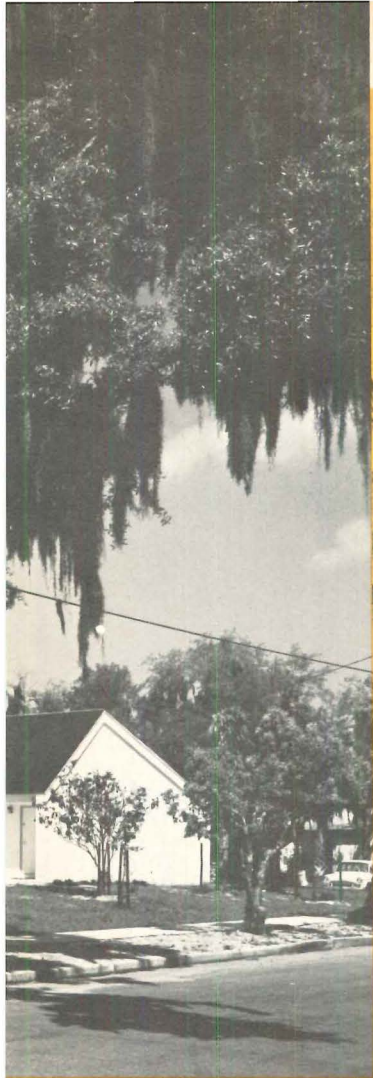
One-story efficiencies (photo, above) and two-story walk-ups (photo, below) comprise this HUD-sponsored Florida project.



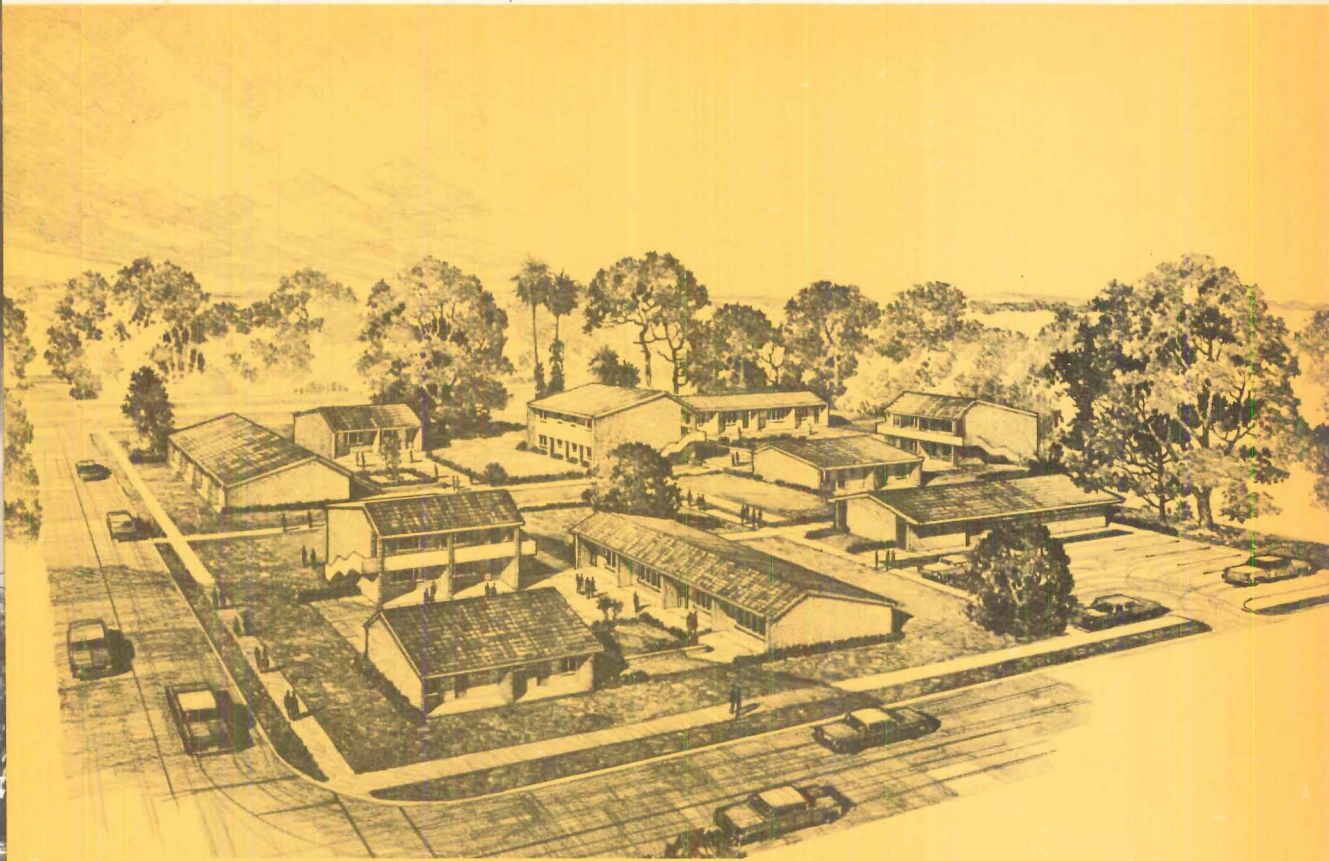
2

A housing-for-the-elderly project that mixes one



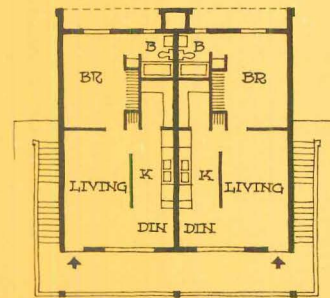


PHOTOS: G. WADE SWICORD

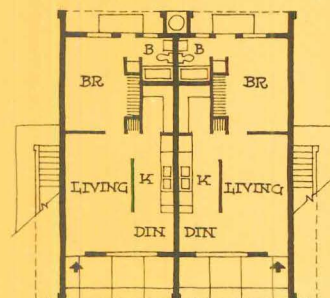


and two-story apartment buildings

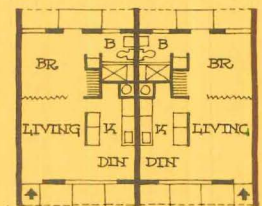
It is built on a 1.8-acre site in the middle of an older residential neighborhood. Located in Tarpon Springs, Fla., its rental units consist of six efficiency and 24 one-bedroom apartments, many of which are second-story walk-ups. Built at a cost of roughly \$11 per sq. ft., the units are small (*plan, right*), averaging only 391 and 555 sq. ft., and rents are correspondingly low—\$40 and \$45 a month. The project also has a community building (*site plan, upper right corner*), with an assembly hall, clinic room, kitchen, and parking space out in front. Architect: Sellew and West. Builder: Batstone Construction Co. Owner: Housing Authority of Tarpon Springs.



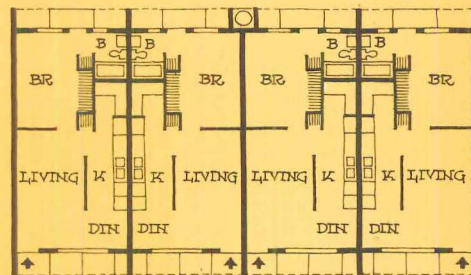
1 BEDROOM - UPPER LEVEL



1 BEDROOM - LOWER LEVEL



EFFICIENCY



1 BEDROOM - ONE STORY

Plans for retirement project include one-story efficiencies and one-bedroom units (*below, right*) two-story units (*above, right*).

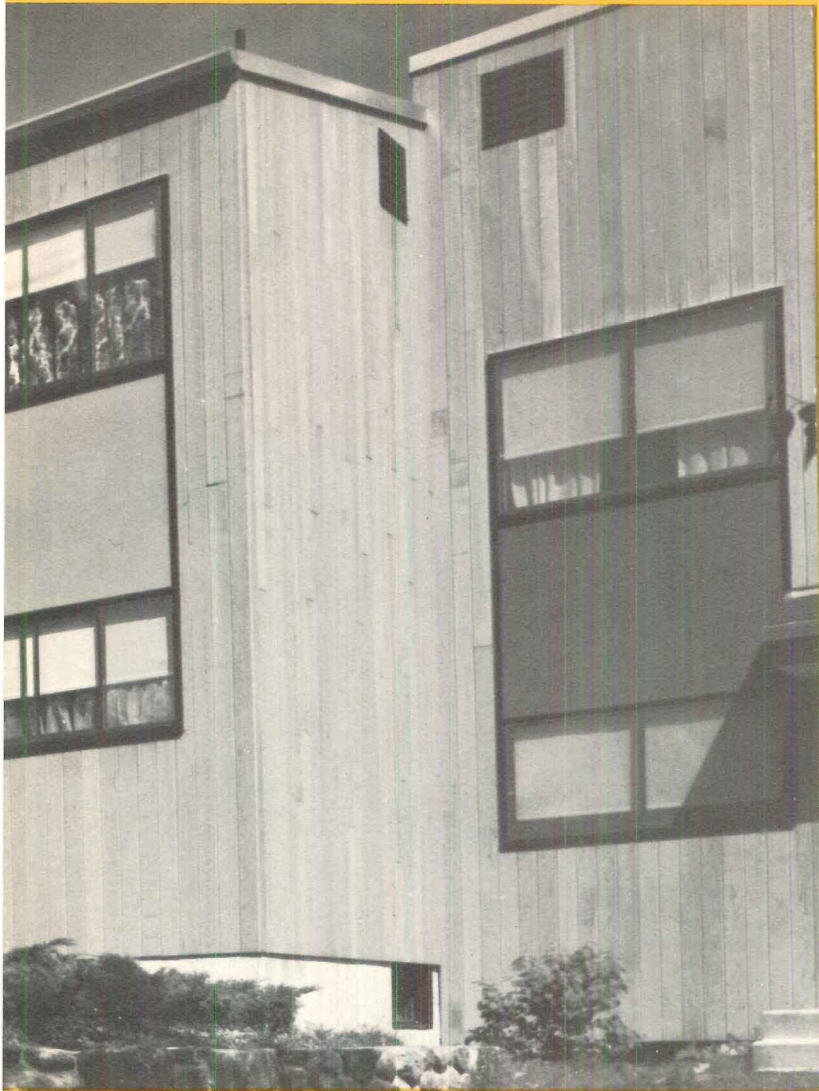


Stepped-down design (see also site plan, facing page) has series of retaining walls and offsets to conform to sloping terrain.

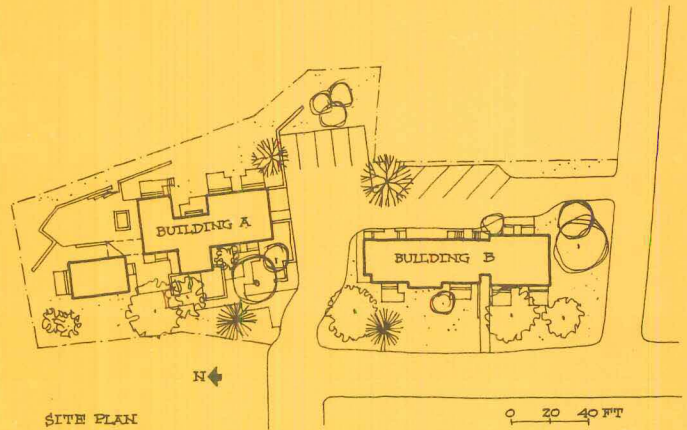
3 A two-building project for a site with



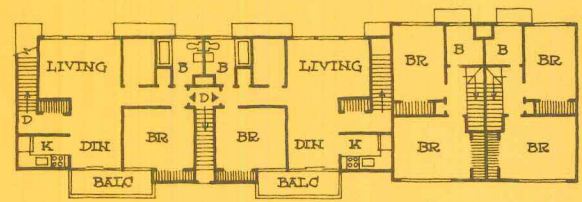
Efficiency apartments in this building have balconies and basements. Retaining wall divides one-bedroom from two-bedroom units.



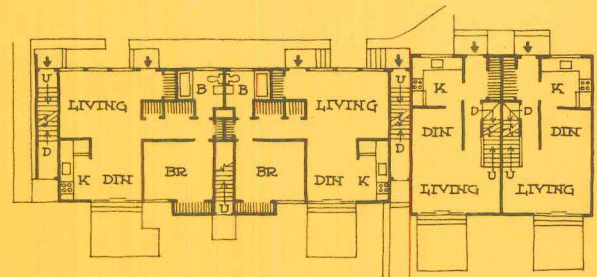
PHOTOS: ROBERT PERRON



SITE PLAN



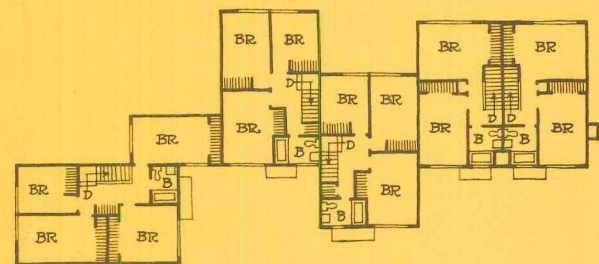
UPPER LEVEL



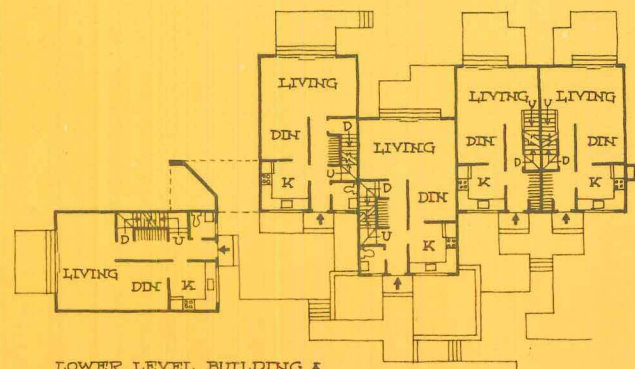
LOWER LEVEL BUILDING B

multiple problems

Sharply sloping land, an underground stream that had to be diverted, and rather stiff zoning regulations as to parking and yard size were problems that had to be solved for Sarsfield Terrace, a low-income project in Waterbury, Conn. The two buildings on a half-acre site contain eleven apartments and townhouses. Of prime importance was the need for privacy and the avoidance of common corridors. Average cost of the project, including site development, was \$18 per sq. ft. Rents run from \$112 to \$174. Architect: Joseph Stein & Assoc. Builder: Alfred Jabs & Son. Owner: Waterbury Better Housing Assn.



UPPER LEVEL

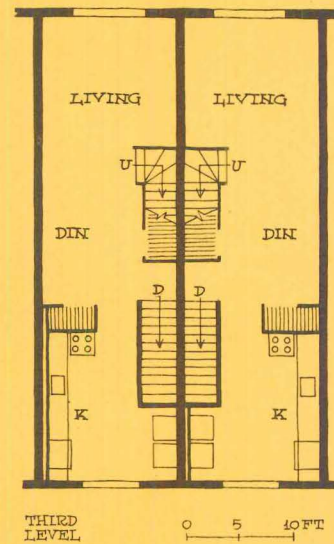
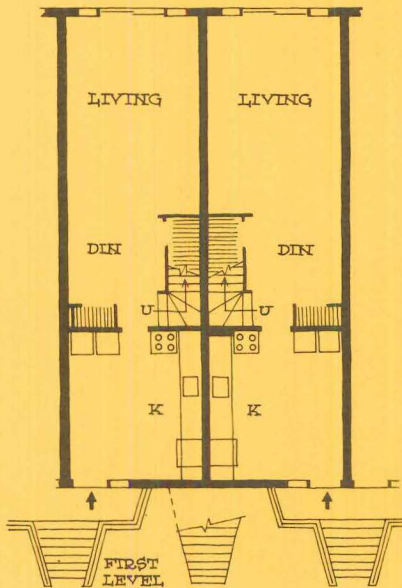
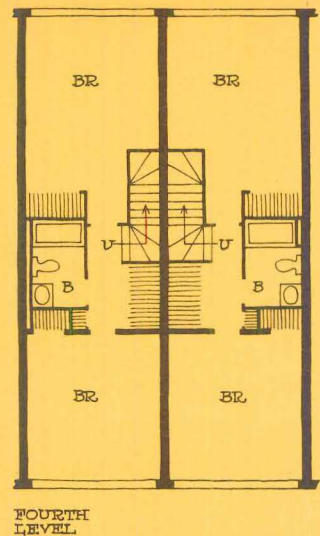
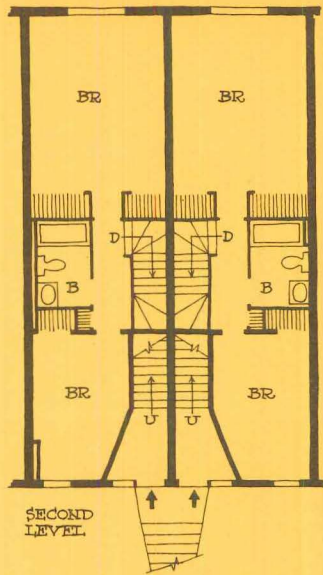
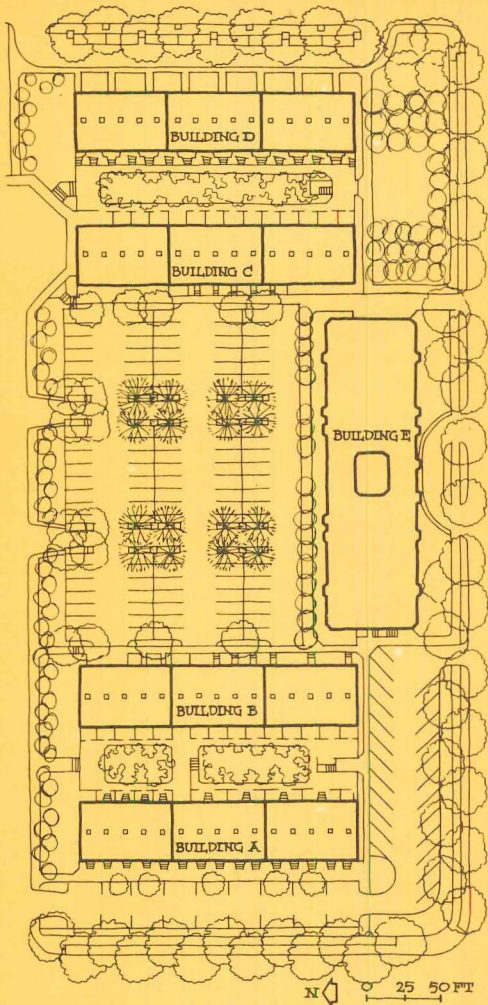


LOWER LEVEL BUILDING A

PHOTOS: ANTHONY HATHAWAY



Arched entries and all-brick construction characterize Channel Square project. This is last land parcel in area to be put up for redevelopment.



4

A middle-income project with low- and high-rise buildings

This redevelopment package of 75 townhouses and 124 apartments in Washington, D.C. was put together by a non-profit sponsor-contractor-architect team. Building "E" (*site plan, above*) is a high rise; the others are three and four stories. The living rooms (*plan, above right*) are 12' x 16', or about 40% to 70% larger than minimum FHA requirements. Parking (on a 2:3 ratio) is partly underground. The units have two and four bedrooms and rent for \$158 and \$200 respectively. Architect: Harry Weese & Assoc. Builder: Bush Construction Co. Owner: Krooth and Altman (with architect and builder).

Landscaping (at a cost of \$25,000) has helped instill great pride in project. Vandalism and litter have been held to zero, the owners report.

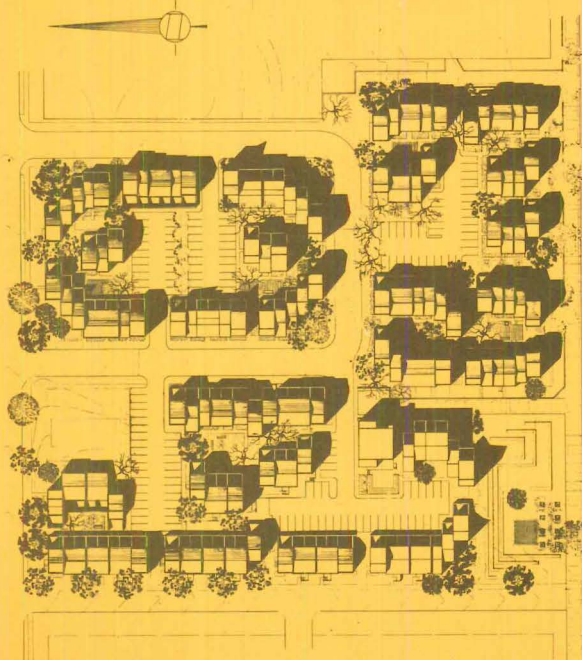


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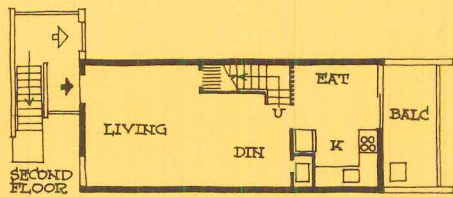
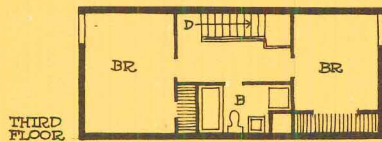


Corduroy brick and precast concrete panels are low maintenance materials used for exteriors. Buildings are air-conditioned.

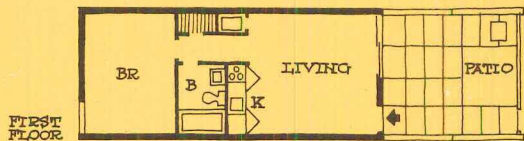
5 A three-story project designed for children



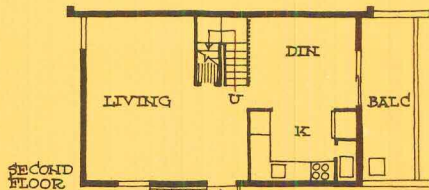
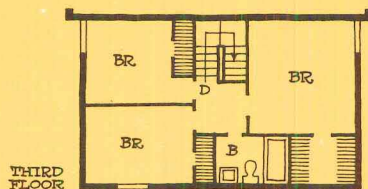
A recent HUD design award winner, this Sursum Corda project in Washington, D.C. is composed of 199 housing units. In the site plan (left), corner step-backs make it easy for drivers to see around corners and avoid children crossing the street. The project is, in fact, largely children-oriented. There are 14 one-bedroom, 30 two-bedroom, and 14 three-bedroom apartments; 25 three-bedroom, 46 four-bedroom, 20 five-bedroom, and 20 six-bedroom townhouses—plus 30 efficiencies. Rents range from \$93 to \$175. Average building costs: \$14 per sq. ft. Architect: Collins & Kronstadt, Leahy, Hogan, Collins. Builder: Thomas R. Harkins, Inc. Owner: Sursum Corda, Inc.



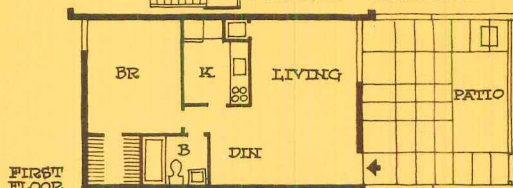
2 BEDROOM APARTMENT



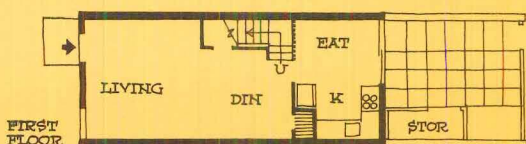
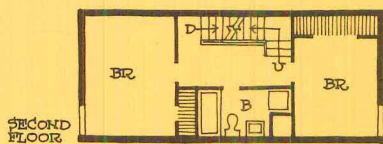
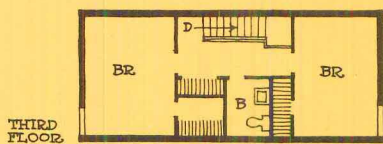
1 BEDROOM EFFICIENCY



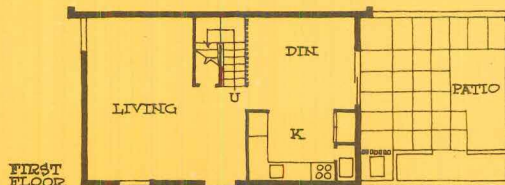
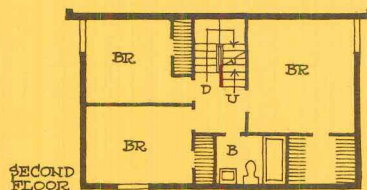
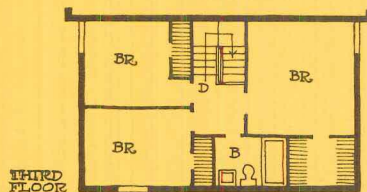
3 BEDROOM APARTMENT



1 BEDROOM APARTMENT

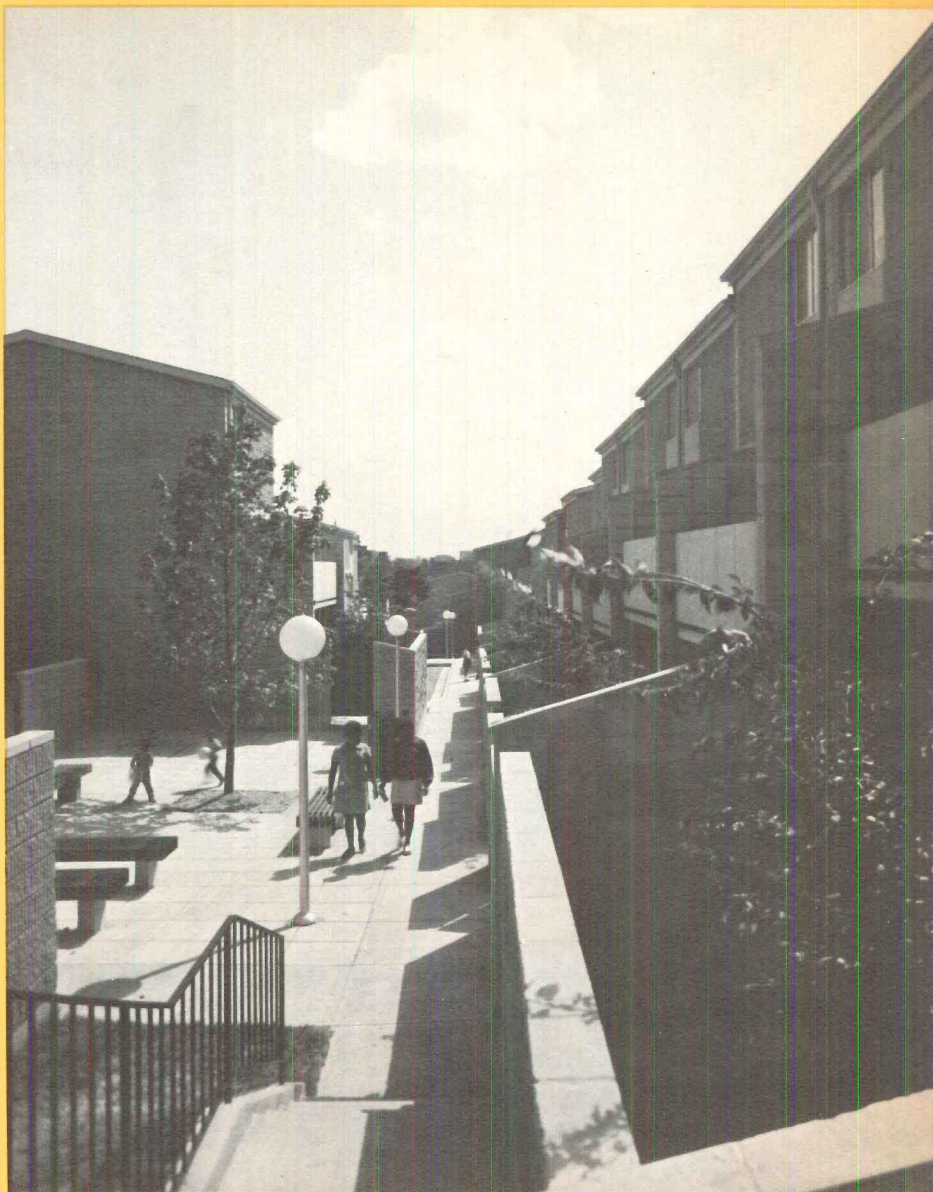


4 BEDROOM HOUSE



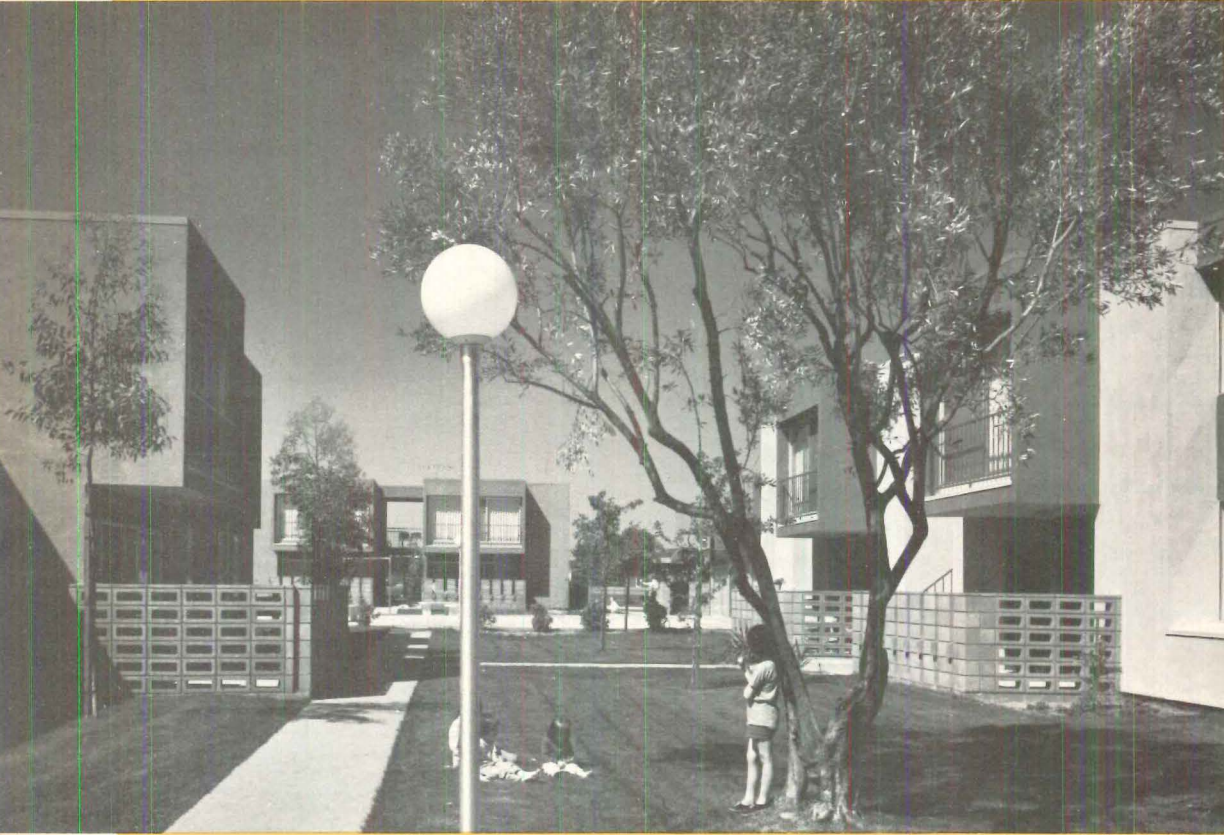
6 BEDROOM HOUSE

0 5 10 FT

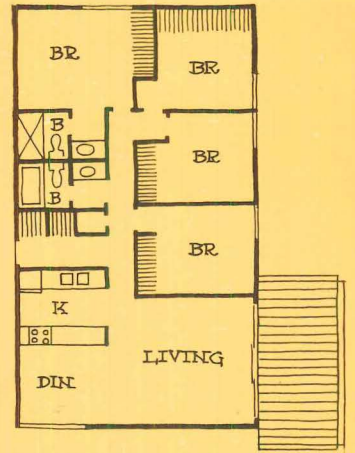


Paved courts for play and sitting open out from walled gardens of project.

Piggy-back buildings have efficiency apartments on first floor, with two- and three-bedroom townhouses above. There are also a number of four- and six-bedroom townhouses (plans, below).



Buildings in Hayward project are wood frame and stucco, with cement plaster and plywood fronts.

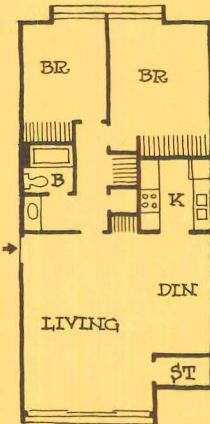
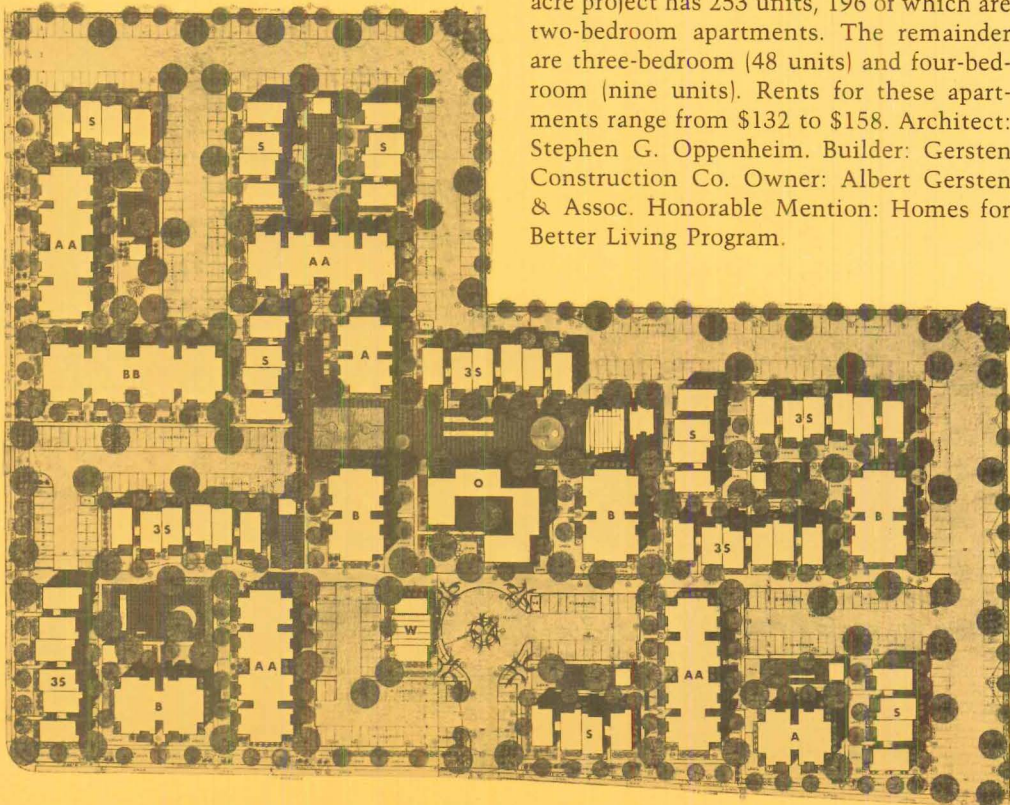


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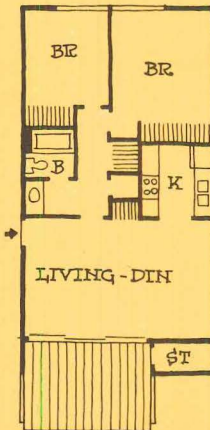


Two award-winning projects in California . . .

For a project of this size, this Hayward, Calif., development has a relatively high density—15 units per acre. Yet even with the rectilinear site plan (*below*), there is ample space for play areas (*photo, above*), a recreation building, and parking. The 16-acre project has 253 units, 196 of which are two-bedroom apartments. The remainder are three-bedroom (48 units) and four-bedroom (nine units). Rents for these apartments range from \$132 to \$158. Architect: Stephen G. Oppenheim. Builder: Gersten Construction Co. Owner: Albert Gersten & Assoc. Honorable Mention: Homes for Better Living Program.



UPPER LEVEL

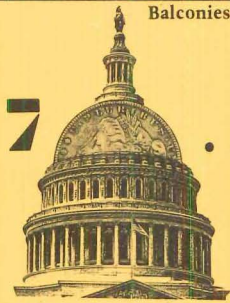


LOWER LEVEL



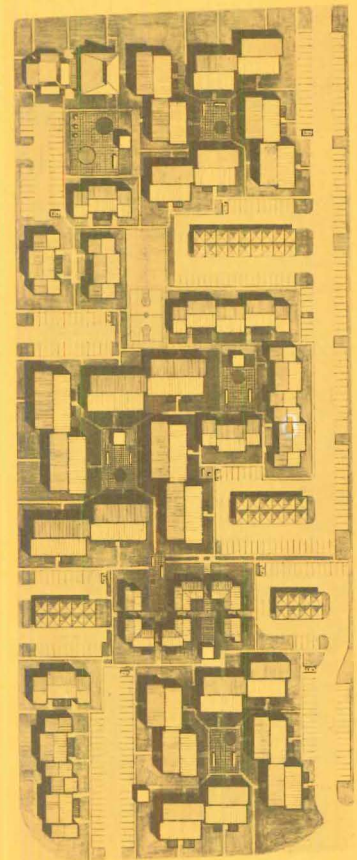
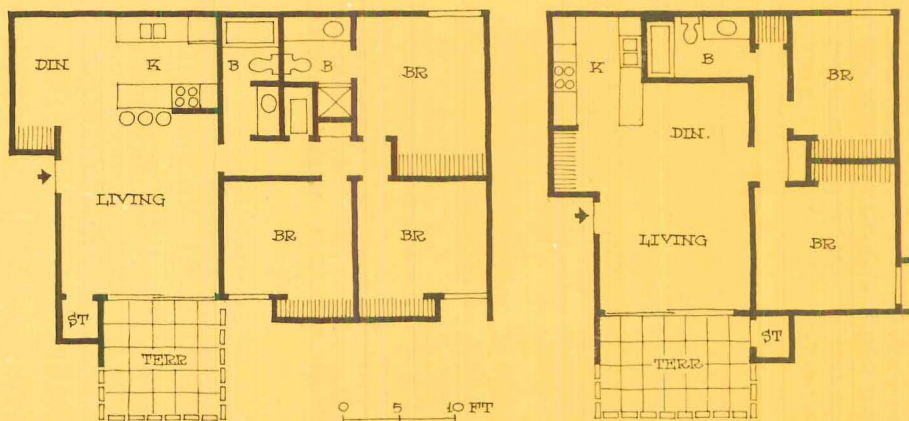


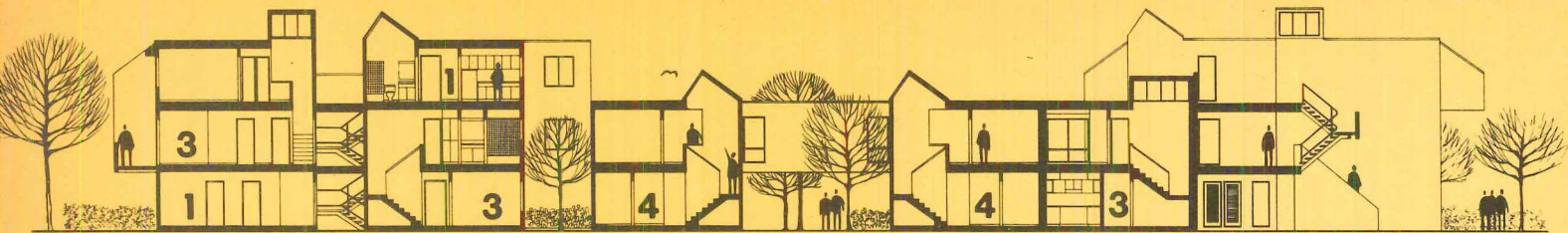
Balconies and terraces add extra outdoor space to El Rancho Verde units. Site had drainage problem (flood control).



7 ... built by the same architect/contractor team

This 300-unit project is built on 14 acres in San Jose, Calif. It was completely rented after the first 60 units were built and now has a waiting list of 1400. The basis of the land plan (right) is small clusters of buildings surrounded by courts. Layouts of the buildings include a pin-wheel plan, corner-turning plan, and back-to-back plan. The project includes 64 three-bedroom and 236 two-bedroom apartments renting for \$142 and \$117. Architect: Stephen G. Oppenheim. Builder: Gersten Construction Co. Owner: El Rancho Verde. Honorable Mention: Homes for Better Living Program.





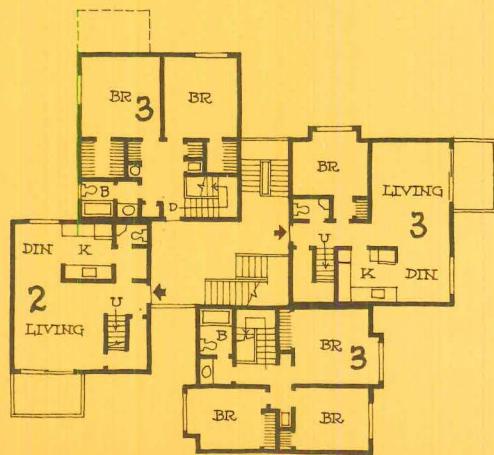
Wood frame buildings in project have double-stud walls and stucco exteriors. Three-story corner units are shown above.



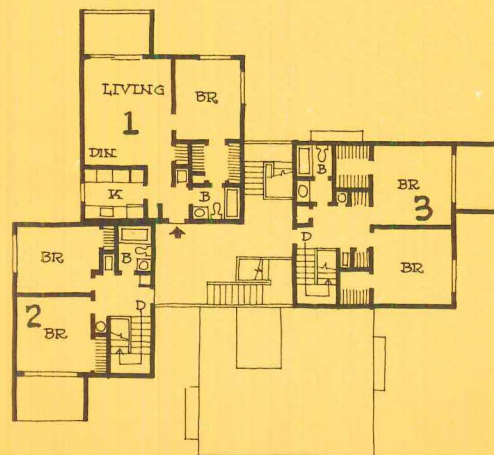
An award-winning project with high density



A redevelopment plan for a sizeable portion of West Oakland, Calif., includes this 479-unit project for low- and middle-income families. The clustered units occupy a 13.5-acre site (*plan, left*), with traffic-free courts, a central park (*photo, above*), and a community building. Parking is on a 1:1 ratio. To achieve a density of 27 units per acre, the architect uses three-story units at the corners, the remainder are two-story. Average building cost: \$10.20 per sq. ft. Rental range: \$67.50 to \$145. Architect: Burger & Coplans, Inc. Builder: Williams & Burrows, Inc. Owner: Oakland Acorn, Inc. Merit Award: Homes for Better Living Program.



LOWER LEVEL



UPPER LEVEL

0 5 40 FT



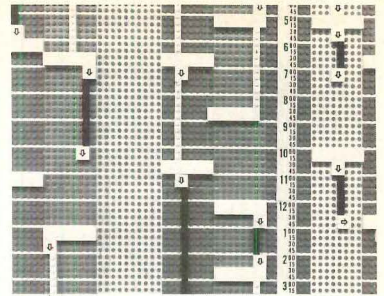
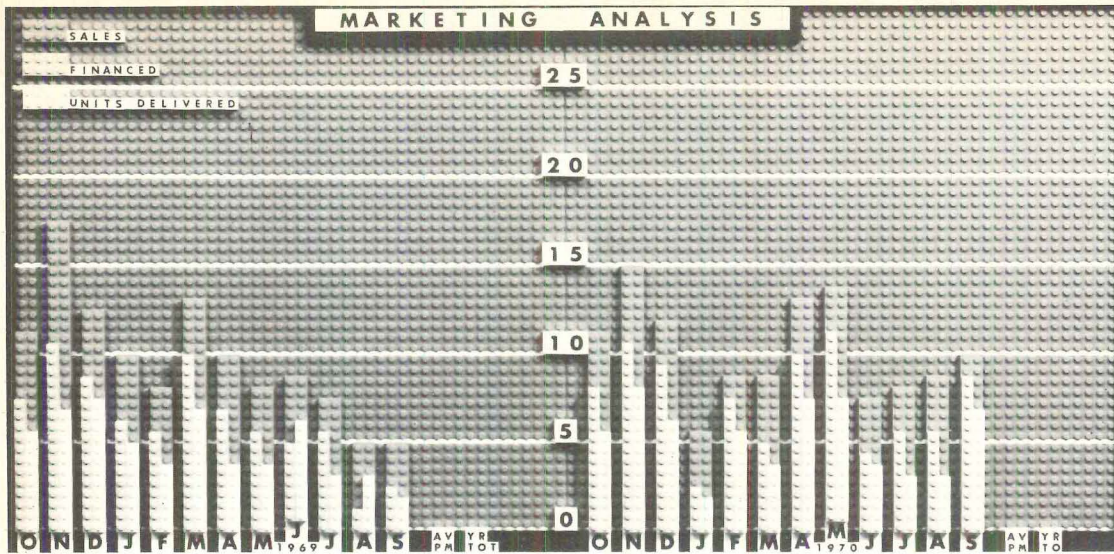
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Caradco's prefinished C-100 window is made virtually carefree with durable Geon vinyl. Exposed exterior frame and sill, side brick mold, head brick mold and blind stops are sheathed with rigid Geon vinyl. Flexible vinyl material is used for glazing, too. It resists cracking, crumbling and leaking.

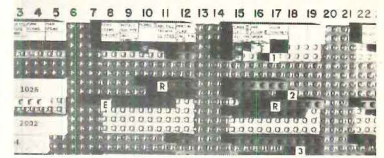
Geon vinyl and Caradco believe that windows should let you enjoy life.
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3135 Euclid Avenue, Cleveland, Ohio 44115.



Geon
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Production Schedule for JUNE



A three-dimensional charting system adds a fourth dimension—color

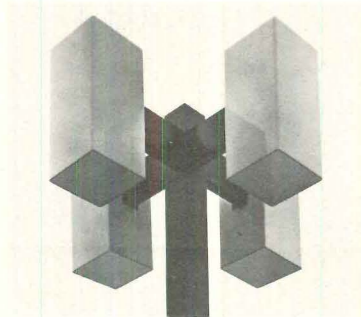
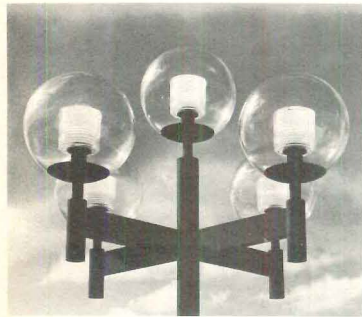
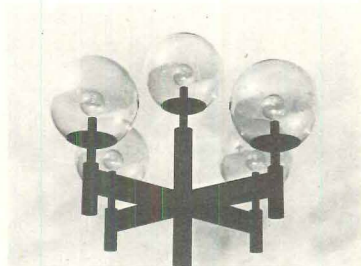
Plastic components snap onto a studded board—vertically or horizontally—to form the basic chart. Then individual pieces button onto each other, building out from the board. Bright colors—red, orange,

yellow, and blue—plus black and white make it easy to read from several feet away, provide instant visual comparison of sales with delivery (above), scheduled work with computer timetables (top

right) or actual progress (bottom right), jobs with personnel, etc. Thumbtacks, acetate overlays, grease pencils, and ringbinders are eliminated. Basic 20" x 40" board comes with 175 one-knob, two-

knob, or four-knob components, in an assortment of the six colors, plus 30 slide bars. Samsonite, International Management Systems, Denver, Colo.

CIRCLE 250 ON READER SERVICE CARD



Beauty by day as well as light by night

These coordinated outdoor lighting fixtures offer contemporary design for schools, shopping centers, parking lots, etc. They come in opal white (top left) for diffused parking lighting, clear for view of single or multiple lamps (top right)

or lighthouse-like sparkling refractors (bottom left), and in cylinders—square (as shown) or round—for downlighting areas of interest like planters. Lightolier, Jersey City, N.J.

CIRCLE 251 ON READER SERVICE CARD



Sabre saw, modified to make it more stable and easier to handle, has a new shoe for more stability and the speed selector switch on the housing (instead of inside the handle). Two speeds are: 1,100 spm for cutting metal and 2,200 spm for sawing wood, composition boards, or plastic. Its longer—1"—stroke puts more teeth to work, increases blade life. Black & Decker, Towson, Md.

CIRCLE 252 ON READER SERVICE CARD



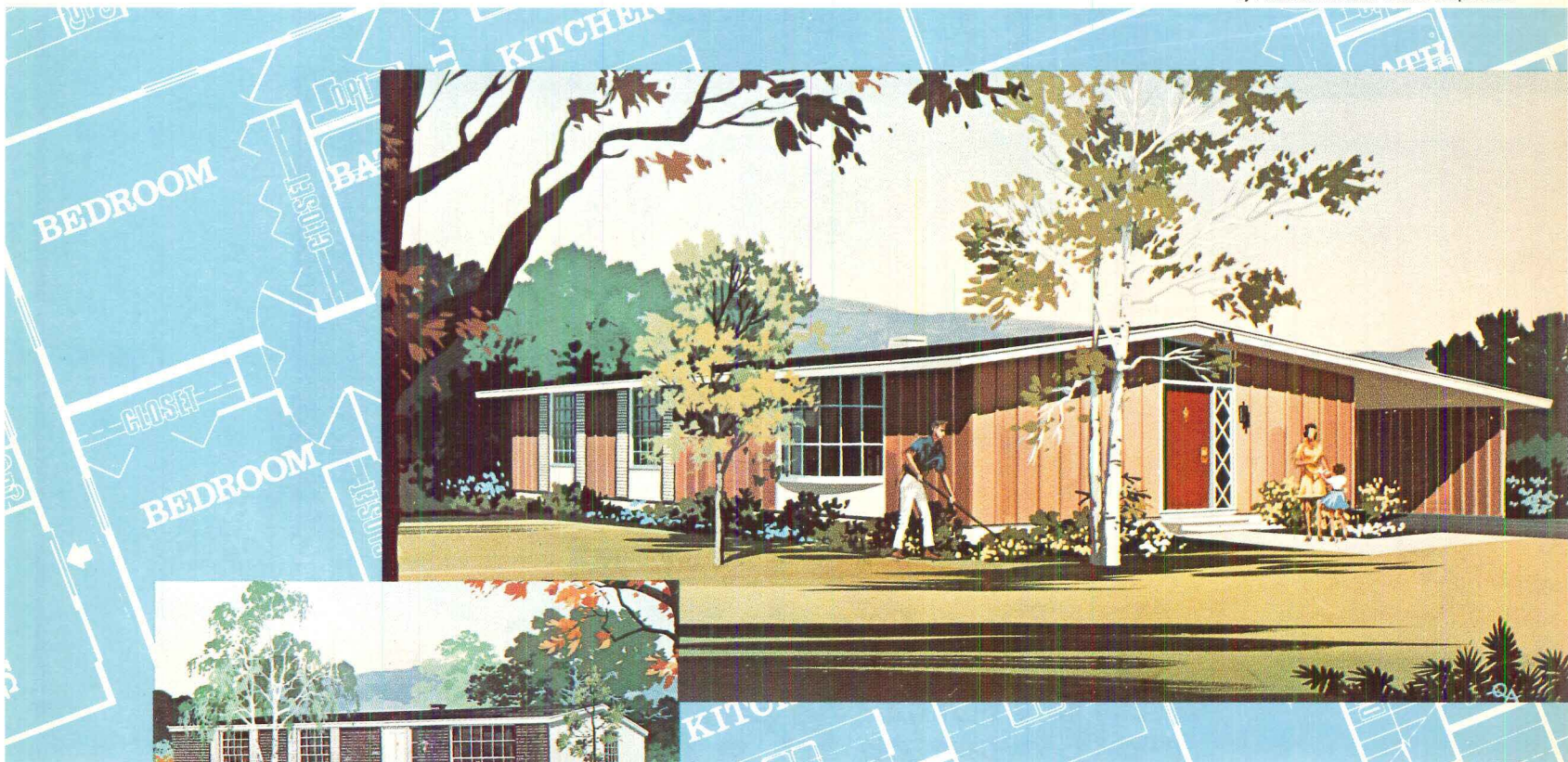
Factory-built chimneys are so light in weight they need no footings or supports, can be used on vacation or platform houses like this. An 8" chimney vents a 2,000 Btu oil furnace (left in photo above), and commercial units of 24" (right in photo above) and 18" (photo left) vent large fireplaces. All are free-standing, stainless steel. William Wallace Div., Wallace-Murray, Belmont, Calif.

CIRCLE 253 ON READER SERVICE CARD

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The Scotch Nail's extra holding power keeps call-backs to a minimum.

Every time you have to take a carpenter off one job so he can re-nail loosened trim and mouldings on another, your profits drop. Bethlehem's Scotch Nail has an unusual design that increases holding power and reduces call-backs.

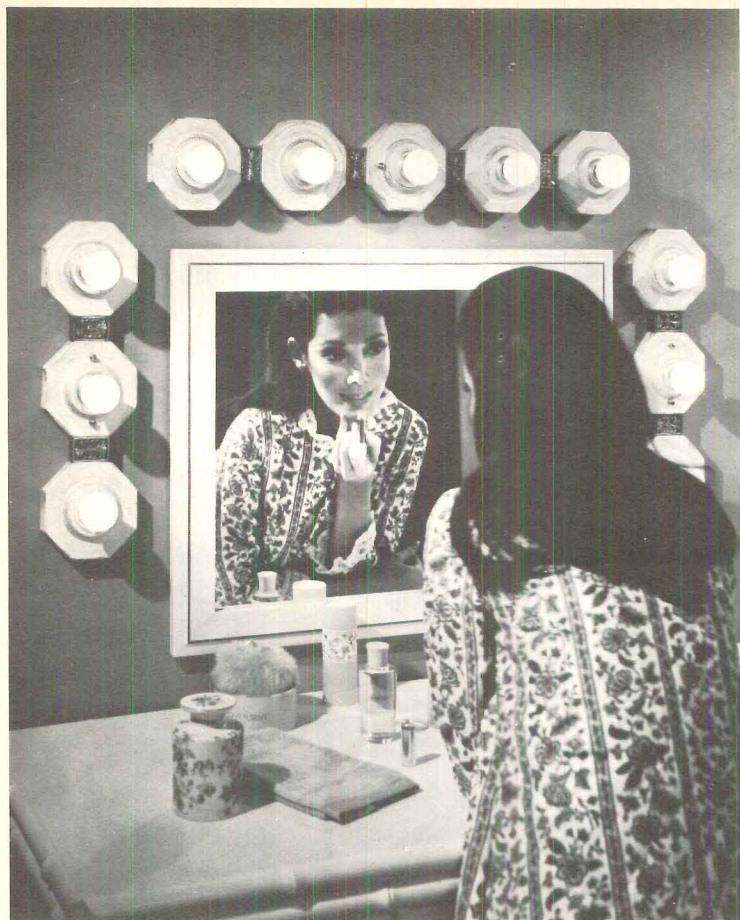
The Scotch Nail has a square shank which resists rotational loosening. And it

has angled serrations all along that shank. These grip the wood with as much as twice the strength of smooth-shank nails.

Want to know more about Scotch Nails? Your local Bethlehem nail distributor can tell you. Or write to us. *Bethlehem Steel Corporation, Bethlehem, PA 18016.*

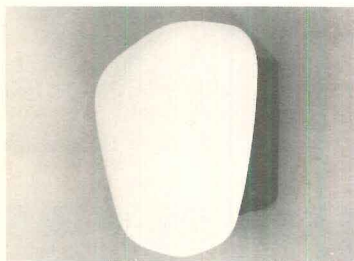
BETHLEHEM STEEL



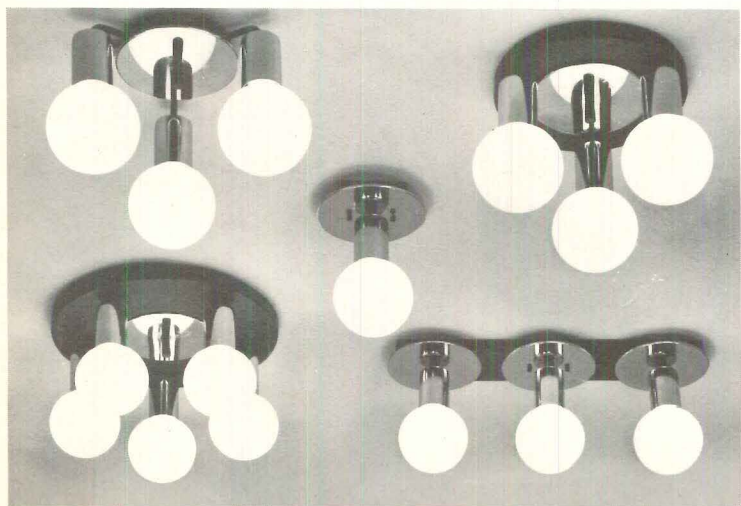


Makeup lights, here framing a vanity mirror, can provide shadowless illumination for shaving or applying makeup. Bulbs fit into octagonal plaques connected by floral bars. Three-bulb strips are 17½" long,

five bulb strips, 30" long. Both are 5" wide, come in pewter, antique gold, or gold and white. Progress Lighting, Div. Lighting Corp. of America, Philadelphia, Pa. CIRCLE 200 ON READER SERVICE CARD

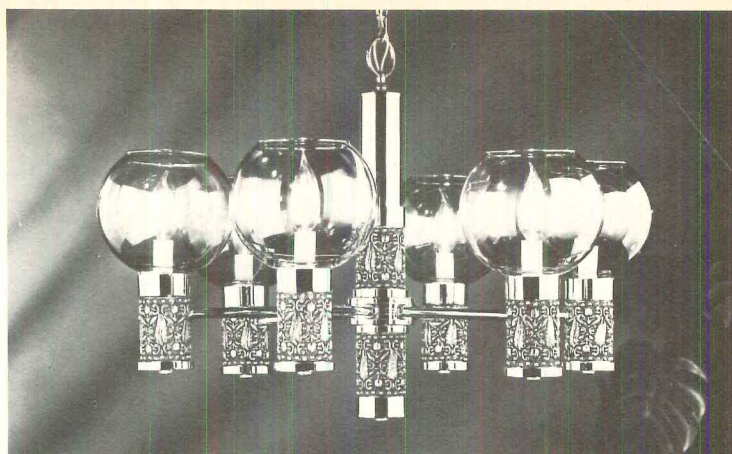


Versatile light mounts either horizontally or vertically, on ceiling or wall, individually or in a grouping. Satin opal glass is held by clips that are removed for changing the bulb. It can also be ordered in other shapes such as wedges, rectangles, squares, or rounds. Markstone Mfg., Div. Instrument Systems, Chicago. CIRCLE 201 ON READER SERVICE CARD



Coordinated fixtures, in chrome and black contemporary design, are wall brackets and sconces, flush, semi-flush, and hanging ceiling pieces. Globes shown are not expensive—breakable—glass cov-

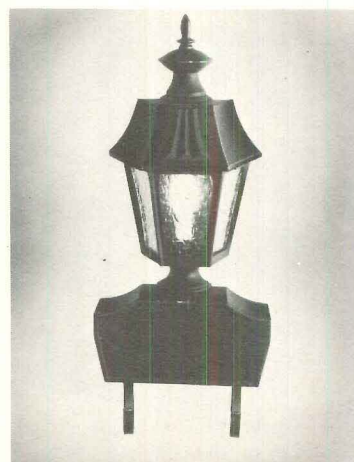
erings, but actual lamps. These Duro-Lite 5" white bulbs can be teamed with clear or smoke lamps. Vented sockets increase bulb life. Melolite Industries, Brooklyn, N.Y. CIRCLE 202 ON READER SERVICE CARD



Formal chandelier has an intricate raised design of leaves in highly polished chrome on matte black. The six candelabra-base, flame-tip 60W lamps fit into short white candle bases in the chrome fonts.

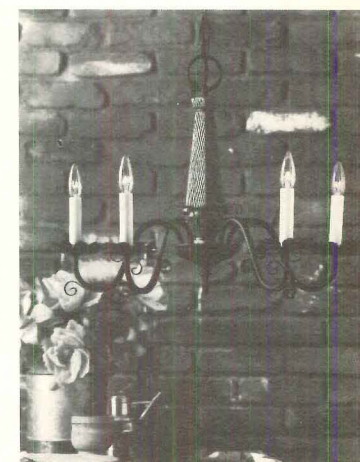
Globes are smoked glass. Chandelier is 18" high, has a 24" spread, hangs up to 42" from the ceiling on a chrome link chain. Thomas, Louisville, Ky.

CIRCLE 203 ON READER SERVICE CARD

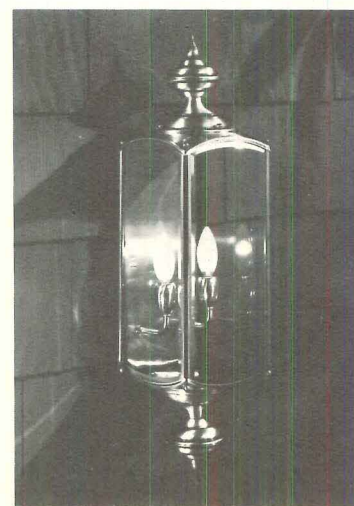


Mailbox/lantern combination of cast aluminum is traditionally styled. It can be ordered as a combined unit or as a separate lantern or mailbox. It comes in matte black, verde green, silver, or bronze, is 26¼" high and 11½" wide, extends 5" from wall. Artolier Div., Emerson Electric, Garfield, N.J.

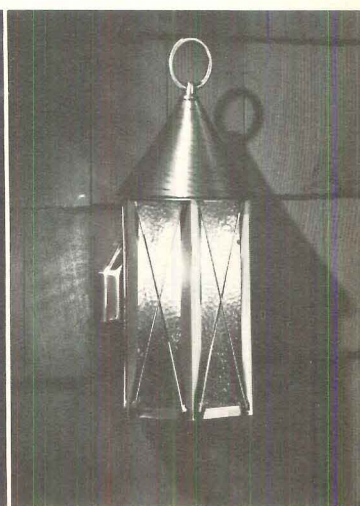
CIRCLE 204 ON READER SERVICE CARD



Low-cost chandelier, part of a new line designed especially for builders, is priced lower for use in apartments, etc. Around center column with weathered-wood finish are five decorative arms supporting candelabra-base lamps. Overall height: 36". Width: 23". Lightcraft of California, Div. NuTone/Scovill, Los Angeles. CIRCLE 205 ON READER SERVICE CARD



Traditional lanterns are made of solid brass and have a weathered brass finish. They can be used outdoors or indoors, and may be mounted on the wall as shown or used with a chain or on a post.



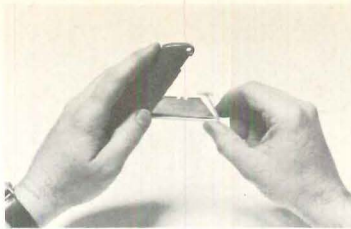
Lantern at left is 23" long and 6½" wide, has beveled clear glass. One at right is 16" long, 6" wide, has hammered amber glass. American Lantern, Newport, Ark. CIRCLE 206 ON READER SERVICE CARD



Paging system can be heard over a 5,000-sq.-ft. area. Sound penetrates the noise of machines, traffic, construction work, or swimming pool play. A 110-v model for stationary use mounts on wall in minutes,

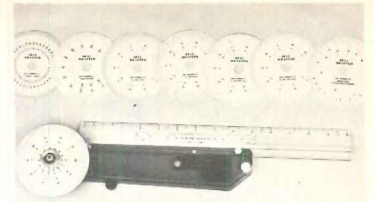
plugs in. A 12-v model for cars or trucks mounts on the dash, plugs into lighter. Both are 6 lbs., measure 7"x5½"x2½". Carl M. Edmonds, Cupertino, Calif.

CIRCLE 207 ON READER SERVICE CARD



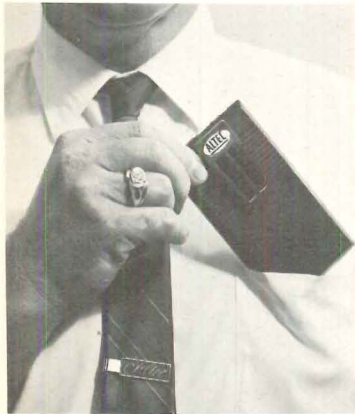
Updated utility knife need not be taken apart to change blade: a thumb button releases blade, a new one taken from swing-down storage magazine (shown) is inserted, and button is thumbed in reverse to lock in new blade. Second button sets three cutting depths. Stanley, New Britain, Conn.

CIRCLE 212 ON READER SERVICE CARD



Drafting machine works on loose sheets without drafting board or table. Double dial reads linear measurements (including logarithmic spacings) and degrees, computes distances, divides circles. Blank dials store data or transpose linear to circumferential divisions. Dial Drafter, Anaheim, Calif.

CIRCLE 213 ON READER SERVICE CARD



Pocket pager answers only to its own code number from base radio station, emits a one- or two-tone signal, then a five- to 20-sec. voice message. Longer messages, preannounced, require pushing down button. Runs on standard batteries. Altec Lansing, Anaheim, Calif.

CIRCLE 208 ON READER SERVICE CARD



Tracing details set contains 38 sheets of scaled sectional details, specifications, and elevations of wood windows. Individual, lift out folders cover tilt, double-hung, casement, slide, and other types of windows. Rodman Industries, RIMCO Div., Rock Island, Ill.

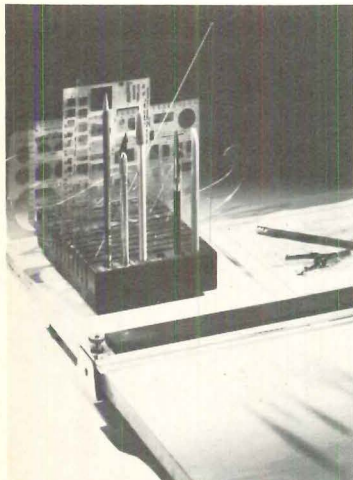
CIRCLE 209 ON READER SERVICE CARD



Pencil engraver has a miniature high-speed motor that punches the tungsten carbide tip against surfaces 7,200 times a minute, creating dots that look like lines. Lines can be wide or narrow, heavy or light. Shown here engraving names on metal tools, it can also be used on

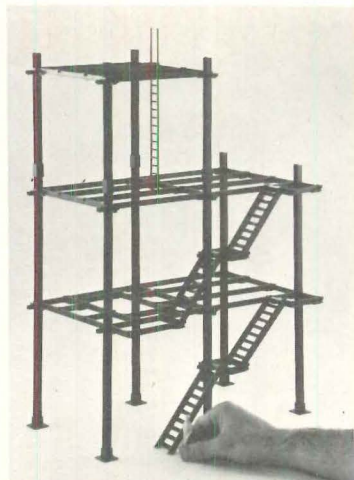
cameras, jewelry, etc., works on steel, brass, aluminum, copper, iron, ceramics, stone, glass, and plastic. It is 6" long, weighs only 9 oz. Double-insulated handle is in manufacturer's new color: bright red. Wen, Chicago.

CIRCLE 214 ON READER SERVICE CARD



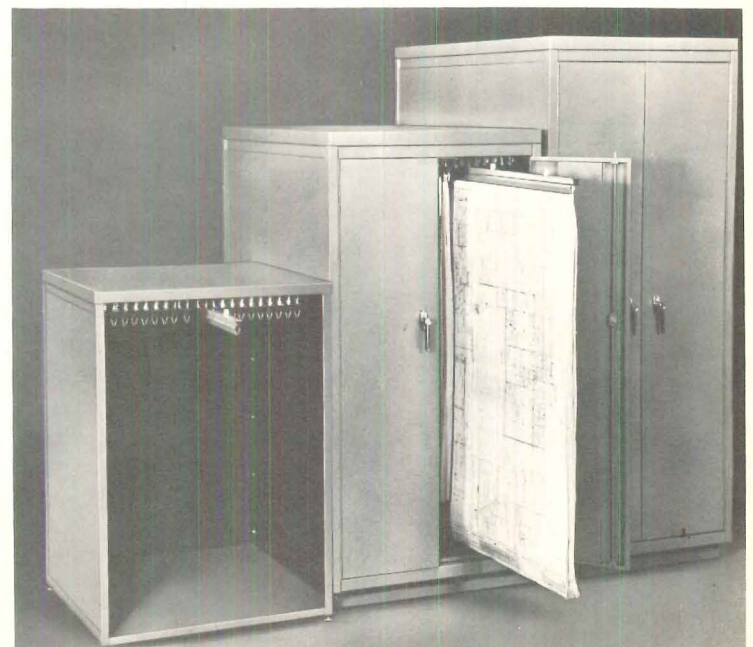
Template holder keeps scales and tools right at hand—and visible—and organizes drafting table or desk-top clutter in one place. The solid wood unit has a hand-rubbed oil finish and rubber feet to keep it from sliding or scratching. TempMate, Pasadena, Calif.

CIRCLE 210 ON READER SERVICE CARD



Framing kit shows, during drawing stage, any kind of structural system in three dimensions to accurate scale. Plastic columns, beams, ladders, stairs, etc., snap together without tools or glue, are easy to change, can be reused. Engineering Model Assocs., Los Angeles.

CIRCLE 211 ON READER SERVICE CARD



Vertical plan files have 18 binders suspended in aluminum channels that pivot and slide for easy filing and retrieval. Each cabinet holds from 1,800 to 3,600 prints, depend-

ing on size. Three sizes are for sheets 24"x36", 36"x48", or 42"x60". Finish is gray or one of eight custom colors. Plan Hold, Torrance, Calif.

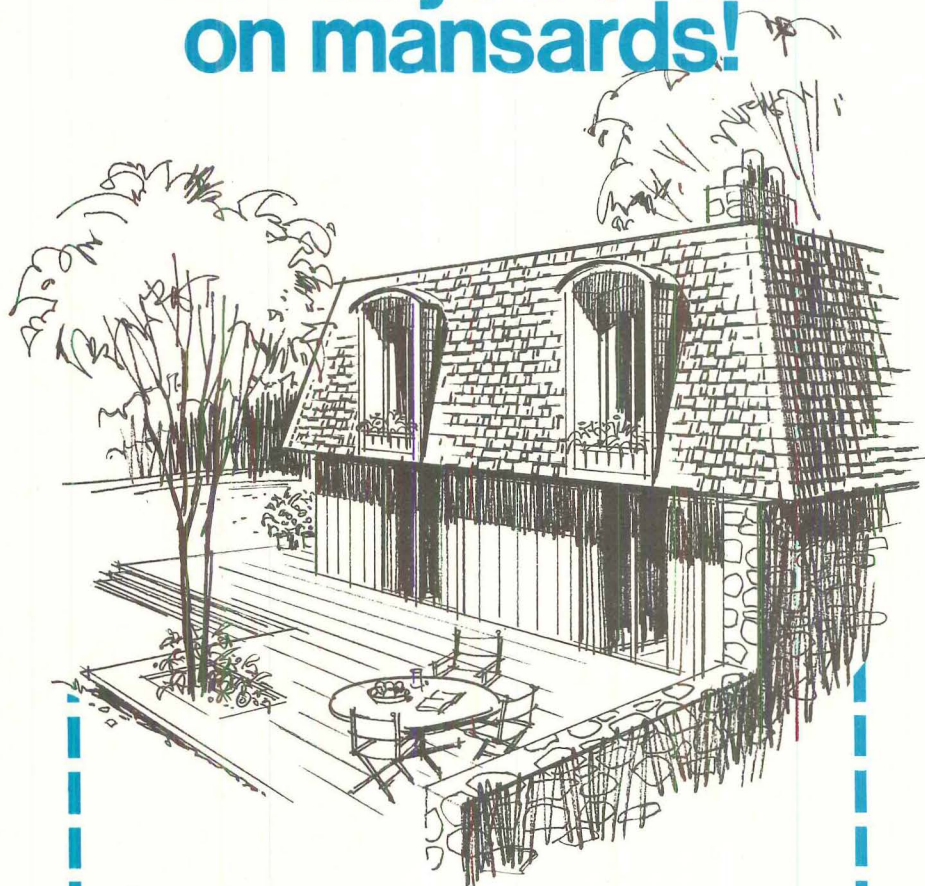
CIRCLE 215 ON READER SERVICE CARD

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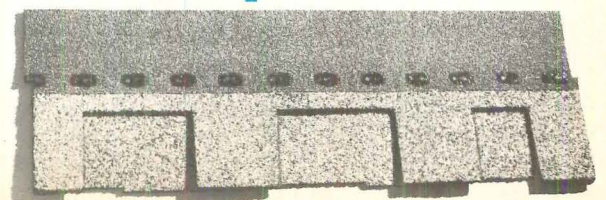


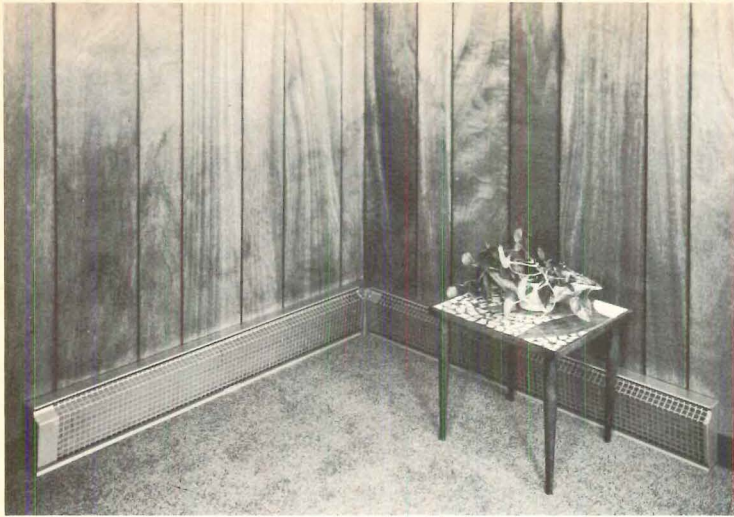
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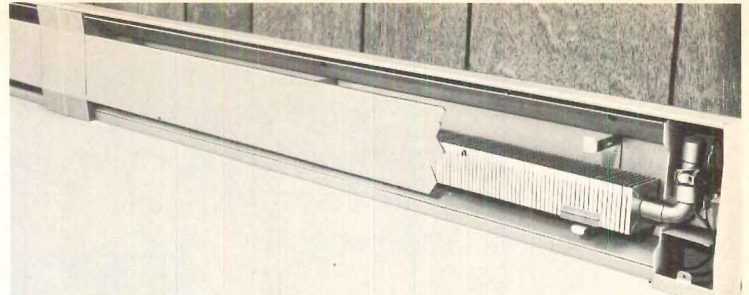
County _____

City _____ State _____ Zip _____





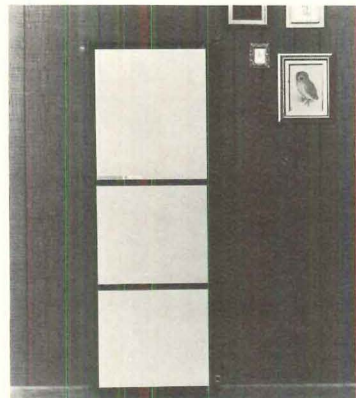
Baseboard radiant heater broadcasts heat rays in 160° arc so floor and ceiling temperatures are nearly the same. Three-piece heating assembly includes: a glass heat plate with an aluminum conductor grid, flexible insulators, and a reflector. Neutral-finish rustproof case may be surface mounted or recessed. Continental Radiant Glass Heating, New York City. CIRCLE 216 ON READER SERVICE CARD



Hydronic baseboard heater is hot water heat run on electricity. The unit is self-contained, needs only a wiring connection. A U-shaped heating element is immersed in fluid that is sealed in a copper tube that runs the full 2', 3', 4', 5', 6', or 8' length of the unit. Large aluminum box fins transfer the heat to room. Berko Electric Mfg., Michigan City, Ind. CIRCLE 221 ON READER SERVICE CARD



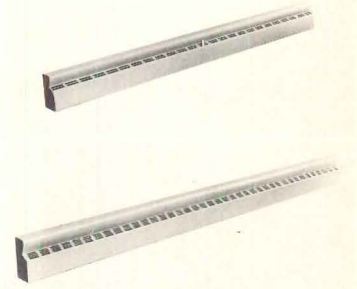
Slim electric heater is only 3½" x 22¼" x 11½" so it fits problem spots like the kickspace under cabinets or vanities. It comes with a flush black grille for kickspace use. Or it comes with a beige picture-frame grille for installation in soffits or floors. Hunter, Memphis, Tenn. CIRCLE 217 ON READER SERVICE CARD



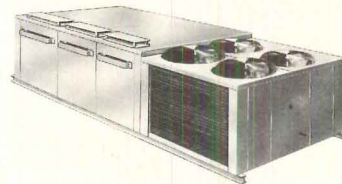
Gas furnace can be installed in a closet or alcove, is 20" wide, 23" deep, and 60" high. It has a sealed combustion system and a flue assembly for use with flat or low-pitched roofs, handles up to three tons of cooling or 100,000 Btu/h of heat. Intertherm, St., Louis, Mo. CIRCLE 218 ON READER SERVICE CARD



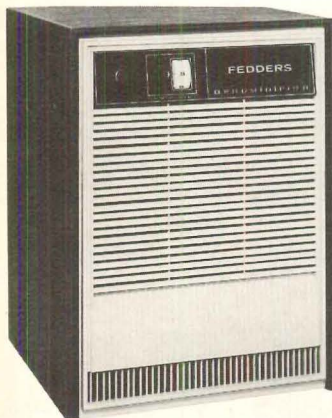
Infrared heater is designed for indoor or outdoor use. A quartz lamp, that offers extra illumination while heater is on, can melt snow. A quartz tube is used when heater will be nearer people. And a metal sheath is used when unit may be subject to impacts or vibrations. Singer, Auburn, N.Y. CIRCLE 222 ON READER SERVICE CARD



Air distribution system moves air so gently that curtains or drapes will not blow, blankets wall with draftless air. Works with any heating or cooling equipment to produce high volume of air at low pressure and velocity so blasts of hot or cold air are eliminated. Leigh, Coopersville, Mich. CIRCLE 223 ON READER SERVICE CARD



Rooftop unit provides 30 tons of cooling, 660,000 Btus of heat. The manufacturer's largest in a line of modular equipment, it is shipped ready to set in place on the roof—or on a slab—and needs only electric and gas connections. Bryant, Indianapolis, Ind. CIRCLE 224 ON READER SERVICE CARD



Dehumidifier comes in a vinyl woodgrain finish, has an automatic overflow shutoff, an overflow signal light, an adjustable humidistat, a ten-qt. plastic container, hose connection, and roll-about wheels. Four models—to remove 14, 17, 22, or 28 pts.—work on 115-v household current. Fedders, Edison, N.J. CIRCLE 219 ON READER SERVICE CARD



Compact heater is the smallest of three direct vent units for wall mounting. This one has 6,000 Btu input; the others have 10,000 and 15,000 Btu inputs. All have automatic thermostats, woodgrain finish, and vent caps that mount flush with outside walls. Empire Stove, Belleville, Ill. CIRCLE 220 ON READER SERVICE CARD



Heating/cooling system for the whole house includes: a gas furnace for forced warm-air heat, a cooling coil, an electronic air cleaner, a power humidifier, and an outdoor

condenser that has a top-mounted air discharge so it won't damage surrounding shrubbery. General Electric, Louisville, Ky. CIRCLE 225 ON READER SERVICE CARD

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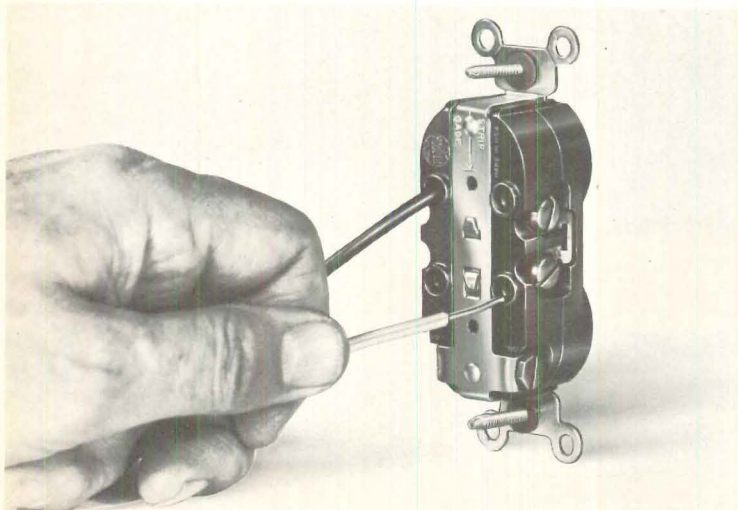


Decorator door chimes add a formal note to any foyer, entrance hall, or living area. Antique mirrors are surrounded by gold ovals set against a cloth background. Sides are finished in a pecan wood-

grain. The three long tubes—two for the front door and one for the rear or side entrance—are finished in a long-lasting satin brass. Nu-Tone, Cincinnati, Ohio.
CIRCLE 231 ON READER SERVICE CARD



Powerful vacuum can handle up to 10,000 sq. ft., is ideal for apartments, condominiums, and large houses. It will serve as many as 20 inlets through tubes up to 1,000 ft. long, its disposable dust bag holds up to 44 qts, and the system can be turned on or off by raising or closing the lid of any inlet. A filtration system discharges clean air at blower outlets. Natter, Temple City, Calif.
CIRCLE 232 ON READER SERVICE CARD



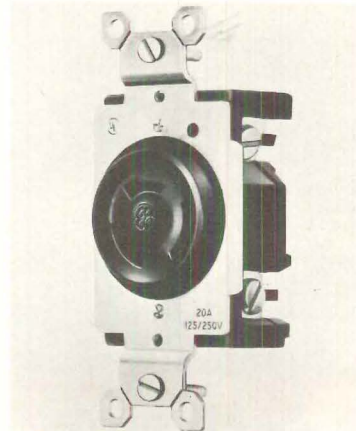
Duplex grounding outlet makes wiring easier, especially in crowded boxes. It has clamp-type back terminals besides the conventional side-wiring connections. It also

has heavy-duty reinforced molding and raised insulated shoulder to prevent accidental grounding. Harvey Hubbell, Bridgeport, Conn.
CIRCLE 233 ON READER SERVICE CARD



Intruder alarm works through the wiring system of an intercom, may be keyed to tenants' mailboxes or teamed with audible or visible signals in low- or high-rise apartment lobbies. It turns on and off with a

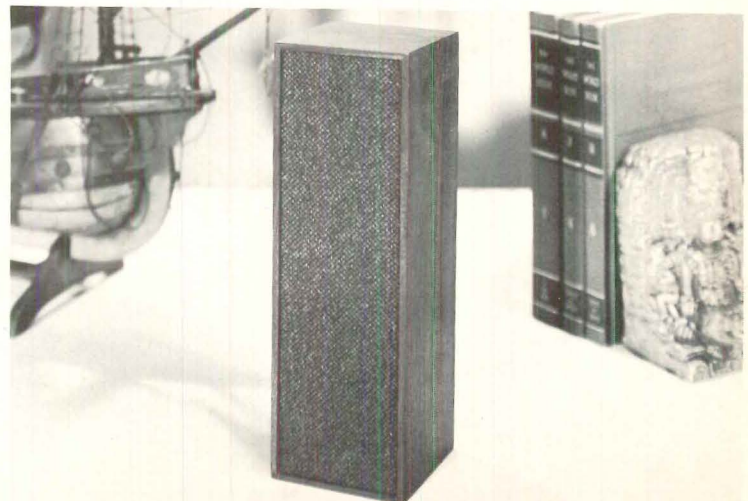
key. When the door is opened, the tenant has 15 sec. to turn it off before it sounds alarm. A switch operates it while tenant is home. Auth Electric, Long Island City, N.Y.
CIRCLE 234 ON READER SERVICE CARD



Locking receptacle, designed for heavy-duty use, keeps cords from pulling out. This 20-amp unit comes in grounding or non-grounding version for three or four wires. General Electric, Providence, R.I.
CIRCLE 235 ON READER SERVICE CARD



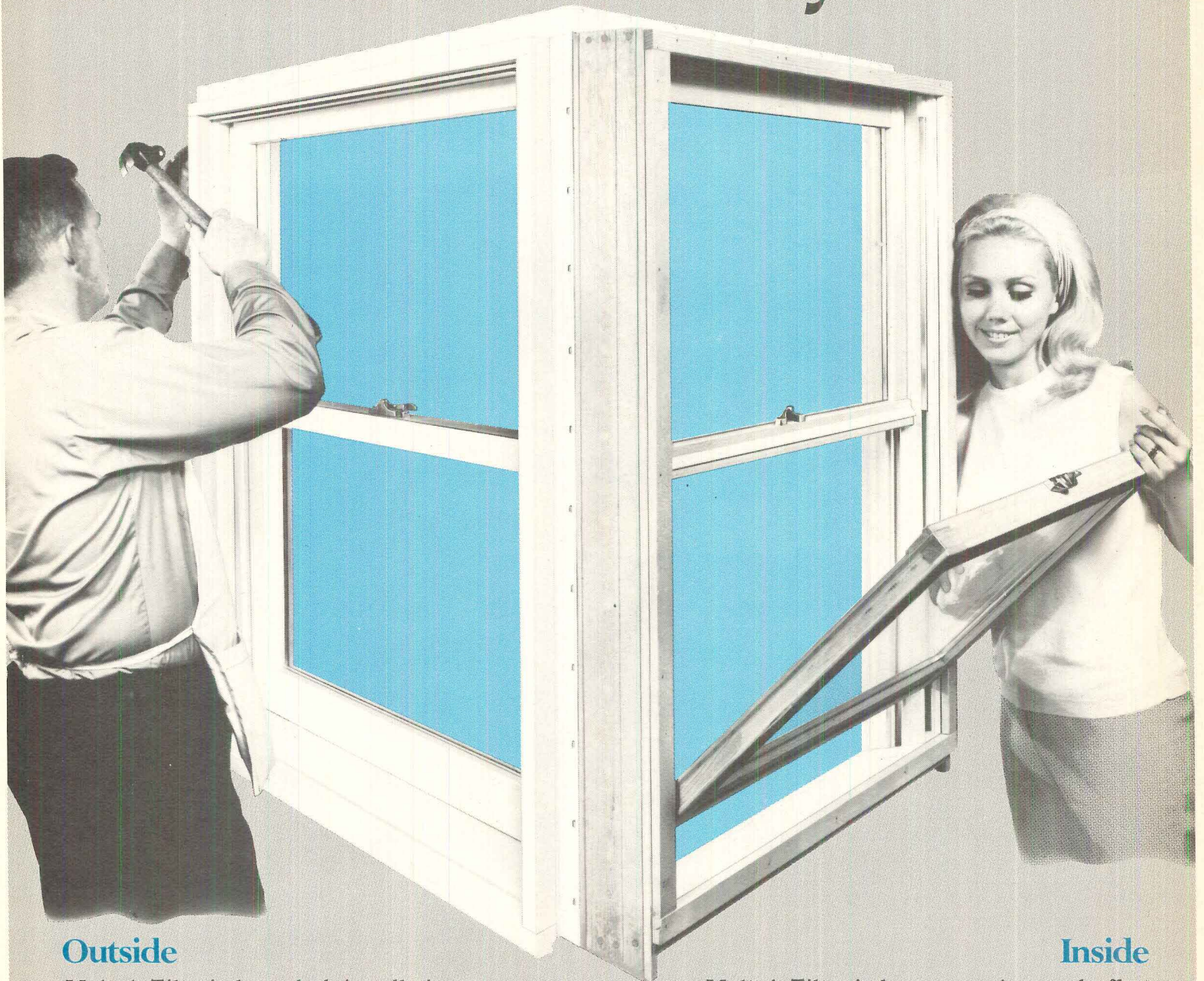
Insulated throat fitting is a one-piece steel set screw connector that is concrete tight. The precision fitting comes in sizes of from 1/2" to 2" with staked screws. ETP Div., Berger, Maspeth, N.Y.
CIRCLE 236 ON READER SERVICE CARD



Intrusion detector sends out a silent pattern of sound, aimed at doors or windows, and any movement within protected area (up to

250 sq. ft.) triggers bell, horn, or light alarm. Speaker-like case is 11"x3 3/4"x3 7/8". James Electronics, Chicago.
CIRCLE 237 ON READER SERVICE CARD

Malt-a-tilt, the window that's on your side



Outside

Malt-A-Tilt windows slash installation costs because they require no painting. Exterior frame parts are vinyl clad and weather strip is rigid P.V.C. Vinyl. Sash is factory finished by a special process that insures paint won't wrinkle or crack. Windows are virtually maintenance free.

Inside

Malt-A-Tilt windows save time and effort during cleaning and routine maintenance with the exclusive Malta Tilt-in/Take-out feature. Both sash tilt inward and are removable with a minimum of effort. Outside screens can be installed from roomside and need not be removed during cleaning.

Outside and Inside *Malt-A-Tilt* wood windows are the most versatile on the market today with time and cost saving features that will appeal to both you and your customers. Circle reader service number below for complete details.

Malta

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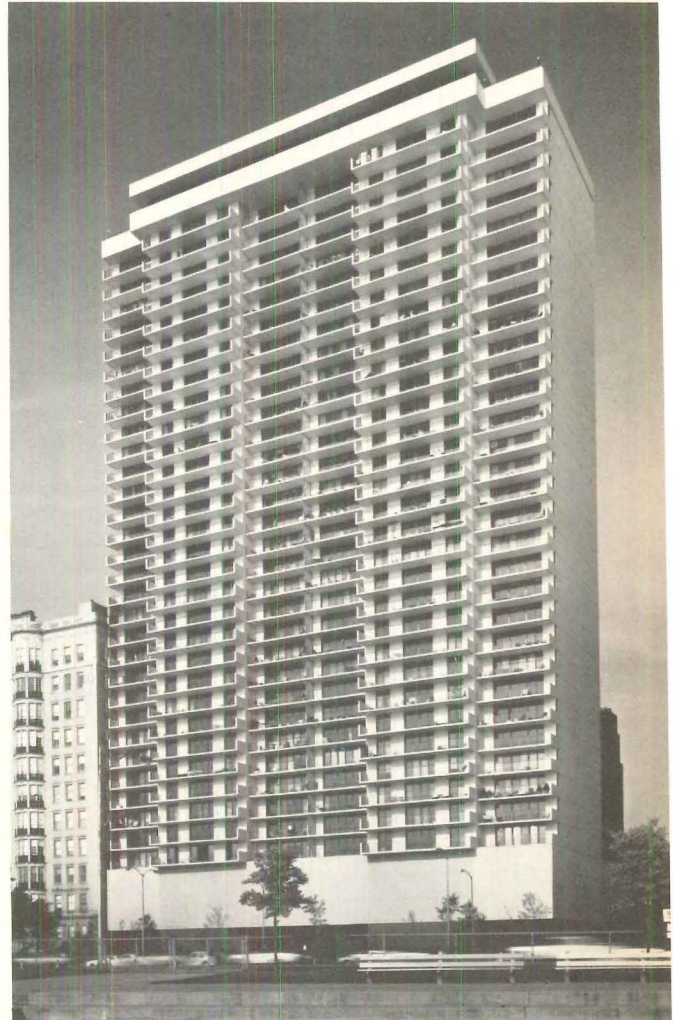
Even showcase total-electric faced many planning and



Villa Adrian Townhouses, Scottsdale, Arizona. Developer: Dell Trailor.



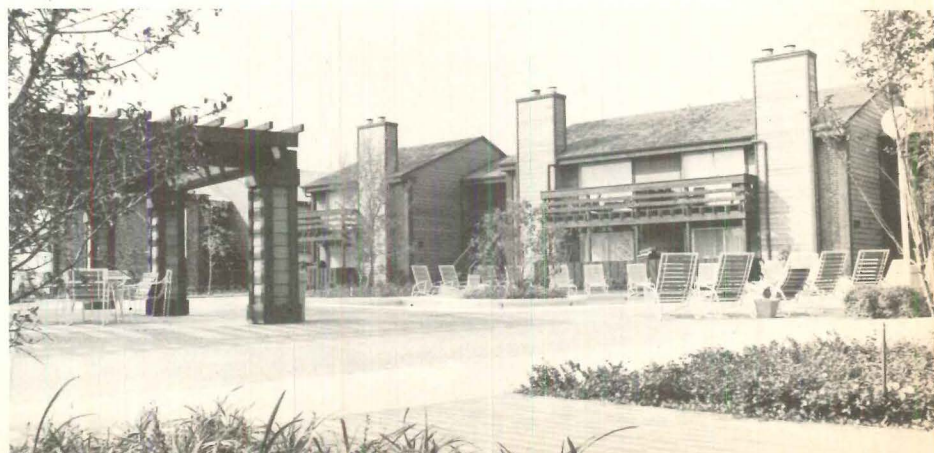
The Brentwood, Ft. Lauderdale, Fla. Developer: Behring Corporation, Kenneth E. Behring, Pres.



1212 Lake Shore Drive Condominiums, Chicago, Illinois. Developer: Dunbar Builders Corporation.



The Doric Apartments, Union City, N. J. Developer: Nicholas Angleton.



The Village Apartments, Dallas, Texas. Developer: Lincoln Property Company.

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General Electric offers the support services of a professional team that can help you in key areas of construction, from initial planning to grand opening. It's part of the popularity of total-electric by General Electric. Here's how it works.

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Kitchen and laundry planning. Part of our service is planning

kitchens and laundry centers to get the most out of available space. This includes placement of all appliances and equipment, and color coordination with floor coverings, countertops and general decor.

Lighting the way. A General Electric lighting specialist can help you plan interior and exterior lighting that will add beauty and security to what you build.

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Interior waterproofing. Three chemically treated plaster coatings go over new or existing masonry walls for waterproofing and improved sound and heat insulation. The first layer of the waterproofing cement is sprayed on (above, left), the second is troweled on (left). The third, a mixture of Portland cement, sand, and chemical foam (above), lets moisture pass through a dry wall and evaporate into the room. Available in white and colors. IPA Systems, Philadelphia.

CIRCLE 238 ON READER SERVICE CARD



Plastic steel. This mixture of steel and special epoxies applies like putty, but hardens in five minutes to a strong blue-black metal for repairs. It can be sanded, drilled, filed, sawed, and applied to metal, wood, concrete, aluminum, plastic, even glass. Okun, Jamaica, N.Y.

CIRCLE 239 ON READER SERVICE CARD



Cement floor stain. Specially designed for use on porous cement surfaces, these stains will not crack, peel, or scale, are highly resistant to abrasion and moisture. The oil-base stains can be applied with brush, roller, or spray. Available in ten colors. Cabot, Boston, Mass.

CIRCLE 240 ON READER SERVICE CARD



Structural adhesive. This adhesive may be used indoors or out to bond glass, metal, plastics, wood, masonry, and other dissimilar materials. Highly resilient, it has quick grab to eliminate clamps during application with gun, trowel, or putty knife. Franklin Glue, Columbus, Ohio.

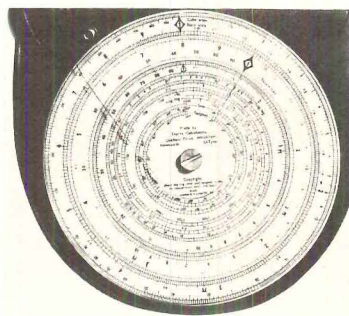
CIRCLE 241 ON READER SERVICE CARD



Vinyl-hinged panels create an open-space office plan that is flexible, easy to rearrange, and also time- as well as money-saving. The cubicles shown are part of an office created from warehouse space for an ex-

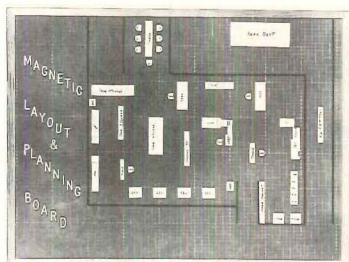
panding company. Construction took three months. But the partitions for 80 people took four men less than eight hours to erect. Conwed, St. Paul, Minn.

CIRCLE 226 ON READER SERVICE CARD



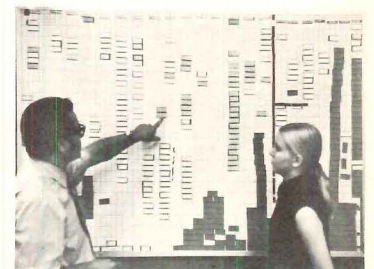
Circular slide rule has basic scales 30% longer than standard 10" straight rule, needs less resetting with continuous scales. Only 5" across, it fits a jacket pocket. Scales are clearly engraved in two colors on white non-warping acrylic. Center screw is cadmium plated, comes out for cleaning. Industrial Scientific Instruments, Rouses Point, N.Y.

CIRCLE 227 ON READER SERVICE CARD



Layout kit for speedy planning of office or factory space works on 1/4" scale. On a board 18" x 24", magnetic strips and sheets are moved around to arrange a space of up to 65' x 90'. Board has an aluminum frame, gray background, and orange grid lines. Plastic surface can be written on, wiped off. Magna Visual, St. Louis, Mo.

CIRCLE 228 ON READER SERVICE CARD



Visual control system is a 4' x 6' board, framed in aluminum, with 1/2" black grid on white surface. Color-coded magnetic numbers, letters, arrows, strips, and symbols adapt system to monthly sales, organization charts, etc. Hangs vertically or horizontally, stands alone, may be added to. Magnagraph, Long Island City, N.Y.

CIRCLE 229 ON READER SERVICE CARD



Total office system includes work surfaces, storage units and drawer assemblies, accessories like electrical outlets, light fixtures, and movable wall panels that rotate 360° around a connector for freedom in planning. Panels are 3' or 4' wide, 60" or 80" high. Components come in 17 colors, include tack and chalk surfaces, acoustical panels, and a minicloset. Surfaces are protected by vinyl. Westinghouse, Pittsburgh, Pa.

CIRCLE 230 ON READER SERVICE CARD

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can save a buck.

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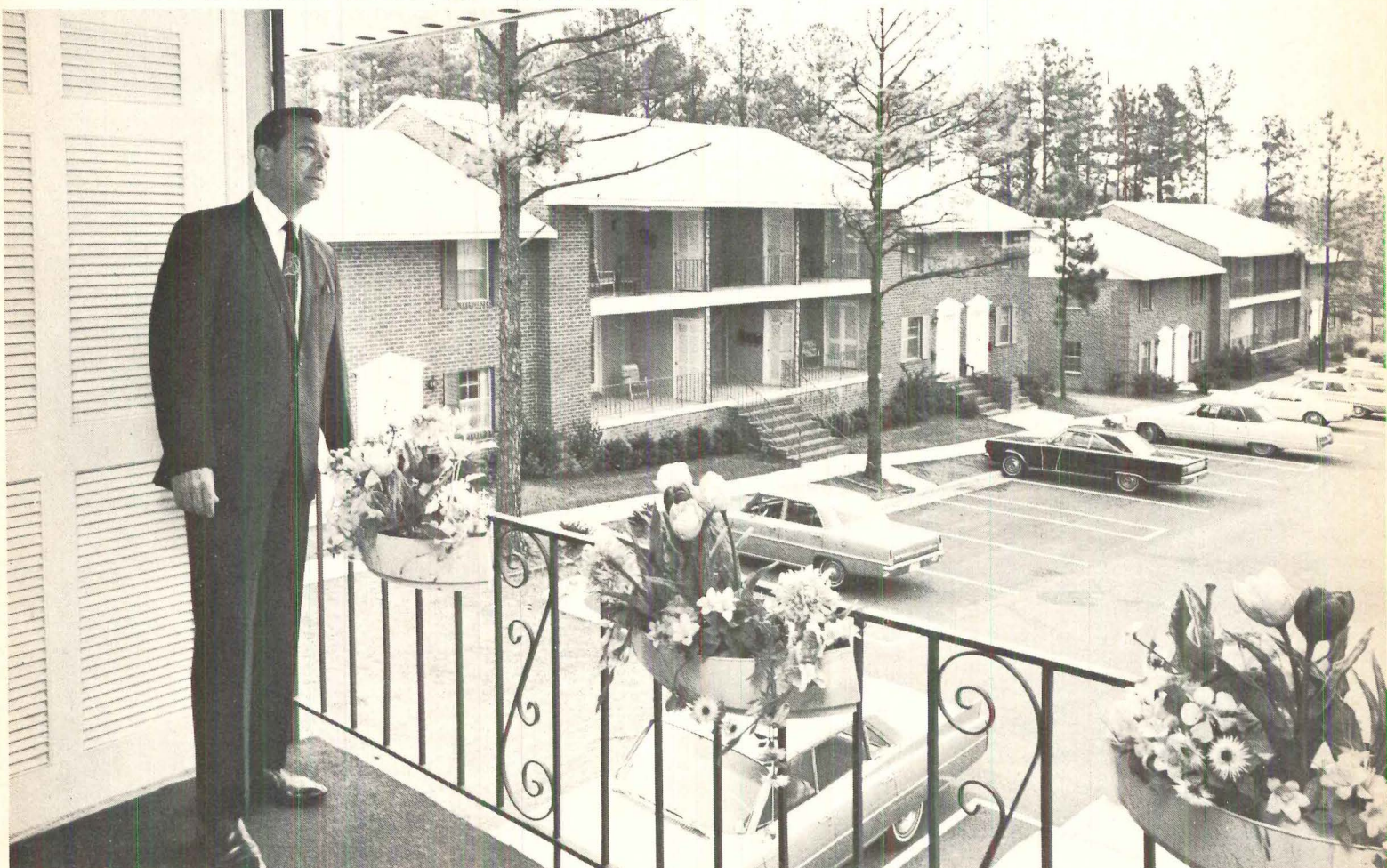
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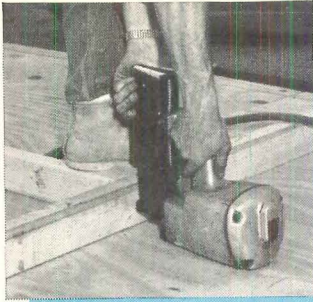
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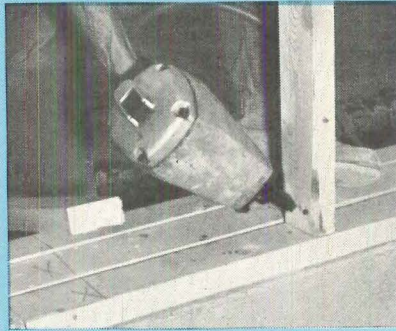
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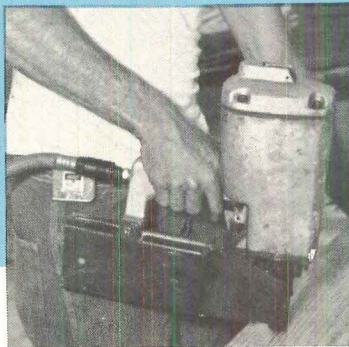
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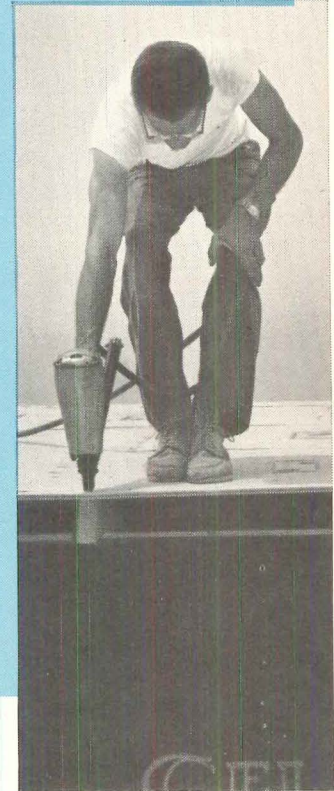
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Stallion



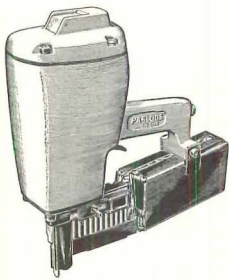
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Gun-Nailer

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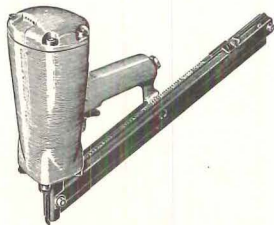
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