FORMERLY **HOUSE & HOME**

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The no-wax version of the Armstrong floor that's helped cut callbacks to the bone.

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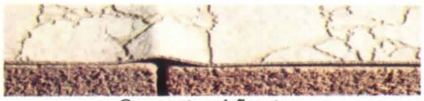

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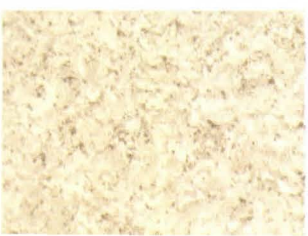

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"Take it from me, when you're looking for the best, look for the NuTone name. Quality, dependability and service you can trust.

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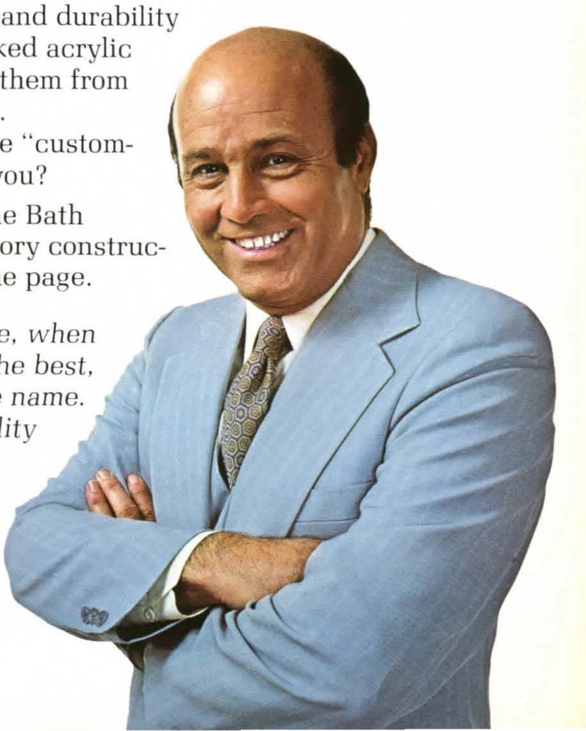

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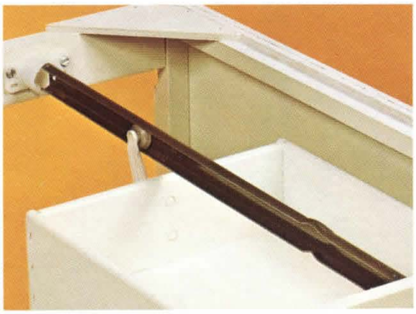

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FORMERLY **HOUSE & HOME**

housing

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COVER

Candy Factory Court, Philadelphia, Pa. *(see pages 66-67)*
Photo: Tom Crane

NEXT MONTH

Single-family top sellers . . . Multifamily award winners . . . How to get the jump on a local market that's going from bad to good . . . latest Housing Demand Index

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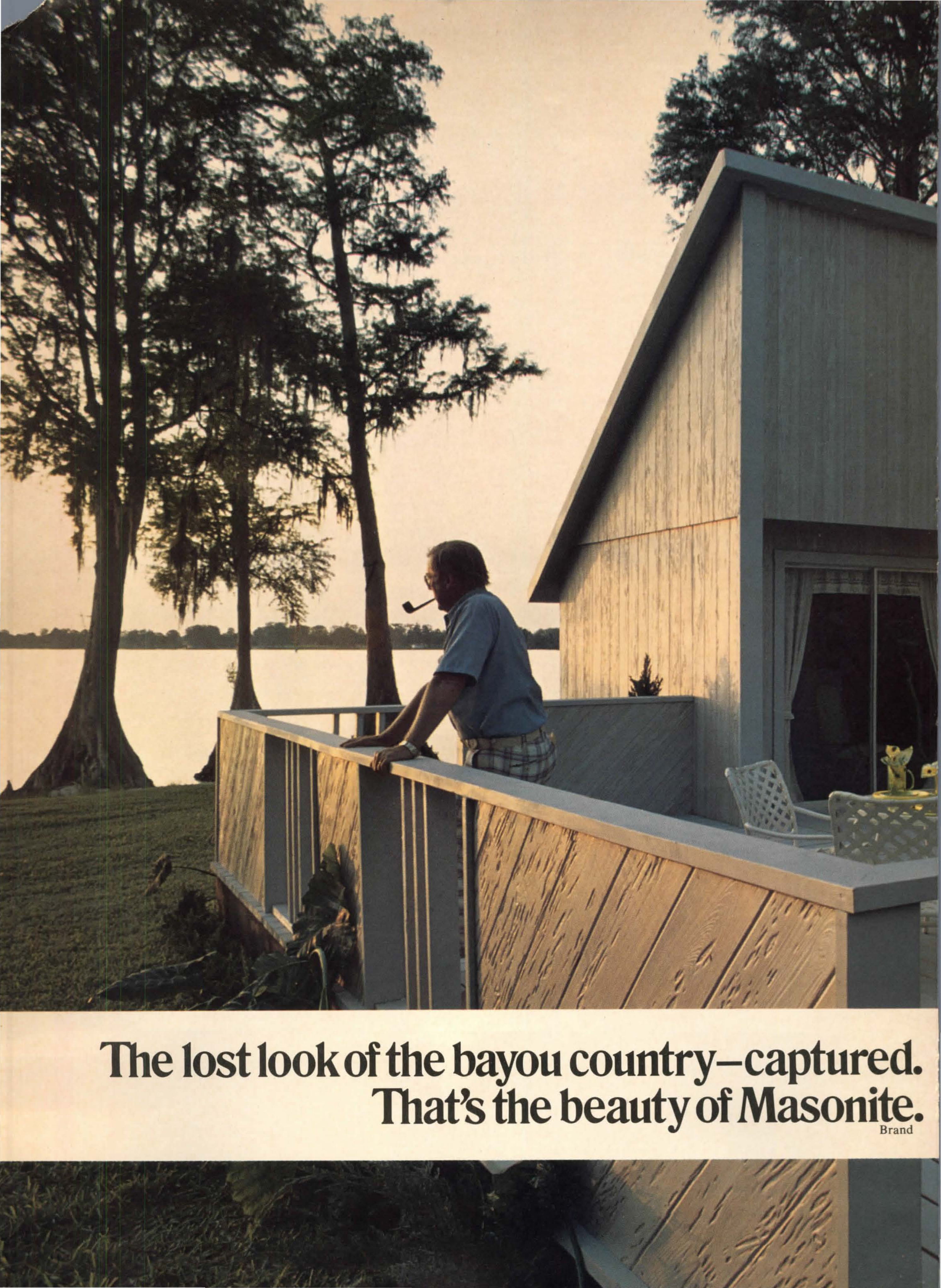
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housing

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A new way to play the numbers game

The numbers generally work against you when it comes to dealing with local officials. You're just one, and your opponents—various special-interest groups advocating no-growth, large-lot zoning, rent control and so on—are many.

But the odds don't have to be so heavy. In fact, the numbers can be on your side if everyone with a stake in your local housing industry goes to the polls and votes his interests.

So goes the thinking behind two new political education committees. One was formed by the Home Builders Association of Maryland, which covers Baltimore and its suburbs; the other by the HBA of Suburban Maryland, which draws its members from the Maryland counties near Washington.

The committees are independent of each other; they're also legally independent of their parent HBAs. But their aims are similar: to influence local elections—and thus local policies affecting housing—by force of numbers. Their strategies, also similar, are just what you'd expect from any smart political action group:

- First, compile lists of voters who are involved, either directly or indirectly, with local homebuilding—not just builders themselves and their employees but also their subs, suppliers, architects, engineers, lenders, etc. Says a spokesman for the Washington-area committee: "We think we can get from 30,000 to 40,000 names."
- Then organize voter-registration drives, and use newsletters and other mailings to 1) stress election issues that apply to housing and 2) compare the records of candidates for city, county and state offices.

Any results? Not yet—the two committees face their first tests in Maryland's September primaries and November election. But their efforts should be watched by any builder group that wants to put a new, and favorable twist, on the numbers game.

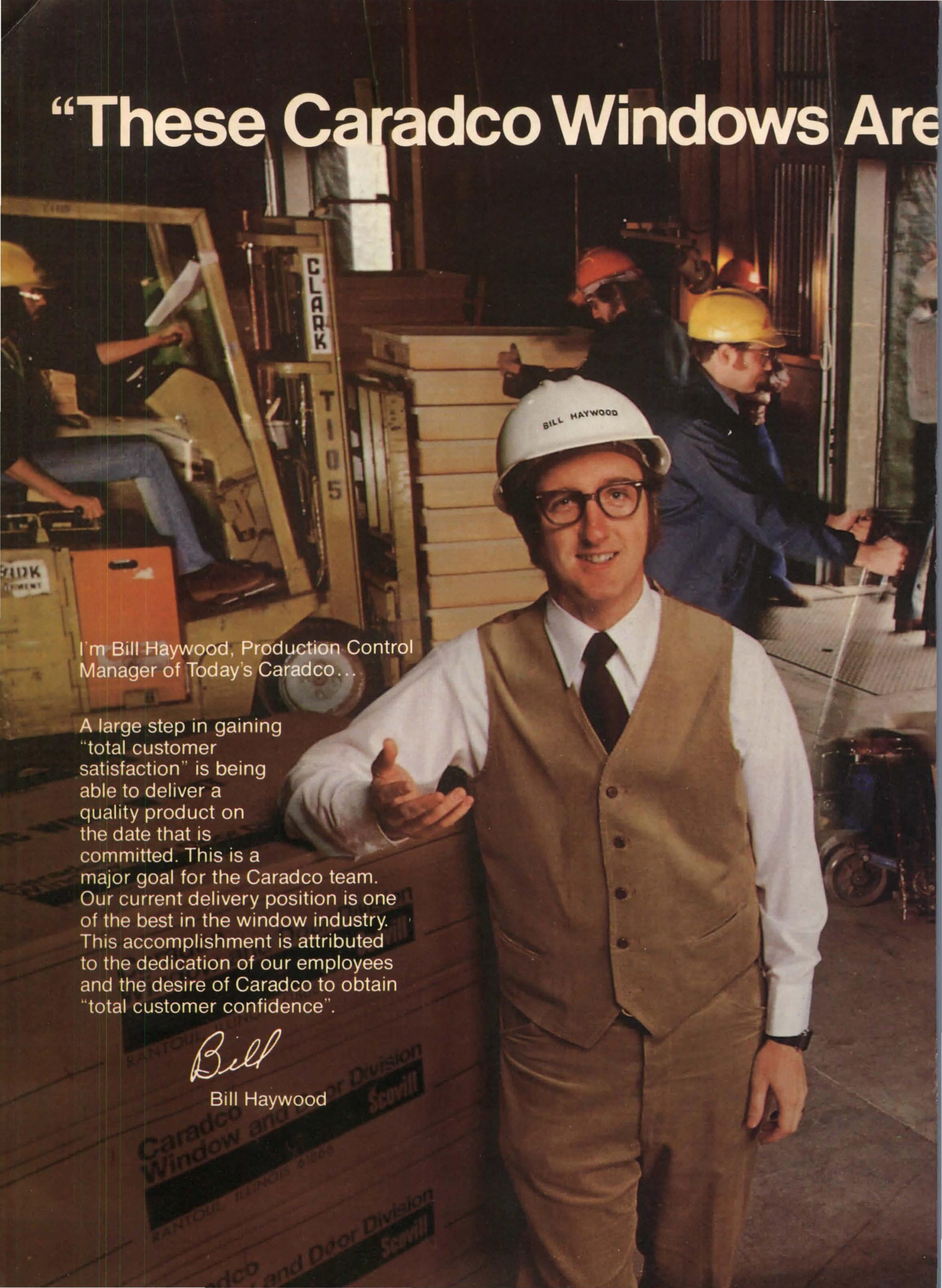
How to mess up a good thing

There's much to be said these days for the zero-lot-line idea but much to criticize in many zero-lot-line subdivisions.

In theory at least, zero-lot-line is good for both builders and buyers. It permits narrower lot frontages and higher densities than in conventional single-family subdivisions. It gives each lot a decent-size and useful sideyard instead of two skimpy and useless ones. And even though the lots are smaller than in conventional subdivisions, the houses can offer a greater sense of privacy and separation from neighbors.

In practice, sad to say, things often don't work out that way. Too many zero-lot-line houses are not designed to work with their sites; for instance, there's no indoor-outdoor relationship between the interiors and the sideyards. Too many, in fact, are just conventional tract houses shoved up against one lot line and with a windowless wall on that side. Result: higher density, but with no compensating improvement of indoor and outdoor living areas.

That, we think, is no way to go. It makes a good planning idea look bad, turns off buyers, and it alienates the planning and zoning officials who approve—and disapprove—new projects. —JOHN F. GOLDSMITH



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Easing way for veterans to buy houses

Housing starts under the Veterans Administration loan-guaranty program are expected to slide off this year—to perhaps 10% below the peak of 130,700 set in 1977. But not if Congress can help it.

Legislation greased to move through the congressional pipeline this year would liberalize the no-down-payment program to make it easier for a veteran to buy, for example, a $70,000 home, and give the lender more protection for his loan.

A companion measure would lift the present VA loan ceilings for mobile homes and substitute a maximum loan guaranty of $17,500 with no ceiling on the loan amount. This financing device is similar to the VA guaranty on loans for stick-built houses.

Builder support. These liberalized financing proposals were backed during committee hearings by officials of the National Association of Home Builders, the Mortgage Bankers Assn. and the U.S. League of Savings Associations.

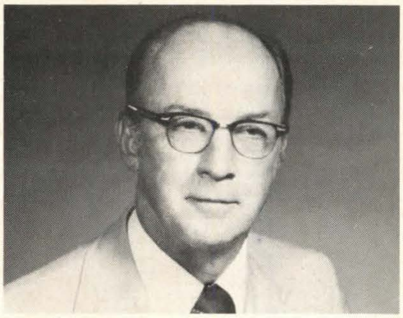
The legislation, already approved by the House Veterans Affairs Committee, would boost to $25,000 the maximum amount of a loan that the VA will guarantee on a house.

Under existing law, the VA guarantees 60% of the amount of the loan, but not more than $17,500. This means that any loan for more than $29,166 carries less than the full 60% guaranty.

Under the proposed $25,000 maximum, loans up to $41,667 would carry the 60% guaranty. For a $70,000 loan, a lender would have a 35.71% guaranty, instead of only 25% under present law.

Size of loans. Robert C. Coon, director of the loan guaranty service of the VA, told a House Veterans Subcommittee that "as the average guaranty coverage declines, lenders can be expected to limit the size of the GI loans that they will make, or abandon the VA loan program."

J. Denis O'Toole of the NAHB noted that the "average sales price for new homes built with VA assistance increased to $44,793 in February, 1978, from $30,305 in 1974," when the guaranty amount was raised to $17,500 from $12,500.



VA's Coon
Charts program's future

Mobile homes. Gerald G. Biddulph, vice president of Fleetwood Enterprises, one of the major mobile home makers, said his company produced almost 20,000 units last year but had VA financing "on only approximately 2% of the homes we sell." He urged the committee to "include the manufactured homes we build, when attached to foundations, in the VA home loan program."

"In some ways the VA mobile-home program has really never gotten off the ground," according to an official of the Western Savings and Loan Association of Denver, sometimes described as the largest VA lender in the United States. Donald G. Shirk, vice president, told the Veterans Housing subcommittee that, currently, the veteran is required to make a substantial down payment or is forced to finance the purchase of his mobile home conventionally at a much higher interest rate, usually 13% or 14%. —D.L.

Houses to lose letter boxes?

Neither rain nor snow nor sleet nor gloom of night prevents the postman from fulfilling his appointed rounds. The trouble is, though, that his appointed rounds may no longer include individual mailboxes for new houses.

If the financially strapped U.S. Postal Service has its way, a new rule will require that mail be placed in curbside cluster boxes instead of in the traditional front-door mailbox. The cluster boxes would be placed in the midst of new subdivisions.

The Postal Service, which says the controversial proposal will slash its ever mushrooming costs, insists the rule change will apply only to new homes in areas with at least 2,500 residents.

Once before—in 1975—the Postal Service attempted to propose a similar measure. Then, as now, it was vehemently opposed by the four unions representing nearly 600,000 post office employees. In addition, Congress is currently considering a measure that would give it authority to block the proposed cuts in postal service.

Encouragement. While it emphasizes that "existing delivery patterns" will remain unaffected by rule changes, the Postal Service—a quasi-independent corporation—says it "will encourage customers" to go along with the centralized cluster-box concept.

Cluster boxes, the service claims, "offer unique customer advantages" such as "sturdy steel lockers which are large enough to receive parcels and are more secure from unauthorized tampering.

Glen Corso, NAHB director of legislative operations, says the association opposes the rule changes. "As a matter of policy," he explains, "we're not in favor of any reduction of service for owners of new homes. No matter how you look at it, what the Postal Service is proposing will certainly lower the level of service."

Hardship cases, the Postal Service says, will be exempt from the proposed rule change. Also exempt are new homes built on a block where existing homes receive delivery. However, if a whole block is demolished and rebuilt, cluster-boxes will be installed and front-door delivery banned.

Difference. The proposed rule changes differ from their 1975 predecessors in two respects: Where curbside deliveries are impractical, a letter box may be placed "on the residence side of the sidewalk" and there must be at least two boxes in a centralized cluster, down from three in 1975.

The new rules, if they take effect, also apply to mobile home communities. Mail delivery in apartment complexes, however, remains unaffected.

—T.A.

More housing goals?

Yeah, probably—Old ones never worked, so Washington will give us more of same

Based on a 10-year record, one can't prove that the national housing goals have added a single unit to the nation's housing inventory.

Nevertheless, hearings by the Senate Housing subcommittee reveal that it's a good bet that sometime next year a new set of goals—probably no more or less effective than the 1968 goals—will be put into law.

The problem is, as Leon Weiner told the subcommittee, "There seems to be a feeling abroad that housing is not a major concern." This attitude, he said, "is evidenced by those who talk about what a 'great' year housing had last year with almost two million starts, and by the recent urban policy statement by the President which almost completely ignored housing."

The advocates. Weiner, speaking for the National Housing Conference, went along with Senator William Proxmire's suggestion for a five-year rather than a 10-year goal .

Weiner's target would be 12.5 million units, or 2.5 million per year. Henry Schechter, speaking for the AFL-CIO, figured 2.4 million would be about right. Herman Smith, a builder in Fort Worth, Tex., said the National Association of Home Builders wants a 10-year goal again. Along with others who testified, he favored goals that would take into account "other objectives, such as improving housing for lower income families, stabilizing cyclical fluctuations . . . stabilizing neighborhood deterioration, and expanding housing opportunities for all Americans.

Good old days, etc. Mayor Phillip Isenberg of Sacramento said the U.S. Conference of Mayors wants goals that "include targets for geographical areas, including cities . . ."

The 1968 goals—"Let's all agree to building 2.6 million new units per year for the next 10 years"—represented the epitome of Great Society philosophy.

They were backed by the homebuilders, the mortgage bankers, the saving and loans, the commercial bankers, the architects, mayors, real estate brokers and the electric utilities.

Leading all these were the top officials of the Democratic administration, cranking up issues that might help them thwart Richard Nixon's quest for the White House.

Goals as law of land. What gave the goals their own luster was their attachment to the 1968 batch of housing subsidy programs that—during the first Nixon administration—helped push housing starts to the dizzy peak of 2.4 million in 1972.

Goalkeeper Weiner
Wants 12.5 million units

President Nixon and his second housing secretary, James Lynn, however, not only imposed a moratorium on the subsidy programs. They also told the Congress that the pursuit of "rigid, numerical housing goals" was apt to be useless and perhaps counterproductive. At that time, the fall of 1975, when starts were running around 1.2 million per year, the NAHB suggested that 2.8 million per year was what the nation needed.

The Carter administration has yet to show its hand on housing goals—and may not until Carter makes public his messages to the country and the Congress early next year.

Goals for all seasons. A package of options on goals has been worked up by one of HUD's assistant secretaries, Donna Shalala. She notes that HUD is nowhere near a decision on what to do about goals—how many to have and what kind.

"We don't need them until next year," she points out, and adds that the White House will, of course, have the final say.

At about the time Carter will begin deciding what—if anything—to do about housing in his January budget, the NAHB will host a two-day seminar in Washington, "On the Challenge of Meeting America's Housing Needs Through the Remainder of the 20th Century."

President Ernest A. Becker Sr. of NAHB, without referring to any goal, noted that housing demand will remain at an all-time high for at least another 10 years as the World War II baby boom's children continue entering the housing market.

—DON LOOMIS
McGraw-Hill World News,
Washington

Remodelers' merger delayed

The merger of the National Home Improvement Council and the National Remodelers Assn. into the National Home Improvement Assn. slated for May 1, has been postponed.

Executive Vice-President John Hammond of the NHIC said the merger still may be arranged this summer, but other members of the group were less hopeful.

Hammond said the obstacles were financial and contractural. "In principle, we agree," he explained, "but when we get to details, there are still serious differences."

Executive Officer Joe Nahay of the NRA declines to comment on merger prospects. He did agree that the problems centered on money and the contract. "The NRA has spent close to $40,000 trying to bring about this merger," Nahay said, "and it's up to NHIC now."

Were the merger effected, combined membership would be about 3,800 (2,532 for NHIC, 1,300 for NRA.)

Nabay argues that this is still a drop in the bucket. "Membership could be 10,000 to 15,000 if all the splinter groups were in one association," he says. "That includes kitchen dealers, roofers, insulation contractors, waterproofing contractors and more." But he acknowledges that the NHIC/NRA merger would be "one step in the right direction."

New anti-bias laws unlikely to pass

Senator Charles Mathias (R., Md.) recently told the National Association Against Discrimination in Housing something the civil rights activists already knew: "The track record of HUD (in enforcing fair housing laws) isn't very good."

Mathias wants "to put a little deterrent threat into the hands of HUD" with legislation that would give the department cease-and-desist authority against a seller of a house if HUD decided that he had, in fact, discriminated against a black or a member of another minority. Similar legislation has been introduced in the House.

As the law stands, HUD can only conciliate and then refer a case to Department of Justice lawyers who then decide whether or not they will file a suit.

Outlook. Despite a new $1-million HUD study reporting that 21.5% of the blacks seeking to buy a house will find discrimination in some form—including a denial that a house is for sale—there's little chance to new legislation this year.

HUD figures show that in eight years fewer than 2,000 complaints have been filed charging discrimination in the sale of a house—about one complaint, anywhere in the country, for each working day. In 1977, for example, HUD received only 217 complaints of refusal to sell.

Senate's Mathias
'Track record isn't good'

Housing Secretary Patricia Harris says that "the problem is too important for us to wait for enactment of the legislation." She's creating a "demonstration project" that will put $500,000 into the hands of a civil rights organization to seek out home builders and agents that are suspected of discriminating. The focus will be mostly on rental housing, but sales housing will also be covered.

Local impetus. According to Assistant Secretary Chester McGuire, such an enforcement program—using local investigators and volunteers—"would operate more cheaply, more efficiently, and we'd get a lot more coverage."

Another possibility is to provide HUD funds to state and local housing-law officials to do the enforcement. Mrs. Harris notes that since she took office, 22 states and the District of Columbia have been certified by HUD to accept and enforce complaints filed with HUD offices.

But no major step-up in the Carter administration's civil-rights initiatives, including fair housing reform, is likely before next year. Carter may then propose a reorganization of the agencies that now enforce the laws against discrimination in employment as well as housing.

In such a shuffle, HUD could lose its enforcement powers entirely to a centralized enforcement agency—perhaps built around the Equal Employment Opportunity Commission.

—D.L.

MORTGAGING

More low-down payment loans from S&Ls

Most savings and loan associations will now be able to almost double the number of 5% and 10% down-payment mortgages they make.

Their new authority became effective May 25. It covers the 2,013 federal associations as well as 2,044 state-chartered S&Ls and 75 savings banks that are also insured by the Federal Savings and Loan Insurance Corp. There are only about 700 other S&Ls, all state chartered, and they are not affected.

The new rule will also allow the S&Ls to write more mortgages on two-family houses. The so-called high-ratio loans had previously been allowed on only single-family houses, and the number had been held to 30% of assets.

The Federal Home Loan Bank Board, the S&L regulatory agency, has now agreed to allow up to half an S&L's mortgages to go into 10% or lower down-payment loans. Further, the board will permit half of those high-ratio loans to be made with only 5% down payments.

Beneficiaries. Officials of the S&L industry say the change will greatly enlarge their ability to finance houses for first-time buyers, particularly in the high-cost housing areas of the East and on the West Coast. The new loans will also open a new type of financing to lower-income buyers, the officials said. And renters will have a better chance of buying a two-family house and renting out part of it to help with mortgage payments, notes a FHLBB economist.

The savings and loans were put on notice by Board Chairman Robert McKinney Jr., however, to avoid making speculative loans in the process of easing up on down payments.

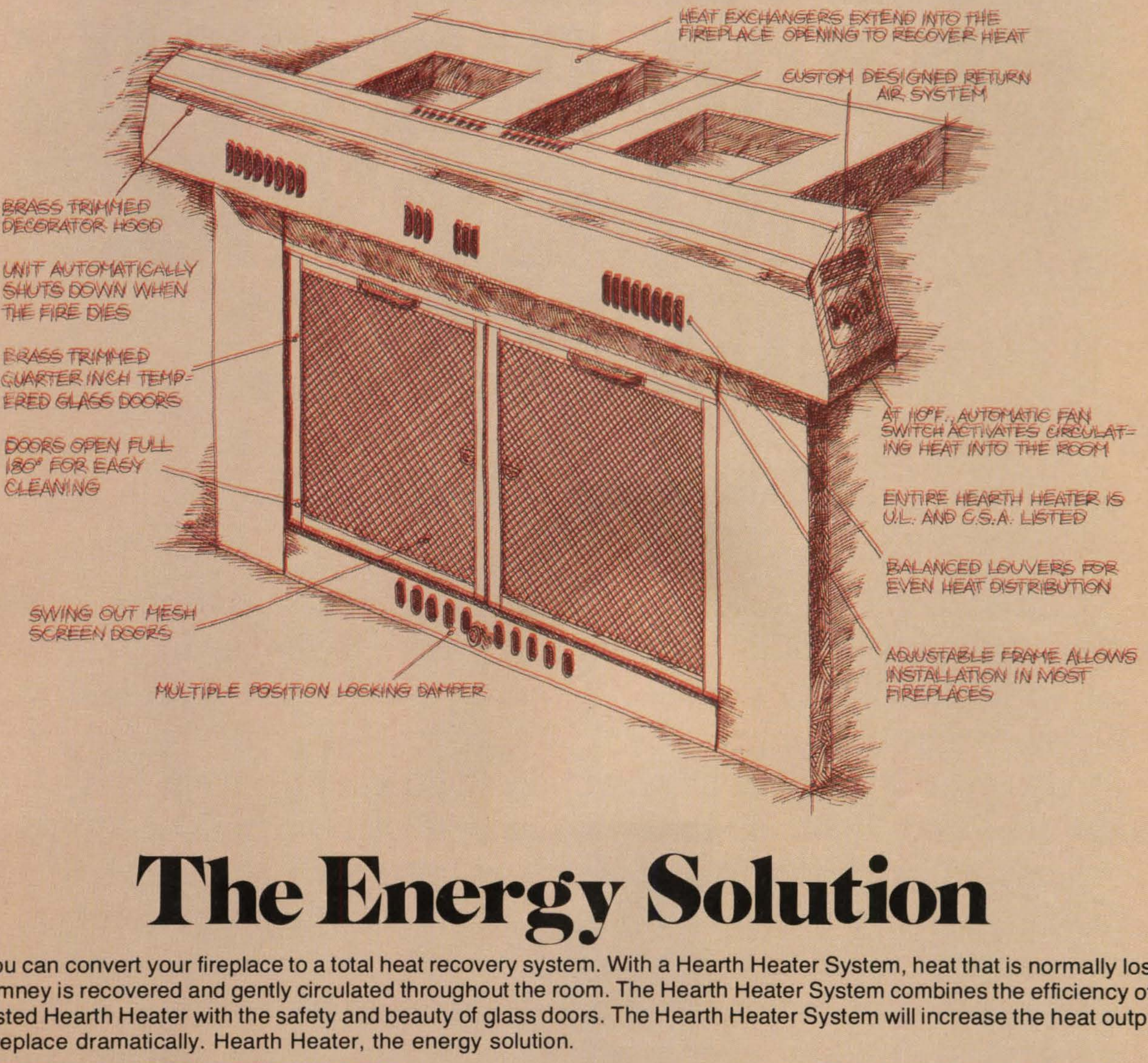
If the high-ratio loans work on two-family houses, they may be expanded to three and four-family structures, McKinney suggested.

Another $2 billion. In a separate action, the federal S&L regulators gave the industry an additional $2 billion in lendable funds by reducing liquidity requirements. The move was taken to offset lower savings inflows, and the impact tighter credit conditions are having on mortgage rates. McKinney said the board would "consider further reductions . . . should circumstances justify this."

Liquidity requirements force savings and loans to keep a fixed percentage of their assets in short-term government securities as a hedge against emergencies.

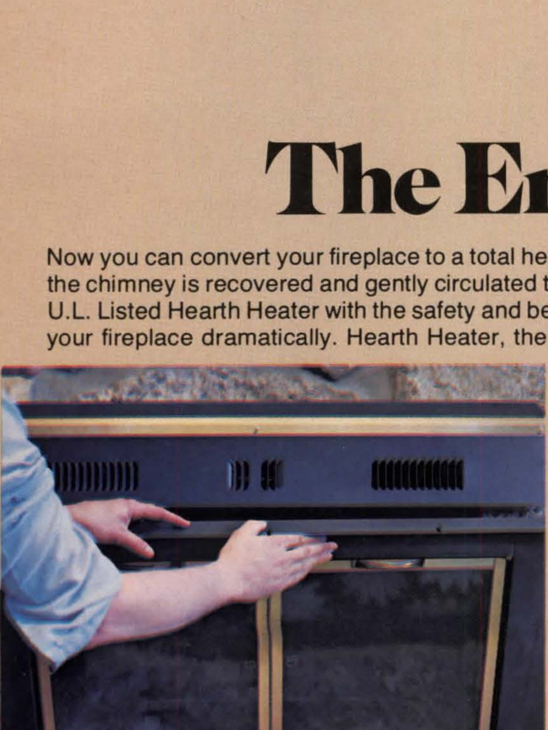
—R.D.

The Hearth Heater System



The Energy Solution

Now you can convert your fireplace to a total heat recovery system. With a Hearth Heater System, heat that is normally lost up the chimney is recovered and gently circulated throughout the room. The Hearth Heater System combines the efficiency of the U.L. Listed Hearth Heater with the safety and beauty of glass doors. The Hearth Heater System will increase the heat output of your fireplace dramatically. Hearth Heater, the energy solution.



The Hearth Heater System is extremely compact and will fit any masonry fireplace with horizontal openings from 28 to 46 inches. The brass-trimmed black Hearth Heater System offers beauty and warmth for any decor. The heat chambers carry a five year, pro-rated, limited warranty.

hearth heater system

by DUO-THERM

LaGrange, Indiana 46761

patent pending

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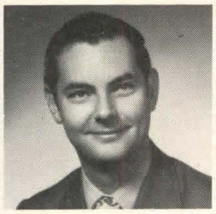
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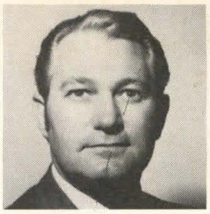
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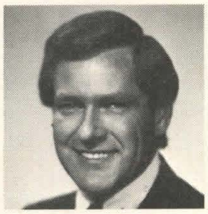
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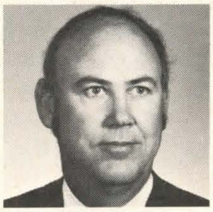
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Circle 17 on reader service card

$14 billion more for mortgages

Credit unions could offer that much in new financing over next four years

In a major departure from past policy, federal credit unions have just been given broad powers to make mortgage loans.

The new authority, effective May 8, provides:

- Financing for houses priced up to 150% of an area's median house price.
- Financing for up to 90% of house value without private mortgage insurance, with terms up to 30 years.
- Loans for which settlement costs must be included in the interest rate, and where discount points or origination fees will probably be specifically prohibited.

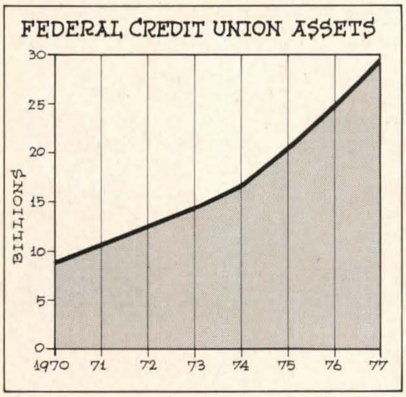
Credit unions' Connell
Lays down the guidelines

2,000 new lenders. Credit union industry officials say they expect many of the larger credit unions to begin offering mortgage financing to savers within the next few weeks. Eventually 2,000 federally chartered credit unions are expected to offer the service, predicts Roy Hollihan, president of the National Association of Federal Credit Unions.

Potentially, the new rules announced by Administrator Lawrence Connell Jr. of the National Credit Union will free up to $14 billion in additional mortgage financing over the next three to four years, industry officials say.

Credit unions are waiting to see what kinds of guidelines will apply for reselling mortgages to the Federal National Mortgage Corp. and the Government National Mortgage Corp. Some are also balking at Connell's proposal that no points or origination fees can be charged, but that requirement is expected to stand.

Coming attractions. Besides banning of discount points, the new rules offer several consumer features that should



make mortgage financing through credit unions attractive. They would guarantee borrowers that funds held in escrow for taxes and other payments would earn interest at regular savings rates. They would also permit savers to obtain refunds on prepaid mortgages if prepayments caused the effective interest rate to exceed 12% annually.

Vacation homes, commercial property and very expensive houses would be off limits to credit unions, but savers could borrow up to 95% of the cost of rehabilitating an existing house—a point the regulatory agency hopes will encourage credit union borrowing for urban housing.

Credit union leaders say nearly all of the credit unions eligible will probably want to make the loans. The agency is restricting mortgage lending to federal credit unions with $2 million or more assets, and is conservatively limiting mortgages to 25% of a credit union's assets.

Banks vs. S&Ls. As credit unions won new mortgage powers, savings and loan associations were preparing to sue the Federal Reserve Board over a change they maintain could cost them billions in savings to banks.

The Fed agreed to let banks compete for S&L deposits by offering customers accounts that would combine savings and checking. The Fed's staff estimates show that banks could gain deposits from thrifts with the new accounts, but central bank officials claim most of the money would reenter the mortgage market as bank loans.

The S&L analysts say the bulk of thrift savings deposits, 67%, are in certificates and should not be affected by the change, however.

—BOB DOWLING
McGraw-Hill World News,
Washington

And more lumber for builders

As a plank in his anti-inflation platform, President Carter is proposing to step up the sale of timber from federal forests so lumber prices will be held in check. The trouble is that Carter's budget, submitted to Congress in January, proposed reduced spending for Forest Service personnel who prepare the forests for sale to harvesters. This places an artificial lid on possible sales.

The House and Senate Appropriations Committees, however, plan to ignore Carter's budget suggestion and hike the budgets for federal forests agencies so harvesting can be accelerated.

House prices. In his speech on inflation April 11, Carter said the auctioning of more timber would mean "some relief" from higher housing costs. He also said that lumber accounts for one-quarter of the cost of a new home.

The National Forest Products Assn. agrees with the move to increase national forest timber sales but says Carter is wrong on his figures. It says wood products account for 30% of the construction costs of a home and 15% of the selling price.

Federal forests are expected to account for 11.5 billion board feet of lumber this year, and this is being accomplished by the Forest Service, which is operating under a $77-million budget. Carter's January budget proposes only $68 million for the service, meaning fewer funds to make the forests ready for harvesting and reforestation.

Industry position. The Forest Service, with support from forest industry organizations, would like a budget increase to $114 million and says this would permit the harvesting of 13.5 billion board feet of lumber.

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Lenders get anti-redline guidelines

The Department of Justice has just given local lending institutions what amounts to a blanket okay to get together to combat redlining.

After approving plans from Detroit, Seattle, Dallas and several smaller cities, the antitrust chief, John H. Shenefield, announced he would issue no more business-review letters on the redlining. The outlines of a lawful plan should be clear enough by now to guide mortgage financiers in other cities, he said.

Competition as an issue. The plans that the Justice Dept. has been examining provide an avenue of appeal for house buyers who feel that an application for a mortgage was turned down for a discriminatory reason, as part of a general boycott of particular neighborhoods. The plans set up independent boards to review all such denials presented to them. The setups raise antitrust questions because they involve cooperation among institutions that are supposed to be competing.

Gail Cincotta, a neighborhood organizer in Chicago, led a national drive that ended in passage of the Home Loan Mortgage Disclosure Act of 1975. Most anti-redline rules draw on that law.

The Justice Dept. rulings already issued suggest that such appeals plans are within the law if:

- The reviewing board includes public members as well as officials of the S&Ls backing the plan.
- Each lender sets for itself the terms and rates on any loans it does take.
- Any mortgage writer in the market is free to join the scheme.

Procedure. The review boards use public pressure as their chief weapon to win loans for buyers in questionable neighborhoods. If, on examining a rejected application, the board decides it is an example of redlining, the board ships it back to the original institution with a suggestion that loan officers look at it again. If that S&L still refuses a loan, the board then tries to find a lender from among the other participating institutions. Usually, only first mortgages on owner-occupied residences are covered by the schemes. —DAN MOSKOWITZ

McGraw-Hill World News, Washington

This proud homebuyer's lucky number is 13

That Pam Moulder of Indianapolis bought an $18,000 home with a $3,700 down payment is not news. More women are buying more homes these days—for their own use or for investment.

Pam's story has a different twist. She is 13 years old.

Half the down payment was provided by her parents, with Pam shelling out the other half from savings from a paper route and sales of Christmas cards. Spurred on by a local newspaper story about three young brothers who had pooled their earnings to buy a small house, Pam's mother, an Indianapolis area Realtor, suggested a similar joint venture to her daughter. Pam, who had read the same story, was excited.

DON GERRETTA

A new homeowner, Pam Moulder, 13, of Indianapolis, Ind., poses in front of her most recent investment. She made half the down payment on this $18,000 home.

"It was mainly her idea," Mrs. Moulder said. "After thinking about it, she was ready to buy."

Landlord status. Mortgage payments will cost Pam $150 a month. She is screening prospective renters, and she's asking $200 a month. She plans to sell the home "in a few years" and invest in another house or perhaps buy a car.

Pam views the purchase as a captive savings plan, her mother explains, an investment that will reap greater rewards than a conventional savings account in a bank.

Succès d'estime. Pam has already appeared on Indianapolis television and radio talk shows and has become something of a local celebrity. Her school friends, however, were initially skeptical about Pam's new-found fame.

"At first," Pam said, "they all thought I was crazy. Now, after the publicity, some are acting different, like they're proud to be my friends."

—T.A.

Jenn-Air introduces the designer range. It brings fresh new variety into the look of your kitchens.

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MATERIALS

Aluminum wire's foes win in court

In a decision that could have far-reaching implications for the housing industry, the U.S. Circuit Court of Appeals in Philadelphia has ruled that the Consumer Product Safety Commission has jurisdiction over aluminum wiring systems in homes.

The opinion not only overturned that of a lower court but went on to say that there is nothing in the Consumer Product Safety Act to exclude the commission's jurisdiction over building materials once they are incorporated in a home.

Disregard for codes. The Philadelphia court also said it doubted whether state or local building codes preempted the jurisdiction of the commission. The judges dismissed contentions that, because construction materials are not distributed through channels to which consumers have access, they should be exempted from commission authority once they are in a home.

The ruling overturned a decision by the U.S. District Court of Delaware.

Suit against manufacturers. The Philadelphia decision also marked the first victory for the commission in its running effort to have old-technology aluminum wiring outlawed as a fire hazard. The agency has filed a suit in the U.S. District Court for the District of Columbia against 26 aluminum-wire manufacturers, seeking to have the old-technology systems repaired or replaced. Between 1965 and 1973, the systems went into an estimated 1.5 million homes.

Action on that suit was postponed until jurists could rule on suits disputing the commission's jurisdiction over household wiring. The Philadelphia court's action, involving Kaiser Aluminum and Chemical, was one of those suits. Another, involving the Anaconda Co., is before the U.S. Circuit Court for the District of Columbia.

—MIKE MEALEY
McGraw-Hill World News,
Washington

TECHNOLOGY

Builder finds way to cut piping cost

An Indiana custom builder has used heat fusion technique and polybutylene piping to rough-in the plumbing for a 1½-bath home—with a laundry room—in less than an hour and at lower-than-usual cost.

Two nonunion plumbers, who are paid union wages but draw no union benefits, did the job.

The builder, Millard Scudder, president of Millard Scudder Inc. of Dillsboro, Ind., says the cost of copper would be about $510, material and labor included. His polybutylene job cost $130.

Savings. Scudder builds in the $40,000-$50,000 range. He uses about 20 feet of ¾'' pipe and 100 feet of ½'' pipe in such a house. If copper is used, the builder claims, he uses about the same amount of ¾'' pipe but double the amount of ½'' at nearly triple the cost. More copper is required, he says, because it usually comes in set 20′ lengths, must be run in straight lines and requires more cuttings and fittings. Polybutylene, on the other hand, is supplied in continuous lengths and may be bent to fit the job.

Installation is cheaper, quicker and easier with polybutylene piping than with copper, says builder Millard Scudder of Indiana. He says he has used new pipe in 60 homes.

Copper rebuttal. The Copper Development Association—the industry's trade organization, based in New York—declined to comment in detail on Scudder's claims. An association spokesman did say, however, that the builder's assertions "don't hang together."

Scudder insists that the price he pays for copper has doubled in two years, and he has based his comparative figures on that increase. But the copper association's spokesman argues that, far from increasing, the world price of copper dropped from 74 cents a pound in third quarter 1976 to 64 cents in first quarter 1978.

And, the spokesman says, the type of copper pipe previously used by Scudder may be purchased in both straight lengths and coils.

Codes. Polybutylene pipe and fittings meet the requirements of ASTM D-3309 for hot and cold water distribution of 100 psi water service at up to 180°F. The standard has been adopted by FHA-HUD, the National Sanitation Foundation, the Southern Building Code Congress, the National Standard Plumbing Code, Building Officials and Code Administrators (BOCA) and other bodies, Scudder notes. —T.A.

Black migration aids South's builders

Black residents are moving out of the Northeast and returning to the South. This reversal halts a centuries-old trend and weakens the Northeast's housing markets.

An analysis of government statistics by Robert L. Siegel & Associates, a real estate consulting firm in New Orleans, shows that the Northeast lost 104,000 blacks, from March 1975 to March 1977. In that year, 147,000 blacks, two years of age or older, moved out. Only 43,000 moved in.

Blacks, almost without interruption, had been migrating into the Northeast since the Civil War. But many of the same blacks who move into the Northeast in the last 20 to 30 years are now moving out again.

Markets. The impact of this reversal is already being felt in housing markets.

The reversal is concentrated among higher-income blacks and those with better-than-average jobs. They move to inner cities or metropolitan areas. Their return bolsters housing markets of such cities as New Orleans, Atlanta, Memphis, Mobile and other major southern cities, which are losing population to white out-migration. Whites, when they move, go from metropolitan areas to exurban locations.

The Northeast's loss of blacks is hurting the housing markets in metropolitan areas. It is making it difficult for whites to find resale buyers.

At the same time, it is changing southern markets. Many southern cities are almost 50% black now, and this shift in racial composition has political significance. Blacks already control the mayor's offices in Atlanta and New Orleans.

Midwest and West. The reversal is only part of a significant change in migration patterns that is complicating housing demand throughout the country.

The Midwest, once a destination for blacks moving up from South Central states, is now losing the force of this in-migration. Blacks moving out of the Midwest probably equal the numbers still moving in. This condition is compounded by a net out-migration of whites from the Midwest.

The West, which has always gained population at the expense of the Northeast and the Midwest, is growing faster with the shift in black migration. About 14% of the blacks leaving the Northeast head West. An even larger share of those moving out of the Midwest are relocating in the West (23%).

The West is also contributing to the growth of the South (*Tables 1 and 2.*) Two of three blacks and half of the whites that leave the West move to the South.

The future. The migration patterns show how housing markets are likely to change, according to Robert L. Siegel, president of the Siegel firm.

The South and West will continue to exert strong pulls over residents of the Northeast and the Midwest. Markets in these regions will lose this black in-migration. These markets will struggle to find replacement populations for their inner cities, and their politicians will look more often to the national government for help.

The severe winters of 1976-77 and 1977-78 have contributed to the out-migration from the North, Siegel says. Thousands of households, he adds, are relocating to the South and West with just the equity of the homes they sold in their bank accounts. They are arriving in the South and West without jobs but are finding new jobs quickly. Unemployment is generally lower in the growing markets of the South and West.

Demand. The demand for new housing averages about 1% of the population per year. The national population is about 220 million, and the demand for new units is climbing toward 2.2 million a year.

But in soft markets in the Northeast and in the Midwest, demand is dropping toward 0.3% of population. In one typical example, demand in the Pittsburgh area is averaging 9,000 units a year. The population is over 2.3 million, so demand there is less than 0.4% of population. Markets in the South and West, with as much population, would need about 30,000 units a year. Growth markets in these regions are supporting construction which averages 1.3% to 1.5% of population. The difference is migration.

Table 1
HOW WHITE POPULATION IS MOVING (1975–1977)

Region moving from	Region moving to: Northeast	North Central	South	West	Total
Northeast	—	19.8%	52.5%	27.7%	100.0%
North Central	11.6%	—	48.0	40.5	100.0
South	23.3	38.8	—	37.9	100.0
West	16.2	37.2	46.5	—	100.0

Table 2
HOW BLACK POPULATION IS MOVING (1975–1977)

Region moving from	Northeast	North Central	South	West	Total
Northeast	—	15.0%	70.7%	14.3%	100.0%
North Central	7.6%	—	69.6	22.8	100.0
South	19.9	47.0	—	33.1	100.0
West	12.5	25.0	62.5	—	100.0

Source: Information compiled by the Bureau of the Census.

Mortgage man leaves

John Wetmore, chief economist for the Mortgage Bankers Association for 11 years, has resigned. His is the latest in a series of resignations that began with the departure of Oliver Jones, the MBA director [HOUSING, Aug. '77]. Wetmore, prior to joining MBA in Washington in 1967, had been an economist for the Federal Home Loan Bank in Chicago for four years.

Fischer quits General Development

After four years at the helm, **Louis E. Fischer** resigns as president and chief executive of General Development. Fischer, a Levitt alumnus, quit "to pursue other business interests." He's replaced at the Miami headquarters office by **William R. Avella,** another Levitt graduate, who moves up from executive vice president. Avella served a tour with the Larwin Group as vice president of finance and administration. General Development is a wholly owned subsidiary of GDV Inc. of Miami.

BUILDERS: The executive roster changes at Kaufman and Broad. At the company's Los Angeles headquarters, **Stephen Pinkerton** is elevated to vice president of management development, a new post. He's been director of management development for six years. In the divisions, **Ray E. Smith** is tapped as president of Kaufman and Broad Homes of Illinois, a vacant post. He was senior vice president in charge of operations and marketing for K&B's Toronto subsidiary. At K&B's northern California division offices in San Francisco, **John Zimmerman** is named vice president and director of operations.

In Florida, **Ali Tanel** is appointed executive vice president of Cheezem Development Corp. of St. Petersburg. Tanel, another Levitt grad, had been vice president of operations for Cheezem.

Lanny Kalik, a former senior vice president of the Development Corp. of America, signs on with Zellner Communities of Newport Beach, Calif., as executive vice president and chief operating officer, a new post. And across town **Carole Jamieson** becomes manager of residential marketing communications for the Irvine Co. She had been an associate merchandising manager.

Jerry Franklin is named vice president of sales for the Marvin Helf Organization's Sandalwood Cove condo development in Boca Raton, Fla. He'd held a similar post with Rossmoor's Coconut Creek (Fla.) community.

Donald A. Mosiman joins Watt Industries of Santa Monica, Calif., as director of its apartment division. He had been the development manager for the Southern Counties Management Co. in Los Angeles.

Lee C. Shur is the first building exec to be named marketing executive of the year by the Washington, D.C. chapter of the American Marketing Assn. He is vice president of marketing for Gulf Reston Inc. of Reston, Va.

DEVELOPERS: In Miami, **John H. Abrams** is named vice president of land development for Deltona's Marco Island community. **Lee M. Sanborn** is

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PCBC's Blackley
Changes horses

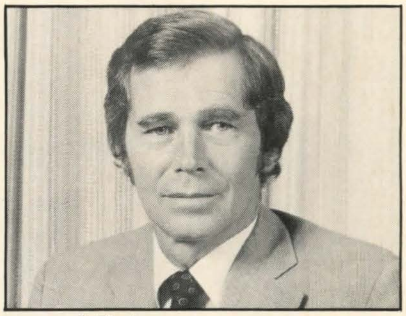
assigned the same title at the parent's Three Seasons communities in central and northern Florida.

Conrad Sloan, owner of Centurion Development of Sacramento, Calif., changes his company's name to Centurion Communities Corp.

Three execs move up with the Seabrook Island Co. in Charleston, S.C.: **John D. Christie** from director of marketing to vice president, **W. Russell Campbell** from assistant general manager to senior vice president and **Kermit Mullinax** from construction manager to vice president of construction.

ASSOCIATIONS: Don L. Gilchrist resigns after five years as president of the National Association of Home Manufacturers. In a letter to NAHM members, Chairman **Walter E. Ekblaw**

NAHM's Gilchrist
Becomes a consultant



. . . and Fischer
. . . *succeeds another*

explains that "Don has believed that he should spend a major portion of his time and the resources of the association on government relations. While this has always been important to NAHM and its members, it was the opinion of the executive committee that this should not be the primary objective."

Gilchrist becomes a consultant. His fist client: NAHM. **John R. Kupferer,** the association's vice president of operations for the past two years, is named executive vice president. Gilchrist was unavailable for comment.

In San Francisco, **Gordon Blackley** moves from executive vice president of the Associated Building Industry of Northern California/West Bay division, to executive director of the Pacific Coast Builders Conference. He succeeds **Frank Halleran,** who resigned.

Elmer Botsai is installed as president of the American Institute of Architects in Washington, D.C. He is a partner in the firm of Botsai, Overstreet & Rosenberg of San Francisco. **Ehrman Mitchell** begins his term as AIA's first vice president. Mitchell, a partner in Mitchell/Giurgola Architects of Philadelphia and New York, will be installed as president in January, 1979.

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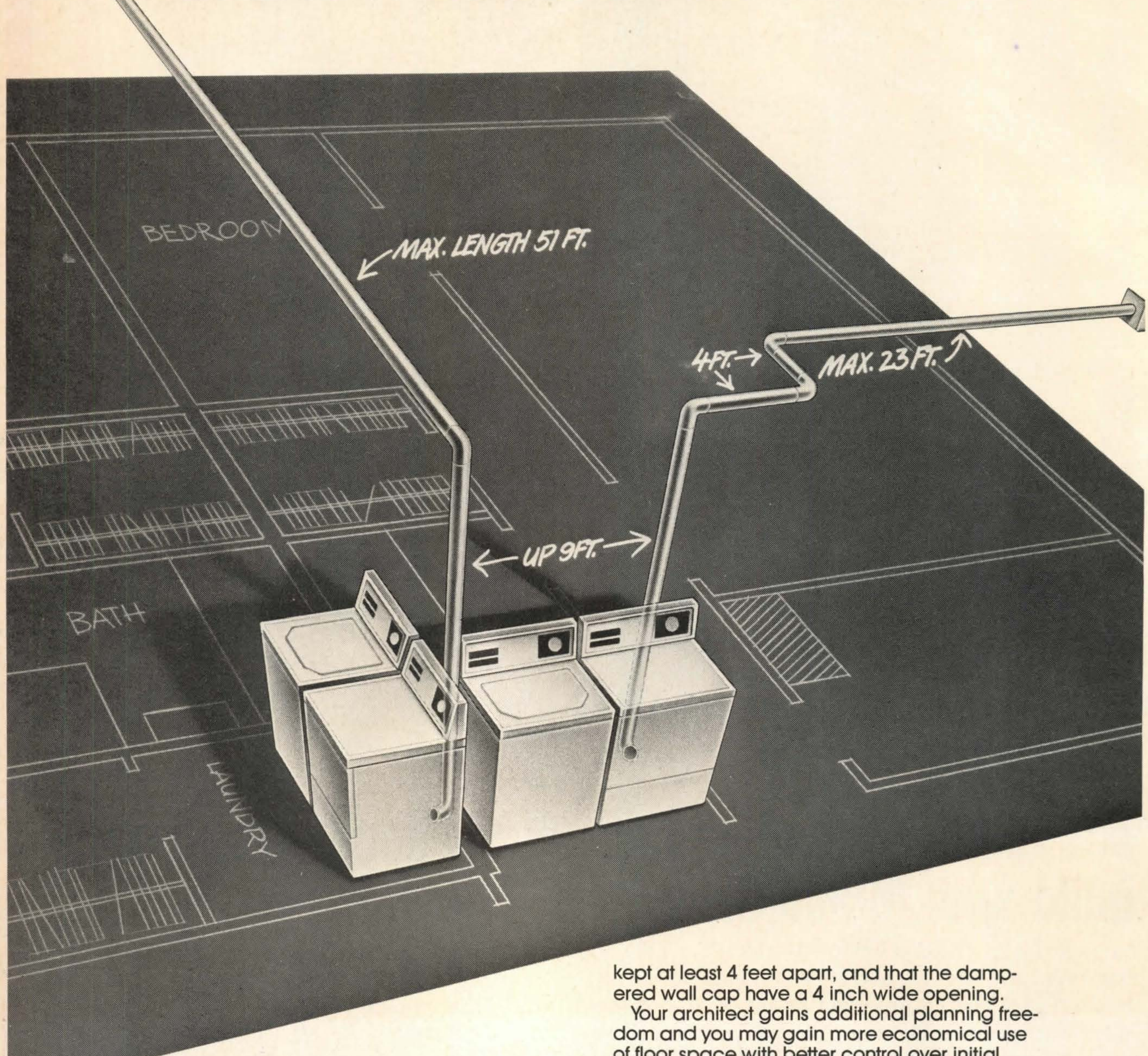
This GE Dryer, even with 2 elbows, has a 60-foot reach.



The installation flexibility of the General Electric DDE5300P electric dryer now allows your architect to place the laundry area just about anywhere in an apartment and, without the need for booster fans in order to duct to an outside wall or a common dryer exhaust stack.

This dryer can handle up to four 90° elbows with a total duct length of 40 feet. As the number of turns are reduced the length that the dryer can exhaust is increased: with 3 elbows, up to 50 feet; with 2 elbows, up to 60 feet; with one elbow, up to 70 feet; and all the way up to 90 ft. with zero turns! The requirements are that 4 inch rigid metal ducting be used, the elbows be kept at least 4 feet apart, and that the dampered wall cap have a 4 inch wide opening.

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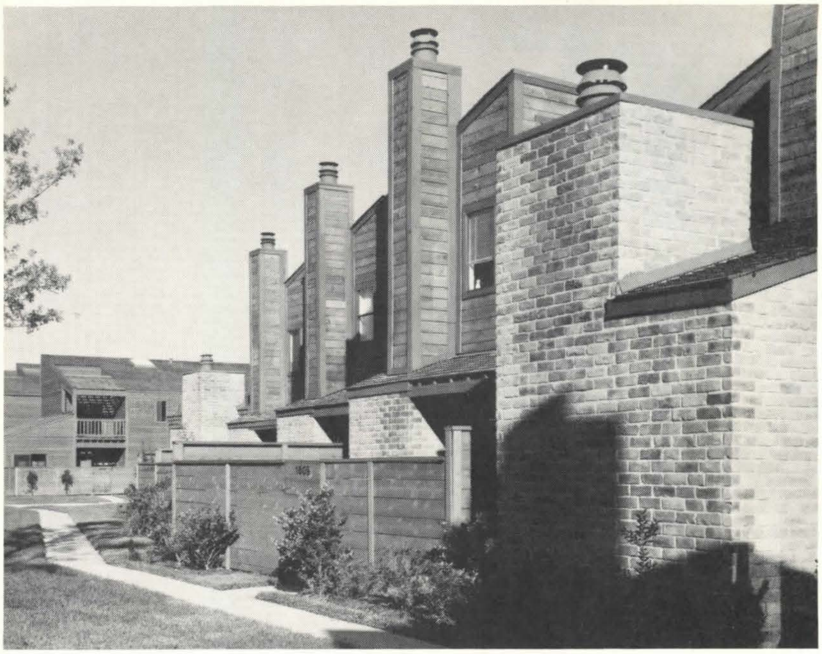
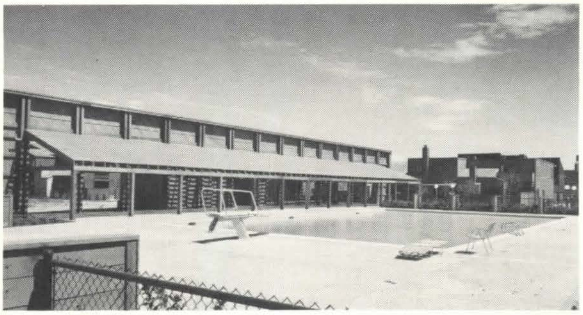
CIRCLE 55 ON READER SERVICE CARD

Old Texas style lures the young





Condo townhouses that revived a century-old design at Walker's Mark in Houston. The heavy reliance on wood construction also shows up in a lean-to pergola, part of the poolside bath house. Early examples of the original housing are still seen in Houston.

Booming Houston's buyers have always had a wide variety of housing design—imported from Florida and California and even New England. Little of it traced to the rich old Texas past.

Now, however, GreenMark Inc. has harked back to the frontier heritage and come up with an authentic Lone Star style.

The GreenMark townhouses are reminiscent of ranch homes built by German settlers in the 1800s. And they are a big hit with—of all people—Houston's younger buyers.

Walker's Mark, the GreenMark condo townhouse community, mirrors the simple but practical design of early Texas architecture.

The Texas touch. The dark-stained cedar units have large patios, detailed exterior wood trim and shed-type roofs with shakes. The doors and windows have overhangs to protect them against the blazing Texas sun. There are 9-ft.-high, wood-sleeved chimneys of brick and there are fireplaces that jut beyond the fronts and sides of units.

Interiors are simple.

One of the project's main selling points is layout. Built on a 25-acre tract at 10.7 units/acre, the housing is clustered in four- or six-unit buildings. They are separated by courtyards that provide privacy and a sense of neighborhood.

William T. Cannady and Associates of Houston were the architects.

Reception. Despite the historic associations, older buyers have been cool to Walker's Mark.

"They say it lacks warmth," explains a mildly disappointed Frank Johnston, GreenMark's vice president of sales and marketing.

But younger people feel no such constraints. Most of the condos sell to the under-35 set, first-time buyers. Some 80% of the takers are in the 25-35 age group and earn between \$26,500 and \$37,000. A surprising 60% are singles, with the balance *young couples.*

Because of this mix, in fact, GreenMark dropped some of the larger three-bedroom models it had been offering.

Midway through the seventh of nine construction phases (models opened in late 1976), the developer has sold 176 of the projected 232 units. Prices range from \$52,300 for two-bedroom units to \$65,900 for three bedrooms.

What's in a name. GreenMark took some pains to find a suitable name for its fine old Texas-style housing. Although the project itself was dubbed Walker's Mark (thus evoking a cattle-brand image), the developer couldn't resist using buzz names to market the different units. His models lineup: Catalina, Del Mar, Laguna and Malibu. —B.M.

Mortgages break California record

The best advance in California's mortgage banking history—a 30% increase in loans produced—was achieved last year, according to Robert S. McCarter, president of the California Mortgage Bankers Association.

With \$8.6 billion in new mortgages originated by member-firms during 1977 for an increase of \$2 billion over the previous year, McCarter said, the results of the statewide survey lived up to the expectations of financial observers who anticipated the previous year's \$6.6 billion mark would be surpassed.

Mortgage bankers bring together developers and investors for the financing of residential as well as commercial and industrial real estate projects.

Of the \$8.6 billion in new mortgage loans produced last year, the survey of the 80-plus mortgage banking firms in California disclosed that the majority of the more than 150,000 new loans went into homes. Residential mortgages totaled \$6.4 billion while the remaining \$2.2 billion financed commercial and industrial projects.

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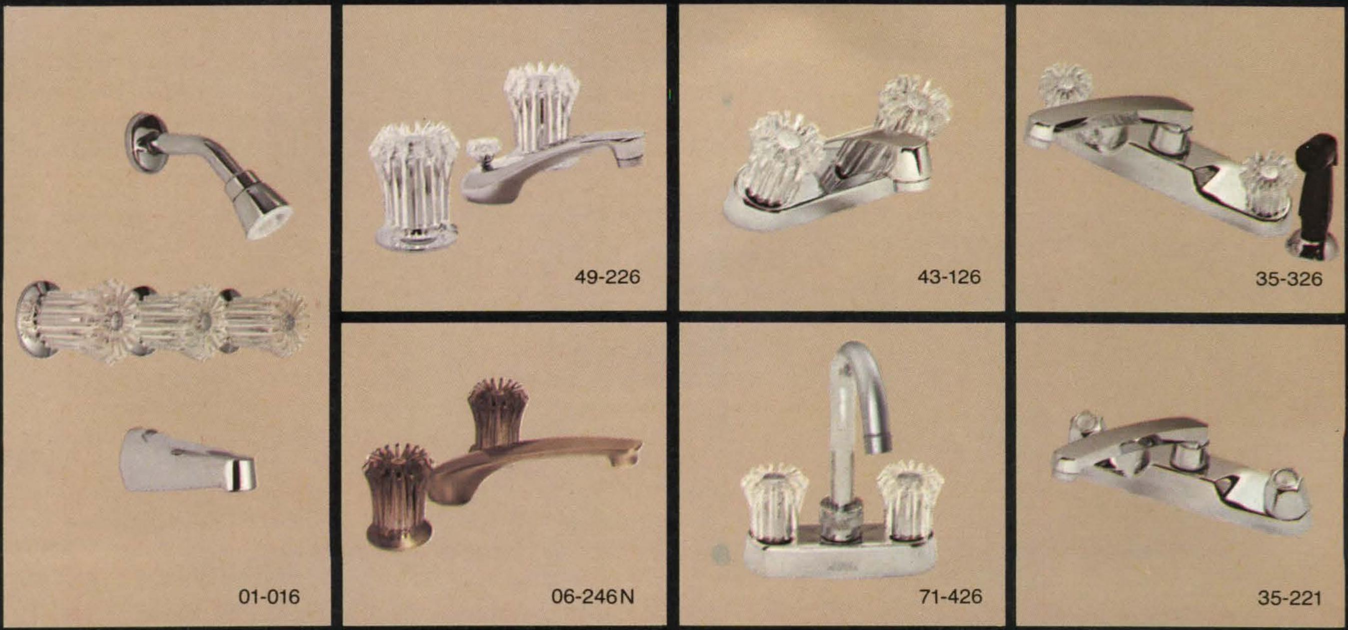


Handled with care by Price Pfister

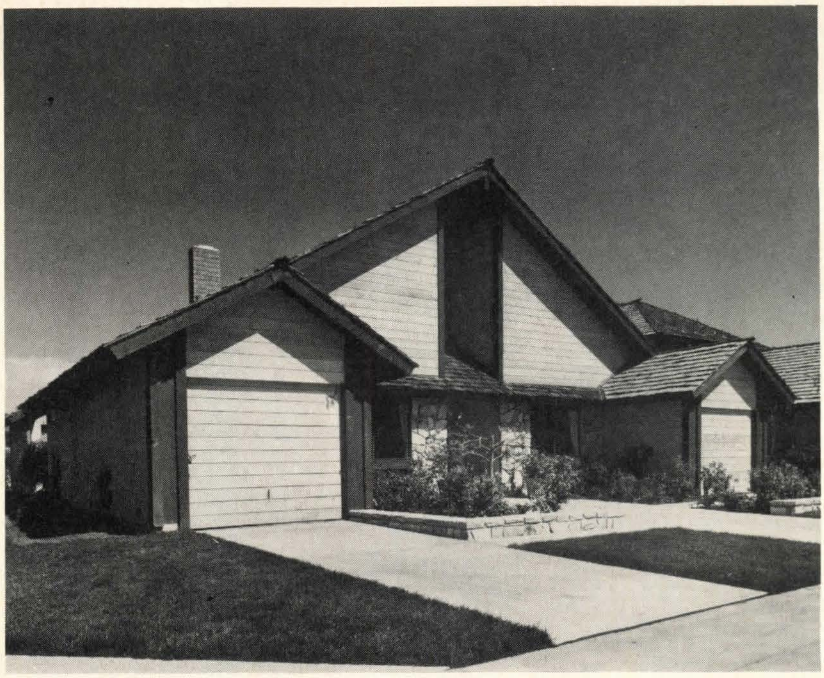
Circle 37 on reader service card

Adding the touch that sells

Wright/Bachman Inc. of Indianapolis, building 70 homes a year in the $30,000-$65,000 range on scattered sites, figured that a new sales center was just the ticket to boost sales. So it called in The Childs/Dreyfus Group, a Chicago-based design firm, to deliver same. Picked for the conversion job was one of the builder's least successful lakeside cabin models.

The result, says President Courtenay Weldon, was "an artistic success that did a great job of pulling people in and keeping them there." The center, moreover, began to draw more affluent—and sophisticated—prospects. But Weldon's sales staff of three, which hadn't been trained to handle this clientele, was unable to convert the prospects into buyers. He finally called in a real estate firm to do the selling.

"No matter how great your package is," says Weldon, "the important thing to remember is that sales centers don't sell homes. If you don't have the right people to follow through, it's like undressing a beautiful woman and finding a mannequin."



And now the his 'n her garage

How do you break up that feeling of too much garage and not enough house when you're limited to 60-ft.-wide lots?

At Trinidad Island, a 350-unit development of upper-priced ($185,000-$344,000) oceanside homes in Huntington Beach, Calif., a split-garage design does the trick. Already a big hit with empty nesters, it's one of 18 exterior plans offered by the Christiana Companies. Price: $287,500.

Selling with a team of part-timers

Gigliotti Corp. of Langhorne, Pa., may be onto something. Instead of using a regular salesman for 349 fee-simple townhouses in the mid-$40,000s, the developer is going with two part-timers who work as a team.

Ginny Costello and Norma Buck, young marrieds with children at home, began as on-site hostesses before switching to sales. How are they doing? "Great," says Vice President Frank Joyce. "Together, they give us about 60 hours a week (versus 48 for a full-timer), cover 30% more prospects and have cut our selling time by 15%."

The women work three days a week and draw a small per-diem salary against commissions. "We don't save anything on compensation," says Joyce, "it's just that the team gets better results. But double-coverage selling isn't for everybody—you've got to have the right people."

Marketing with miniatures

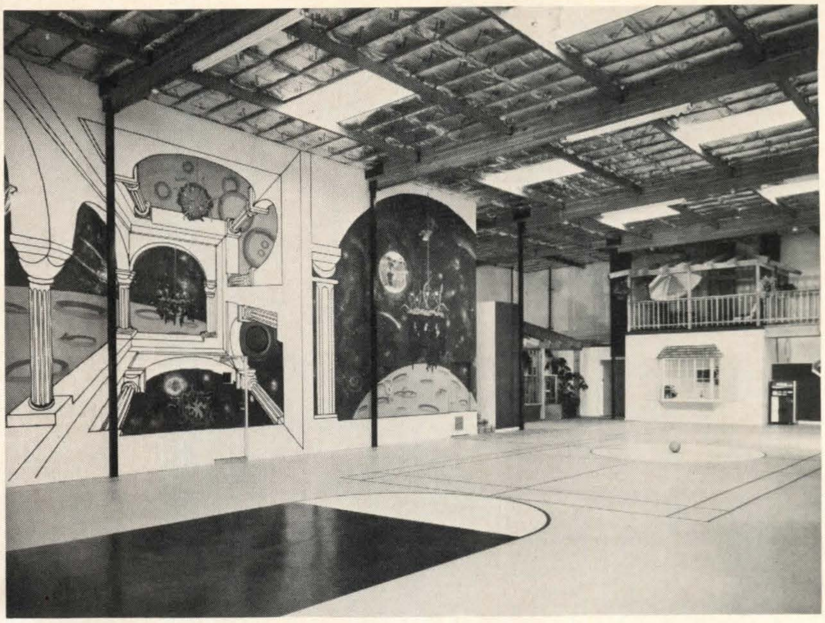
Small models sell big developments.

Model-maker William Ring puts the finishing touches on sections of a scale model used to presell Ancient Tree, a 1,636-unit PUD in Northbrook, Ill. Detailed models (down to shoes in the closet) were made for four different types of housing—about 1,000 hours of work. The tab: less than the cost of one good-sized major media ad.

Says Vice President-Marketing Allen Davis: "We find that one good weekend in summer more than pays for the miniatures."

Toronto-based Campeau Corp., developer of HarbourSide, a 600-condo apartment, takes a different tack. Thousands of color photographs of its miniature models (carved in ¾-in. scale) were made into a 10-minute audio/visual show. Using nine projectors and three screens, the slide show creates a periscope effect that projects viewers into the apartments. Showings are in a special five-seat "theater." The producer: Alvin Preiss Inc., a New York marketing firm.

40



A health club for homebuyers? No way.

This one is for builders—specifically, all 60 in-house employees plus construction crews and other field personnel of the Robert P. Warmington Co., Irvine, Calif. Fully a third of the developer's new, 18,000-sq.-ft., million-dollar headquarters is set up for recreational activities—basketball, racquetball and badminton. There's also an exercise room with weightlifting and a redwood hot tub. Move over, Jack LaLanne.

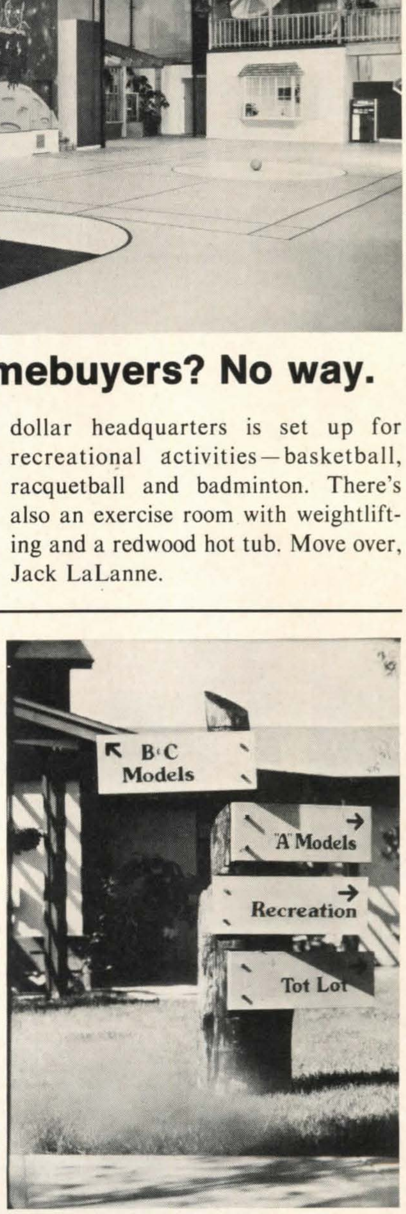
The last word in snob appeal

"Psychologically, where you live and what others think of your address is very important."

So says marketing consultant Stanley Thea, who engineered the sales turnaround for egg-laying Galleria, a luxury office-condo skyscraper in midtown New York. Before Thea went into his magic act last year, only 10% of the 57-story building's inventory was sold. Today, almost 90% of the space has been taken—at prices ranging from $60,000 (studios) to $2 million (14½-room duplex).

Thea's secret? A blatant snob-appeal campaign aimed at wealthy U.S. and foreign buyers. Serving as the main hook were print ads that headlined a variety of snob-oriented themes.

One example: "Pay no heed to the rumors that there's an honest-to-God Duchess living in Galleria. Even if there is, she won't bother you." Another: "If we're fortunate, all the crashing bores will go live somewhere else."



Signs that sell

Along with pointing the way, this distinctive and eye-catching signage is used to pitch the amenities package offered by The Plantation, Tampa's newest and biggest (2,100 single-family homes on 600 acres) PUD. The builder: Trafalgar Developers of Florida Inc.

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You may choose from a variety of species: Inland Red Cedar, Idaho White Pine, Southern Pine, Douglas Fir/Larch and White Fir. And a broad range of acrylic stains on wire brush, smooth or saw textured surfaces.

The range in visual and structural qualities of the various Lock-Deck species offers the kind of freedom that allows you to create imaginative and functional structures as diverse as church and home.

So, if you are interested in making space beautiful through the free play of imagination and design, contact Western Wood Products Division now.

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In one old building: six new profit centers

Four years ago it was a loser as a residential hotel.

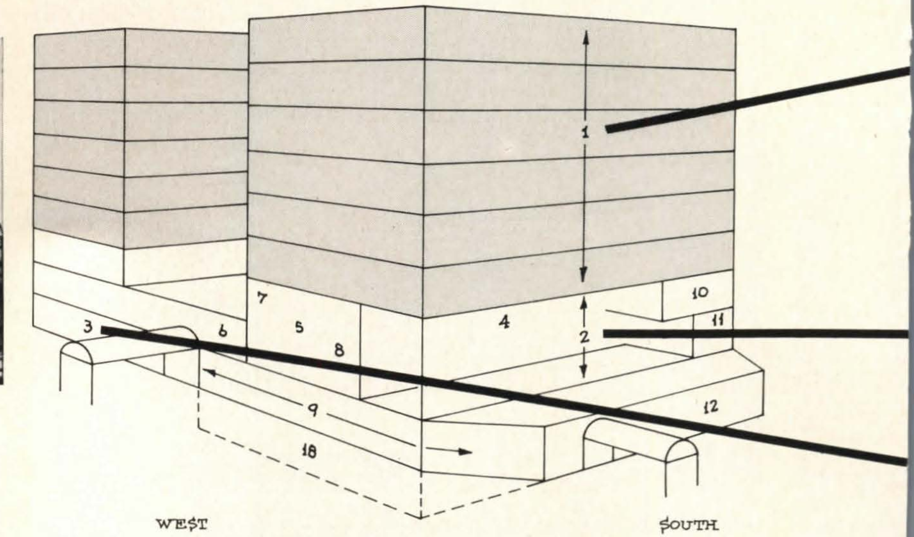
Now the building at left houses 76 apartments, an athletic club, a restaurant, shops, offices and a catering service.

And all of these profit centers are doing quite well for developers Gary Benson and Robert Mecay, who own and operate the nine-story structure on the shore of Lake Calhoun in Minneapolis.

The developers paid $1.5 million for a building that had seen better days. Designed in 1928 as an athletic club with residential accommodations, it was abandoned in mid-construction when the depression wiped out the original owners. It was finished as a hotel in 1946, but the new owners let the building deteriorate steadily for 25 years.

Yet Benson and Mecay, no strangers to rehab [H&H, Dec. '75], saw considerable potential in the structure.

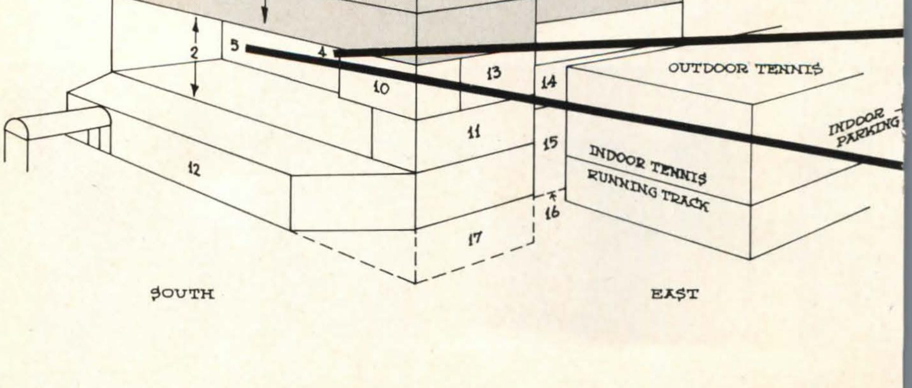
Renovated landmark in Minneapolis now offers 129,000 sq. ft. of residential, commercial and recreational space. Above: building's western and southern facades.



How space is used

Numbers are keyed to drawings and photographs.

1. Apartments.
2. Club dining room.
3. Indoor pool.
4. Mezzanine library/ lounge.
5. Main ballroom.
6. Banquet dining room.
7. Leased office space.
8. Catering and membership offices.
9. Retail shops.
10. Club executive offices.
11. Kitchen.
12. Public restaurant and bar.
13. Meeting/banquet room.
14, 15. Racquetball/handball/ squash courts.
16. Exercise room.
17. Men's locker room.
18. Women's locker room.



"It is a landmark with a great location—right in the middle of the city's park system," Benson explains.

Profit centers. Benson and Mecay spent $1.6 million to renovate the structure and add a wing for parking and indoor tennis. Another $850,000 went to refurbish the athletic and banquet facilities and purchase new equipment.

The developers got:

- Seventy-six apartments on the six upper floors. Sized from 500 to 1,500 sq. ft., the units are fully rented at $250 to $700 a month.
- A private athletic club and dining room on the lower floors. The club has 2,000 charter members who paid $500 each to join and are paying up to $25 in monthly fees.
- More than 7,200 sq. ft. of retail space off the lobby. It has been carved into small shops and leased from $5 to $8 a sq. ft.
- Another 6,500 sq. ft. in professional offices on the first and third floors. These have been leased at from $5 to $7.50 a sq. ft.
- A banquet and meeting operation catering to club and private functions. It is solidly booked for months ahead.
- And a 5,800-sq.-ft. public restaurant and bar, which are scheduled to open in late summer.

44

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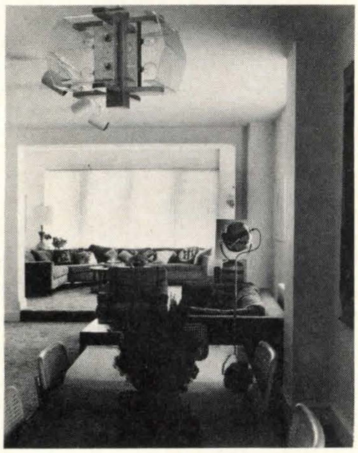


2


PHOTOS: SCOTT WISER

3


4


5


1. Dining/living area of seventh-floor apartment. Developers created 76 rental units out of former hotel rooms on top six floors.

2. Developers Gary Benson *(left)* and Robert Mecay in club dining room, constructed in former two-story ballroom space.

3. Indoor pool occupies parts of basement and first floor. Rehabbers salvaged original mechanical system, structural columns and pool shell; they added floor tiles, lighting and latticework wall panels.

4. Library/lounge on third-floor mezzanine. Balconies along wall at left overlook ballroom.

5. Main ballroom features original two-story, arched windows. New circular staircase in foreground connects with mezzanine.

Interior designer: Gary Wheeler.

Since 20% of the apartments are supported by Section 8 subsidies, the rate of return for the project's residential portion is limited to 4% a year.

"But our commercial operations are not restricted at all," says Mecay. "And we're expecting a 12%-to-15% return from them for our first operating year, which ends next month." The developers operate the athletic club, catering service and public restaurant as separate entities.

The rehab job. Renovation took more than two years. And it required a lot of demolition to return the building's interior spaces to their original functions.

Two-story recreational spaces, for example, had been bridged at mid-level to create new floors. A cement floor covered the swimming pool. A gym was turned into a TV studio and the third-floor mezzanine was totally boarded up for offices.

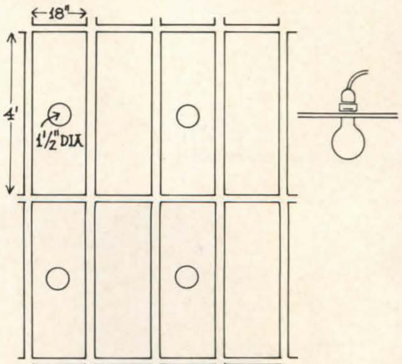
In reopening these spaces, the developers tried to restore as much of the original construction as possible. They jack-hammered down to the old floors, reopened balconies and stairways, uncovered cove ceilings and refinished decorative moldings.

The Minnesota Housing Finance Agency lent the developers $2.5 million (7½% for 40 years) for rehab of residential units and amenities.

"We liked the idea of preserving a landmark building and putting public housing in it," says Jim Dlugosch, the agency's executive director.

The rest of the project's financing came from conventional lenders and the developers' own equities.

—JOEL G. CAHN



Dramatic lighting is achieved economically in women's locker-room lounge by cutting holes in tempered-mirror ceiling panels and inserting decorative bulbs *(diagrams above)*. Chrome grids give access to mechanical system behind them.

Congoleum

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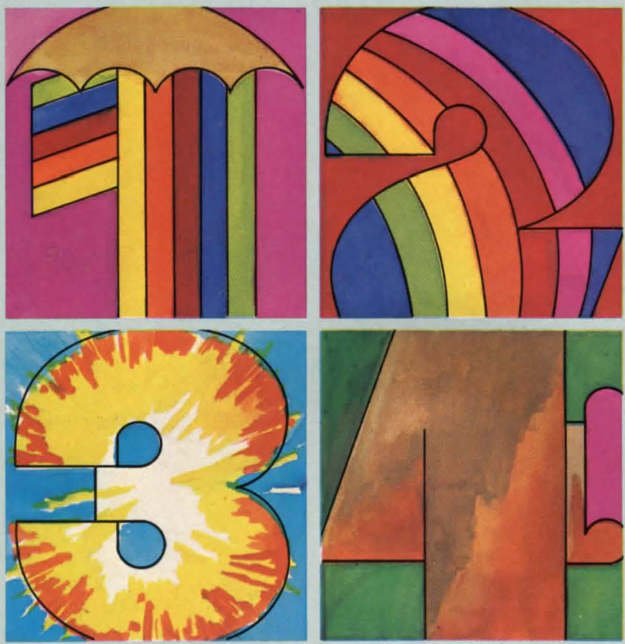
VINYL FLOORING

EXCLUSIVE CHROMABOND™ FORMULA

New Villager is the first and only vinyl flooring designed from the ground up to meet the exacting requirements of today's residential builders. Villager features another major Congoleum® technological breakthrough with the new exclusive Chromabond formula. Chromabond is a unique formulation that offers you these four tremendous advantages.

Exceptional stain resistance

The durable, super-tough vinyl wearlayer, specially formulated for Villager, seals out even the st troublesome spots and spills. Laboratory tests show that mpared to other resilient floors, Villager offers greater resistance to stains.



Superior color integrity

The exclusive Congoleum Chromabond formula offers special ink pigments which effectively combat discoloration due to alkaline moisture. The rich colors of Villager are protected by the exclusive Chromabond formula.

Superior mildew resistance

Laboratory tests show that the xclusive Chromabond formula offers superior resistance to mildew that can cause discoloration in most vinyl floors.

Durability and ease of maintenance

The exclusive Chromabond formula offers a crystal-clear wear surface which needs no wax to protect its sealed-in beauty. Besides having this easy maintenance feature, the wear surface is extremely durable for residential applications and is 20% greater than minimum F.H.A. requirements.

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See Villager at the Pacific Coast Builders Conference—Exhibit 615-624

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Housing's public companies in '77–'78

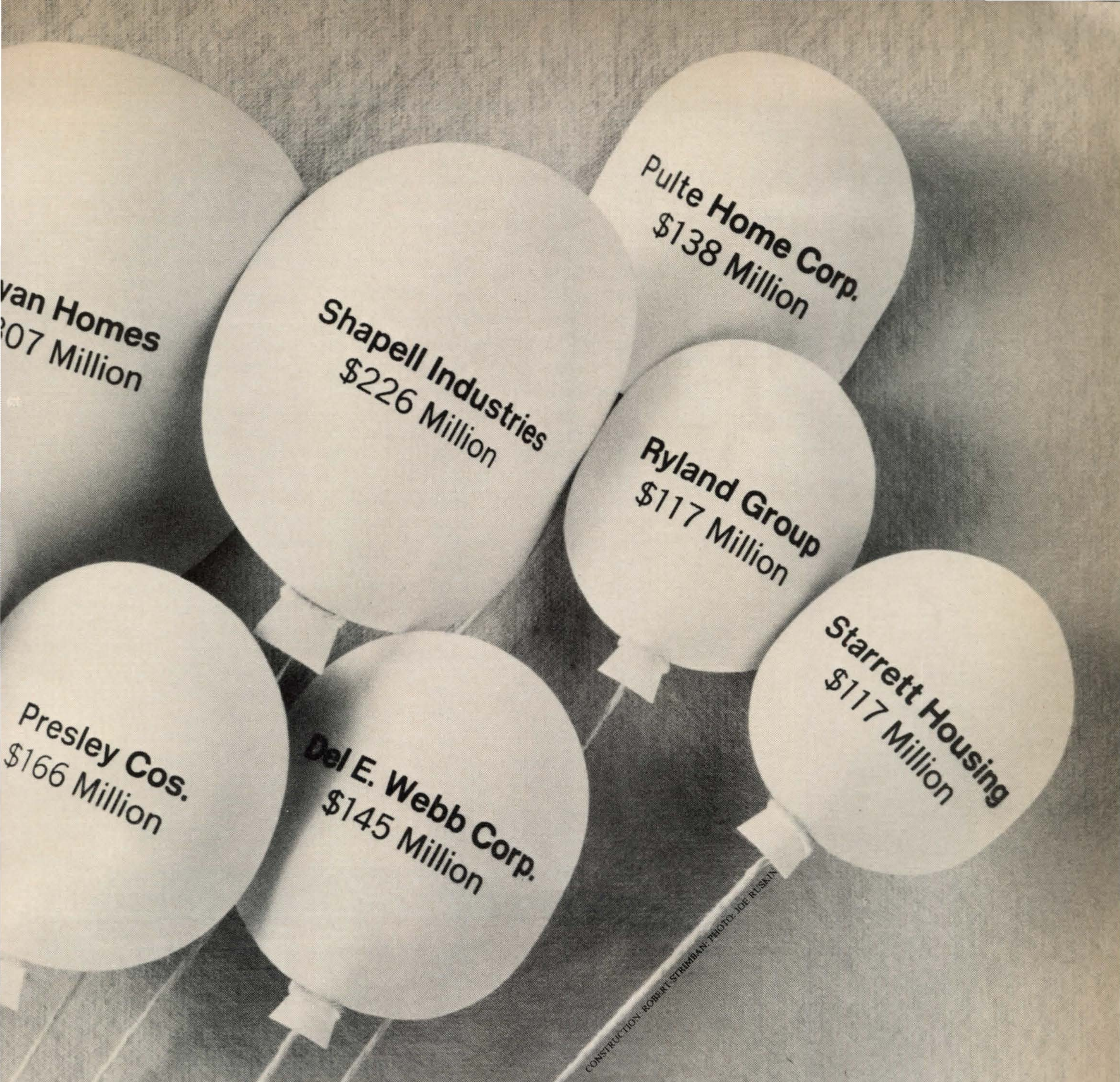
The rise of the

Maybe the giants march to a different drum than their smaller competitors. But their route to success is not so different. There are lessons here for every builder—large or small.

by Kenneth Campbell

The housing boom and attendant inflation have now boosted 10 independent public housing companies into a superbuilder class—with sales ranging above $100 million.

The 10 superbuilders delivered 23% more units in 1977 than in 1976 *(see table page 49)*. Unit backlog jumped 29% at year-end and yet even at that level, it was still equal to less than six months of deliveries at the accelerated 1977 rate.



superbuilder

One company, U.S. Home Corp., delivered nearly 10,000 on-site homes and reported $500 million in revenues in 1977. It is the first U.S. builder to reach that goal.

Public recognition of that achievement was blurred by U.S. Home's decision to change its fiscal year, so that results for only the 10 months ended Dec. 31, 1977 were reported publicly under prevailing accounting rules.

But scale Everest the company did, very nearly surpassing the 10,000-unit goal that managers of such operations as the Ryland Group and Centex's Fox & Jacobs had long used to challenge their people. Neither Centex nor Ryan Homes is far behind U.S. Home's blistering pace, and both could vault over the 10,000 mark in a year or two.

*—Centex adjusted for 12 months of calendar 1977.

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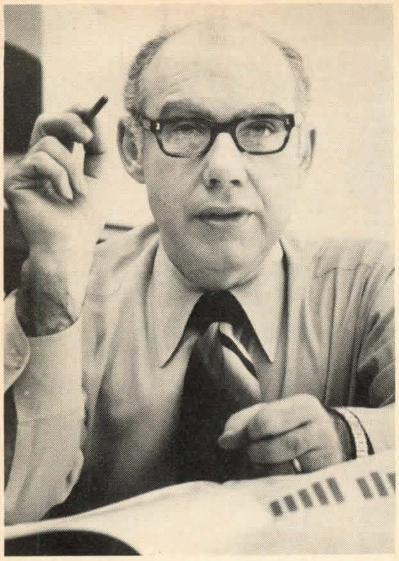

Author Campbell, one of housing's most respected analysts, looks at the performance and prospects of the industry's public companies in this article. Campbell, former senior editor of HOUSING, is president of Audit Investment Research Inc. The New York City firm specializes in housing and real estate securities.

U.S. Home's feat highlights a housing boom that produced record sales and earnings for the industry's public companies in 1977 *(see table below)*. And fat order books virtually guarantee a strong 1978 for most companies. But wide regional differences are developing, with backlog and new orders softening in the torrid California market while they strengthen in most other areas.

Geography. Generally, backlog was level or down for builders with concentration in California—Shapell, Presley, Standard-Pacific, and Kaufman and Broad to a lesser extent. It was up for builders with heavy concentration in Texas, Arizona and other Sunbelt locations—Centex, U.S. Home and Del E. Webb (Sun City). Builders in middle America recorded strong production gains for the most part, and they ended the year with good backlogs: Pulte up 29%, Ryland up 31% and Ryan Homes up 44%.

To dramatize the new order among housing companies, this year's report splits the independents into:

- Major builders with sales over $100 million.
- Large builders with sales of $25 to $100 million.
- Smaller builders with sales under $25 million.
- This presentation *(see tables pages 50 through 53)* tallies only housing-related sales from multi-line companies. It underscores the dominance of the 10 superbuilders on the domestic housing scene.

The pipeline. The tabulated sales and earnings numbers really are an after-the-fact look at housing's companies, however. That's because builders book sales only after they have completed a house and closed its sale to the buyer—at end of the long four-to-six-month build-out pipeline.

The key indicator of what's happening is the backlog of orders and reservations for future homes. More public builders are now providing more facts about deliveries and backlog so that managers can discern trends more clearly and take corrective action. They can correct, that is, if they aren't lulled into a false sense of optimism by falling in love with pet projects.

The superbuilders have overcome such fatal affections for a few specific projects and they now build a wide variety of house styles in dozens and

SALES—MILLIONS $

	1977	1976	% Change
10 Builders over $100 million sales	$2,284.6	$1,701.4	+34.3%
23 Builders with $25-$100 million sales	1,152.2	871.5	+32.2
13 Builders below $25 million sales	209.1	169.3	+19.1
4 Builders-industrial subs.-full data	525.5	385.9	+36.2
10 Builders-industrial subs.-sales only	641.0	428.6	+49.6
60 BUILDERS TOTALS	$4,812.4	$3,556.7	+35.3%

EARNINGS—MILLIONS $

10 Builders over $100 million sales	$122.0	$66.5	+83.4%
23 Builders with $25-$100 million sales	64.4	2.3	+2,737.0
13 Builders below $25 million sales	11.1	6.8	+62.9
4 Builders-industrial subs-full data	26.7	2.8	+843.1
50 BUILDERS TOTALS	$224.2	$78.4	+186.0%

PERFORMANCE MEASURES

	—Profit margin— 1977	1976	Asset turns	Equity % of assets
10 Builders over $100 million sales	4.3%	3.1%	1.22	29.6%
23 Builders with $25-$100 million sales	5.6	0.3	1.13	23.7
13 Builders below $25 million sales	5.0	4.0	0.89	26.8
4 Builders-industrial subs.-full data	5.1	0.7	0.98	27.5
50 BUILDERS TOTALS	4.7%	2.2%	1.06	26.9%

even hundreds of locations. This professionalism brought the superbuilders through the 1973-4 housing recession with management teams and capital bases intact.

In contrast, large-size builders appear more susceptible to infatuation with a few projects, and so they are more vulnerable. Their earning records are more volatile as a result (they earned a minuscule 0.3% on sales in 1976) and so a good share of 1977 earnings have gone to replenish capital bases.

Managing the multi-market builder: top pay plus textbooks at U.S. Home

U.S. Home's annual report dramatizes the company's geographical diversity, picturing a snow-capped Colorado home and a Florida contemporary with indoor pool. U.S. Home builds in 178 tracts, with 56 profit centers and 31 divisions. Five-eighths of the sales come from four Sunbelt states: Texas, Arizona, Florida and Louisiana.

The USH corporate staff in Clearwater, Fla., manages this housing empire with a combination of tight financial controls and lush incentives that give division managers a shot at topping their superior's pay if their skills produce impressive bottom lines.

Guy R. Odom, a builders' builder who's the only top officer *not* pictured in the annual, shaped the system after taking over as president and chairman in February 1977. (He came under fire recently for allegedly trying to dominate USH's board by dismissing outside directors.)

Odom scrapped an industrial-style bonus system based on return on total assets because it had induced managers to lighten up on lot inventories just when the housing market rebounded and USH needed every lot it could find. He substituted bonuses based on each manager's profit performance. One result: Six division managers earned more than Odom's $225,000 salary in 1977. But with this incentive goes maximum freedom to:

- Buy land subject to review by an asset management committee (which can act in five minutes if the economics check out).
- Choose house designs and price ranges.

DELIVERIES AND BACKLOG

Company & Year	1977 Deliveries	% Chng.	Back-log	% Chng.
Major builders:				
Centex Corp.-12 mo. to Dec. 1977	7,500	+30%	4,191	+39%
Kaufman and Broad-Nov. 1977	4,127#	−14	NR	NR
Presley Cos.-Jan. 1978	2,877	+41	850	−21
Pulte Home Corp.-Dec. 1977	3,082	+55	933	+29
Ryan Homes-Dec. 1977	6,897	+19	3,452	+44
Ryland Group-Dec. 1977	2,361	+18	1,045	+31
Shapell Industries-Dec. 1977	2,425	+38	988	−32
Starrett Housing-Dec. 1977	E1,100*#	+38	E665	NR
U.S. Home-Dec. 1977	9,669	+18	3,584	+58
Webb (Del E.)-Dec. 1977	E2,300	+92	E1,380	+100
TOTALS major builders	42,338	+23%	17,089	+29%
Other builders:				
Avco Community Developers-Nov. 1977.	856	+41	260	+28
Campanelli Industries-Jan. 1978	856	+17	512	+36
Cenvill Communities-Oct. 1977	1,902	+94	950	+86
Development Corp. of Am.-Dec. 1977	1,523	+30	1,005	+54
Homewood Corp.-Dec. 1977	665	+80	NR	NR
Leisure Technology-March 1978	1,011	−1	NR	NR
Lennar Corp.-Nov. 1977	2,057	+81	888	+139
Levitt Corp.-Dec. 1977	1,575	+52	758	−13
McKeon Constr.-Feb. 1978	1,651	−13	365	−48
Oriole Homes-Dec. 1977	704	+58	557	+113
Standard-Pacific-Dec. 1977	1,455	−4	435	+8
Washington Homes-July 1977	716	+19	213	−22
TOTALS other builders	14,871	+29%	6,044	−28%
Corporate subsidiaries:				
City Investing-Wood Bros.-Dec. 1977	2,649	+32	1,626	+169%
Olin Corp.-Olin-American-Dec. 1977	1,923	+27	NR	NR
Weyerhaeuser Real Estate-Dec. 1977	5,413a	+47	NR	NR
TOTALS subsidiaries	9,985	+39%	NR	NR
Manufactured housing:				
National Homes-Dec. 1977	12,609	+24	NR	NR
Boise Cascade Co.-Dec. 1977	9,769	+14	NR	NR
Evans Products-Dec. 1977	3,768	+23	NR	NR
UGI Corp. (Capital Hsg.)-Dec. 1977	280	−18	NR	NR
Jim Walter Corp.-Aug. 1977	9,336	+17	2,624	+49%
TOTALS manufactured housing	35,762	+19%	NR	NR

** Multifamily condominiums reported on percentage of completion basis.*
 # Includes foreign production. E-Estimated. NR-Not reported.
a-Weyerhaeuser includes 687 multifamily and 327 joint venture units in 1977.

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•Select subcontractors and personnel.

•Buy all materials and equipment (USH is convinced it cannot get meaningful economies from buying products nationally).

Safeguards. Financial controls are tight. All cash is in a USH bank at the end of every working day, and central office auditors comb division books periodically. The company tells division managers it can raise the capital they need—if their business plan makes profits and sense.

With the exception of six large projects, USH specializes in smaller subdivisions averaging $500,000 for land and saleable in one to two years. And its $45,150 average house price was about 15% below the national average last year, keeping USH in the big lower price markets.

The company views its need to develop management as its biggest challenge. It has begun to work with business schools to this end, and it has instituted a two-year schedule for 150 managers to read 40 books each.

Managing the pursuers: Ryan, Centex follow different routes

Both of these giants seek to close the gap with U.S. Home by intensive marketing of panelized homes from industrialized plants. But they pursue vastly differing approaches to land, and that gives them quite diverse financial characteristics.

Centex Corp. delivered 7,500 homes in calendar 1977 (the company has a March fiscal year), more than two-thirds of them from the widely publicized Fox & Jacobs operation. The remainder came from Centex Homes tracts in Chicago, Miami, Washington, San Francisco and Puerto Rico. Fox & Jacobs penetrates large markets by using saturation advertising to get customers to view low, medium and higher-priced houses. The strategy renders obsolete the traditional practice of giving subdivisions individual names; it substitutes product-line names.

Fox & Jacobs delivered 5,400 homes in 1977, dominating its Dallas stronghold and becoming one of the leaders behind U.S. Home in Houston. And, entering Fort Worth, F&J became one of the leaders there. The company is planning two to five years ahead and may move into

MAJOR BUILDERS—OVER $100 MILLION SALES

Company—Location	Year (Interim)	—Sales— Mil.$	% Chng.
Centex Corp., Dallas, Tex.	Mar. '77 9 mo. Dec. '77	$268.30[b] 269.54[b]	+54.1% +41.8
Kaufman and Broad, Los Angeles, Cal.	Nov. '77	297.92[b]	+5.2
Presley Cos., Newport Beach, Cal.	Jan. '78	165.74	+51.7
Pulte Home Corp., W. Bloomfield, Mich.	Dec. '77	138.31	+63.4
Ryan Homes, Pittsburgh, Pa.	Dec. '77	306.90	+35.8
Ryland Group, Columbia, Md.	Dec. '77	116.58	+30.2
Shapell Indust., Beverly Hills, Cal.	Dec. '77	225.68	+69.6
Starrett Housing, New York, NY	Dec. '77	117.34	+42.6
U.S. Home, Clearwater, Fla.	Dec. '77	501.26[W]	+19.3
Del E. Webb, Phoenix, Ariz.	Dec. '77	145.30[b]	+74.6
TOTALS		$2,284.57	+34.3%

a—Extraordinary items: Starrett: $793,000 or 45¢/sh. loss on sale of marketable securities in 1977.
b—Housing sales only for Centex Corp., Kaufman and Broad and Del E. Webb. Net income, profit margins, total assets consolidated for all lines.
c—Shareholders' equity net of preferred stock stated at liquidating value.
d—Deficit.

LARGE BUILDERS—$25 to $100 MILLION SALES

Company—Location	Year (Interim)	—Sales— Mil.$	% Chng.
Amer. Cont. Home, Cincinnati, Ohio	9 mo. Sept. '77	$52.21	+25.1%
Avco Com. Devel., San Diego, Cal.	Nov. '77	90.54	+89.1
Campanelli Ind., Braintree, Mass.	Jan. '78	45.95	+22.0
Cenvill Communities, W. Palm Beach, Fla.	Oct. '77	62.09	+83.9
Covington Bros., Fullerton, Cal.	Dec. '77	26.32	+39.3
Devel. Corp. of Am., Hollywood, Fla.	Dec. '77	66.33	+43.8
FPA Corp., Pompano Beach, Fla.	June '77	34.67	+19.9
Gulfstream Ld. & Dev., Plantation, Fla.	Sep. '77	74.99	−2.8
Homewood Corp., Columbus, Ohio	Dec. '77	26.68	+23.9
Jetero Corp., Houston, Texas	Dec. '77	36.07	+34.5
Leisure Technology, Lakewood, N.J.	Mar. '77 9 mo. Dec. '77	50.82 48.34	+84.3 +46.8
Lennar Corp., Miami, Fla.	Nov. '77	83.37	+50.3
Levitt Corp., Greenwich, Conn.	Dec. '77	88.16	+55.8
McKeon Const., San Mateo, Cal.	Feb. '78	79.09	−7.6
Meridian Inv. & Dev., New York, N.Y.	Dec. '77	36.49	+28.5
Metropolitan Dev., Beverly Hills, Cal.	Dec. '77	36.62	+68.8
Nelson (L.B.) & Co., Menlo Park, Cal.	Dec. '77	53.02	+191.6
Oriole Homes Corp., Margate, Fla.	Dec. '77	27.00	+71.4
Rossmoor Corp., Laguna Hills, Cal.	Sept. '77	41.77	−2.1
Rossmoor Const., Laguna Hills, Cal.	Sept. '77	33.33	+352.2
Standard-Pac. Corp., Costa Mesa, Cal.	Dec. '77	88.52	+11.6
Washington Homes, Oxon Hills, Md.	July '77	35.60	+33.8
Writer Corp., Englewood, Colo.	Dec. '77	30.97	+51.4
TOTALS		$1,152.17	+32.2%

**—Price/earnings ratio based upon latest 12 months' earnings and price in April 1977. Earnings per share are for fiscal year shown.*
†—Gross profit margins and price/earnings ratios are averages of ratios shown; all other group averages are weighted averages of totals.
x—Based on year-end assets and equity; totals and averages are for companies with data shown.
y—Based on assets and equity at beginning of year, not shown separately. Asset turns is number of times beginning assets converted into sales. Data for interim reports are annualized.
Z—Not calculated, loss in one or both years.
d—Deficit. NA—Not available or meaningful. NT—Not traded.

—Earnings— Mil. $	% Chng.	Earn./ Share	% Gross Margin	—Profit %— 1977	1976	Stock Listed	P/E* Ratio	—Mil. $— Assets[x]	Equity[x]	Equity % of Assets[x]	—% Return on— Assets[y]	Equity[y]	Asset Turns[y]
$8.16	+1033.0%	$1.42	9.3%	3.0%[b]	0.4%[b]	—	—	$458.3[b]	$128.4	28.0%	4.7%	18.8%	1.12
10.01	+76.2	1.50	NA	3.7[b]	3.0[b]	NYSE	8.3	586.9	148.5	25.3	2.9	10.4	1.34
15.59[b]	+70.4	0.95	19.9	4.1[b]	2.6[b]	NYSE	7.8	694.1[b]	146.7[c]	21.1	2.3	11.7	0.57
13.45	+272.6	4.80	23.7	8.1	3.3	ASE	2.7	129.7	39.2	30.7	12.1	52.2	1.49
5.93	+122.9	2.75	20.2	4.3	3.1	ASE	3.7	62.9	23.2	37.0	13.7	33.9	3.18
14.66	+28.4	2.23	16.0	4.8	5.1	ASE	8.1	130.3	80.2	61.6	14.5	21.4	3.03
5.53	+16.7	2.12	16.5	4.7	5.3	OTC	5.9	35.1	25.2	71.8	19.8	27.4	4.17
23.19	+140.1	7.84	24.8	10.3	7.3	NYSE	3.0	185.9	90.2	48.5	15.8	33.1	1.53
4.66[a]	+10.7	2.66[a]	11.7	4.0	5.1	ASE	5.1	151.8	30.1	19.8	4.6	22.1	1.17
15.65[w]	+51.8	1.42[w]	22.6	3.1	2.5	NYSE	5.4	446.3	118.5[c]	26.6	6.4	16.3	1.32
13.37[b]	+162.7	1.51	NA	4.7[b]	3.7[b]	NYSE	8.9	250.9[b]	90.8	36.2	5.6	17.0	NC
$122.04	+83.4%		19.4%†	4.3%	3.1%		5.9†	2,673.9	$792.6	29.6%	9.8%	24.6%	1.78

W—U.S. Home results pro forma for full years, even though company changed fiscal year and reported for 10 mon. to Dec. 1977.

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

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

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

y—Based on assets and equity at beginning of year, not shown separately. Asset turns is number of times beginning assets converted into sales. Data for interim reports are annualized.

NA—Not available or meaningful.

—Earnings— Mil. $	% Chng.	Earn./ Share	% Gross Margin	—Profit %— 1977	1976	Stock Listed	P/E* Ratio	—Mil. $— Assets[x]	Equity[x]	Equity % of Assets[x]	—% Return on— Assets[y]	Equity[y]	Asset Turns[y]
$[d]8.70	Z	$[d]1.18	15.6%	d	d	OTC	d	$132.8	$1.7	1.3%	d	d	0.53
16.85[a]	Z	2.66[a]	27.0	18.6%	d	OTC	1.0	154.5	14.9[c]	9.6	11.9%	Z	0.64
2.01[a]	+97.1%	1.26[a]	NA	4.4	2.7%	OTC	3.8	41.8	10.1	24.1	5.9	25.0%	1.35
5.96	+467.6	1.84	32.4	9.6	3.1	ASE	8.0	53.3	14.6	27.4	16.2	57.7	1.69
1.82	+104.5	2.02	18.4	6.9	4.7	OTC	5.3	38.3	8.0	20.9	7.8	29.4	1.13
5.03[a]	+121.6	2.16[a]	28.3	7.6	4.9	ASE	5.4	76.1	33.2	43.6	7.8	17.6	1.02
0.99	Z	0.70	12.7	2.9	d	ASE	5.6	86.9	10.2	11.7	1.2	10.7	0.43
1.54	Z	0.41	21.6	2.1	d	ASE	18.8	153.0	38.7	25.3	1.0	4.1	0.49
1.45	+20.8	1.20	22.6	5.4	5.6	OTC	7.7	41.7	16.6	39.7	3.6	9.6	0.66
1.24	+53.1	0.80	12.5	3.4	3.0	ASE	5.5	29.7	7.1	23.8	4.8	20.7	1.40
[d]9.99	Z	[d]2.84	26.0	d	d	—	—	84.2	8.0	9.5	d	d	0.53
3.94[a]	Z	1.06[a]	34.8	8.2	d	ASE	d	80.1	12.0	15.0	6.2	65.3	0.77
3.32	Z	1.01	12.0	4.0	d	NYSE	7.8	135.2	43.4	32.1	2.6	8.3	0.64
4.15	+87.8	NA	22.3	4.7	3.9	NT	—	52.0	30.7	59.2	11.1	15.8	2.37
3.82[a]	+101.1	1.08[a]	22.1%	4.8	2.2	ASE	5.5	76.1	11.7[c]	15.3	4.3	45.1	0.89
[d]1.95	Z	d	14.3	d	d	OTC	d	46.6	16.2	34.7	d	d	0.55
3.55[a]	+123.3	1.90[a]	23.7	9.7	7.3	OTC	3.8	25.0	9.3	37.1	16.2	60.9	1.67
3.97[a]	+446.6	1.52[a]	10.0	7.5	4.0	ASE	2.6	32.9	[d]0.6[c]	d	10.1	Z	1.35
1.30	+103.1	0.86	20.1	4.8	4.1	ASE	11.8	51.3	19.0	37.1	3.2	7.6	0.66
3.37[a]	−29.2	1.04	26.8	8.1	11.2	ASE	4.4	47.7	15.2	31.9	6.1	11.8	0.76
0.31	Z	0.09	17.5	0.9	d	OTC	NA	34.3	6.1	17.7	0.9	Z	0.97
7.24	+48.4	1.99	20.6	8.2	6.2	NYSE	3.8	77.4	26.2	33.9	14.2	37.1	1.74
1.22	+2.5	0.93	21.1	3.4	4.5	ASE	15.7	22.7	8.5	37.6	5.2	16.5	1.51
2.00	+108.3	3.33	22.5	6.5	4.7	OTC	2.2	16.4	4.9	30.2	19.5	66.7	3.02
$64.40	+2,737%		20.9%†	5.6%	0.3%		6.6†	1,505.8	$357.5	23.7%	7.6%	28.5%	1.13

a—Extraordinary items in 1977-78 years: Avco Community Dev., $8.3 million or $1.41/sh. net operating loss (NOL) benefits; Campanelli Indus., $27,000 or 2¢/sh. NOL; Development Corp. of Amer., $1.078 million or 46¢/sh. gain on sale of operating properties; Leisure Tech., $1.89 million or 51¢/sh. NOL in 9 mon. to Dec. '77; McKeon Constr., $1.53 million or 44¢/sh. NOL; Metropolitan Devel., $213,000 or 11¢/sh. income from discontinued operations and extra credits; L.B. Nelson, $1.87 million or 73¢/sh. NOL; Rossmoor Corp., $111,000 or 3¢/sh. income from operations spun-off.

c—Shareholders' equity net of preferred stock stated at liquidating value (Avco, L.B. Nelson, McKeon).

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Oklahoma during that time. It doubled the capacity of its Dallas plant in 1977 and completed a 51,000-sq.-ft. plant in Houston for component manufacturing, warehousing and material handling.

Ryan's triangle. Ryan also markets houses carrying its own name and produced in eight plants (six for panels, two for components). But it sells in many more locations than Centex, specializing in midwestern, middle Atlantic and southeastern states. The company is busy in 18 metropolitan areas within the Indianapolis-Syracuse-Atlanta triangle, but 70% of the sales still come from Pennsylvania and Ohio.

Ryan is the leading exponent of buying developed lots from local subdividers instead of developing its own land. This lets the company turn its assets and equity much faster than many other builders, and its turnover ratio (i.e., ratio of sales to beginning assets) of 3.03 last year is among the industry's highest.

The 1977 boom affected Ryan in several ways: Sales dollar volume rose 35% on increases of 19% in unit deliveries and 13% in average selling price—to $43,325. But gross margin fell 1% to 16% in 1977 because of shortages of skilled subcontractors and materials, particularly gypsum drywall and insulation. Net earnings held steady, however, because selling costs fell.

Ryan delivered 106 houses using its new, closed-wall system in which plumbing, wiring, insulation, windows, doors and exterior siding are added to panels in its plants. The Ryan Building Systems division delivered 1,111 panel packages to builders in smaller surrounding cities, up 49% in units and a 67% boost in sales.

Seven other companies vie for sales leadership

Seven other housing companies topped the $100 million mark in 1977, three for the first time. They are top contenders for sales leadership.

The boldest challenge comes from Starrett Housing of New York City, the company that bought Levitt Corp. [HOUSING, April]. Levitt would add $88 million to Starrett's $117 million in sales for 1977, giving Starrett more than $200 million in pro forma

SMALLER BUILDERS—UNDER $25 MILLION SALES

Company—Location	Year (Interim)	—Sales— Mil.$	% Chng.
Braewood Devel., Tucson, Ariz.	June '77	$16.30	Not cal.
Bresler & Reiner, Washington, D.C.	Dec. '77	13.50	+72.0%
Christiana Cos., Santa Monica, Cal.	June '77	24.37	+13.1
Carl M. Freeman Ass., Silver Spring, Md.	Dec. '77	10.01	−10.8
Hunt Bldg. Corp., El Paso, Tex.	Aug. '77	13.28	−44.0
Key Co., Greensboro, N.C.	Oct. '77	13.65	+26.7
Landmark Land, Oklahoma City	Dec. '77	21.23	+36.5
McCarthy Co., Anaheim, Cal.	Dec. '77	10.12	−53.1
MCD Holdings, Seabrook, MD	Sept. '77	24.30	+7.4
H. Miller & Sons, Plantation, Fla.	Dec. '77	13.90	+46.5
Realty Industries, Richmond, VA.	Oct. '77	14.06	+7.7
Robino-Ladd, Miami, Fla.	Dec. '77	14.98[x]	−51.8
Seligman & Assoc., Southfield, Mich.	July '77	14.12	+63.0
Titan Group, Paramus, N.J.	Dec. '77	20.23[b]	+528.3
TOTALS		$209.07[c]	+19.1%

**—Price/earnings ratio based upon latest 12 months' earnings and price in April 1977. Earnings per share are for fiscal year shown.*
†—Gross profit margins and price/earnings ratios are averages of ratios shown; all other group averages are weighted averages of totals.
x—Based on year-end assets and equity; totals and averages are for companies with data shown.
y—Based on assets and equity at beginning of year, not shown separately. Asset turns is number of times beginning assets converted into sales. Data for interim reports are annualized.
Z—Not calculated, loss in one or both years.

volume. Essentially, Starrett is buying into the single-family business; until now it has built high-rise housing in New York City and the East, most of it financed under government programs. As that business weakened, Starrett began building $133,000-per-unit condominiums in Teheran, Iran. Two-thirds of its 1977 volume stemmed from work on the first 1,600 of these units, reported on a percentage of completion basis.

K&B's strategy. Kaufman and Broad, the company that made homebuilding companies acceptable on Wall Street, is reviving its mobile-home and manufactured-housing operations. It is also seeking tighter control over on-site operations to slow the sales and earnings volatility of recent years. The company's housing revenue reached $297.9 million in 1977, and roughly 73% of that came from on-site housing (38% in the U.S., 35% in Canada and western Europe), 19% from mobile homes and manufactured housing, and 8% from sales of residential, industrial and commercial sites.

On-site unit deliveries actually fell 14% but price rises, mainly in California, raised K&B's dollar volume figures to $212.9 million for an 8% increase. Manufactured housing, revived after being carried as a discontinued operation, posted a 43% sales gain. (Kaufman and Broad bought three plants from Celtic Corp. during the year.)

Del Webb's double. The Del E. Webb Corp. more than doubled sales orders to 3,485 at its Sun City retirement community in Arizona, and selling prices rose 8% to $47,900. We estimate 2,300 Sun City deliveries last year. Sun City now has more than 23,500 occupied housing units, and the company has bought 12,600 more acres for a new companion Sun City West. Sales were also strong at 1,085-acre Oak Brook, Ill., a joint venture with Paul Butler Properties.

The Ryland Group continued to follow the Ryan pattern and reported another record year—$116.6 million in sales on 2,361 deliveries. Ryland opened new divisions in Richmond, Va., Fort Worth, Tex., and Montgomery County, Md., giving it 16 divisions in all. Deliveries were hampered by insulation and drywall

—Earnings— $	% Chng.	Earn./Share	% Gross Margin	—Profit %— 1977	1976	Stock Listed	P/E* Ratio	—Mil. $— Assets[x]	Equity[x]	Equity % of Assets[x]	—% Return on— Assets[y]	Equity[y]	Asset Turns[y]
9[a]	Z	$0.61[a]	12.5%	7.9%	NA	OTC	1.9	$14.2	$2.1	14.8%	8.4%	159.3%	1.06
6	+150.0%	0.05	1.2	0.4	0.3%	OTC	20.0	42.4	11.4	26.9	0.1	0.5	0.29
8	+50.0	0.74	20.8	8.1	6.1	ASE	5.9	31.8	16.1	50.4	5.4	13.2	0.67
3	Z	0.30	17.1	4.3	d	OTC	14.7	24.6	9.7	39.5	1.8	4.6	0.42
6	−43.5	0.27	Neg.	2.0	1.9	OTC	NA	5.9	2.3	39.4	2.7	9.6	1.38
8[a]	Z	0.83[a]	22.0	5.0	d	ASE	7.7	14.6	6.0	40.9	4.9	12.9	0.98
4[a]	+8.3	0.29[a]	NA	4.9	6.2	ASE	18.2	36.9	13.9	37.5	3.4	8.1	0.70
9[a]	+24.4	1.50[a]	NA	19.7	7.4	OTC	1.3	10.0	[d]1.0	Neg.	41.2	d	2.10
8	−63.5	0.09	19.7	1.6	4.6	OTC	16.7	48.9	17.9	36.7	0.8	2.2	0.52
3	+78.0	1.22	22.4	5.3	4.3	ASE	7.8	20.2	11.2	55.7	4.0	7.0	0.76
6	−40.9	0.24	42.1	1.8	3.4	OTC	10.9	40.1	5.9	14.7	0.7	4.6	0.36
2[ax]	NA	0.13[a]	15.3	1.5	NA	OTC	13.6	41.1	4.8	11.7	0.5	4.6	0.36
0	Z[d]	0.31	8.9	d	d	ASE	d	31.8	5.1	16.1	d	d	0.42
8[b]	+7.1	0.50[b]	NM	1.2	0.8	OTC	4.5	92.1	22.7	24.6	2.9	11.4	2.49
8[c]	+62.9%	—	18.2%†	5.0%	4.0%		10.3†	$456.6	$121.8	26.8%	5.9%	19.8%	0.89

eficit. NA—Not available or meaningful.
—Negative.
xtraordinary items in 1977 as follows: Braewood Devel., 618,000 or 34¢/sh. NOL benefit; Key Co., $355,000 or 43¢/sh. IOL; Landmark Land, $210,000 or 7¢/sh. NOL; McCarthy, 1.014 million or 76¢/sh. NOL; Robino-Ladd, $1.19 million or 0¢/sh. NOL and asset swap gains.
lousing sales only for Titan Group; Net income, profit margins, otal assets consolidated for all lines.
ales and earnings of Robino-Ladd excluded from totals because f large asset swap gains in 1976..

shortages, and earnings fell in the March 1978 quarter because of adverse weather.

Pulte Home Corp. had a strong 63% sales gain that translated into a 123% profit increase. Settlements (deliveries) topped 3,000 for the first time; backlog peaked at midyear and trended down for the rest of 1977 as production caught up with sales. Pulte benefitted less than most other companies from inflation; its average price rose only 6%, to $44,875. The company entered three Wyoming markets (Gillette, Casper and Rawlins) and went into Phoenix, Ariz., late in the year. Finances improved and Pulte floated a net $5 million of new 9.22% senior installment notes with the Equitable Life Assurance Society.

Shapell's profit. Shapell Industries emerged as housing's biggest profit producer with $23.2 million in net earnings. It achieved its record on a 38% increase in unit deliveries and a 27% rise in the average price of houses delivered—to $87,070. Gross margins widened to nearly 25%.

But Shapell's year-end backlog fell by 32% and its cancellation rate soared to 30% for the year, although some improvement became apparent early in 1978 at the company's 27 active developments. Like other California builders, Shapell has very nearly sold out its inventory. It is shifting more of its effort into joint ventures with large southern California landowners, and it posted $34 million in revenues from these ventures for 1977.

The Presley Companies also rode the California boom, and they almost quadrupled profits—to $13.5 million. Presley strove to keep sales prices down to about $77,000. Company officials believe California builders will build fewer units in 1978 but that prices will continue to climb.

Large-size builders post lush profits to rebuild capital

Twenty-two other builders, plus Levitt, reported over $25 million in sales in 1977. Profit margins in this more volatile group exceeded those of the major builders, largely because the administrative load was lighter.

Avco Community Developers led with a profit of $16.9 million (including $8.3 million in income-tax credits). The company's $90.5 million in sales included $32 million in bulk-land and commercial-property deals, one involving transfer of 1,000 acres of Avco's Rancho Bernardo community near San Diego to Broadmoor Homes, owned by Canada's Genstar Ltd. The sales permitted Avco to raise capital and reduce debt. Development of its Laguna Niguel community has been slowed by governmental regulation; the project has 1,440 acres inside the California Coastal Zone.

Standard-Pacific Corp., a multi-market builder based in southern California, posted the second highest net earnings, $7.24 million on 1,455 deliveries. (The deliveries were actually down 4% from 1976.) The average house price rose 15% to $55,900, reflecting buyer upgrading. Earnings for the March 1978 quarter dipped, largely because wet weather delayed construction. Standard-Pacific builds in both northern and southern California and in Seattle and Chicago. It is moving into Houston before Labor Day.

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Cenvill's rally. Cenvill Communities made an impressive comeback, raising profits by 468% on an 84% sales increase. Cenvill concentrates on condominiums averaging $25,750 for retirees in Florida, clustering units in large communities in the 5,000 to 7,500-unit range. Century Village in Deerfield Beach is almost sold out and sales are moving to a new location in Boca Raton; Cenvill tries to sell out its communities in five years. The company generates large cash flows from recreational and other residual facilities, and it pays a sizable dividend.

Another retirement builder, Leisure Technology Corp., came back strong under the management of Michael L. Tenzer, who was brought in when founder Robert Schmertz died unexpectedly in 1975. Sales rose sharply on buyer acceptance of a new line of houses, and late in the year the company reopened communities near Chicago and Fort Myers, Fla. The rebound enabled Leisure Tech to negotiate a $45-million, three-year loan with banks.

Lennar's output. Florida-based Lennar Corp. delivered more than 2,000 homes but still ran below its peak of 2,880 units in 1973. Only 26% of the volume came from Miami last year; 33% came from other southeastern locations and 21% from the Midwest, where the company operates under the Bert L. Smokler and Dreyfus Interstate Development names. Another 20% came from Arizona under the Womack and Mastercraft labels.

The Development Corp. of America, another Florida builder, increased sales by 44% and more than doubled net earnings, thanks partly to sales of commercial properties. A Texas investment group, Bass Brothers Enterprises, has bought 15.6% of DCA's shares, and this has led to expansion into Texas. The Texas operation provided 5% of DCA's sales in 1977 but lost money in its start-up year. The company also set up four joint ventures with Zellner Communities in Escondido and Riverside, Calif.

INDUSTRIAL COMPANIES—FULL REPORTS FOR HOUSING & REAL ESTAT

Company—Location	Subsidiaries
Inland Steel, Chicago, Ill.	Inland Steel Urban Devel. (Scholz Homes-Schult Homes)
MGIC Inv., Milwaukee, Wis.	MGIC Devel.: Criterion (LaMonte-Shimberg;MGIC-Janis; MGIC Financial)
Olin Corp., Greenwich, Conn.	Olin-American: Yoenas Co.; Chesapeake Houses; Morrison Homes; Cavalier Home Winchester Homes
Weyerhaeuser Corp., Tacoma, Wash.	Weyerhauser Real Estate: Quadrant; Centennial Homes; Scarborough; Babcoc
Totals	

INDUSTRIAL COMPANIES—PARTIAL REPORTS FOR HOUSING & REAL

Company—Location	Subsidiaries
Aetna Life & Cas., Hartford, Conn.	Aetna Realty Group (Ponderosa Homes)
Alcoa Corp., Pittsburgh, Pa.	Alcoa Props.
Amfac Inc., Honolulu, Hawaii	Amfac Comm. Inc.
Castle & Cooke Inc., Honolulu, Hawaii	Oceanic Props., S.W. Environ.
City Investing, New York, N.Y.	Wood Bros. Homes
Dillingham Corp., Honolulu, Hawaii	Dillingham Develop. Co.
Dart Industries, Los Angeles, Cal.	Dart Resorts (Tahoe Donner)
Fibreboard Corp., San Francisco, Cal.	Trimont Land Co.
IC Industries, Chicago, Ill.	Seay & Thomas, Philipsborn
Loews Corp., New York, N.Y.	Loews-Snyder
Philip Morris, New York, N.Y.	Mission Viejo
TOTALS	

Rossmoor Corp., a builder of large retirement communities, spun off its construction operations into Rossmoor Construction. Two utility companies were sold in New Jersey. A third utility in California was also spun off, the moves simplifying financing. Leisure World in Laguna Hills, Calif. ended the year with a record $50-million backlog.

Industrial subsidiaries share in the upsurge

The housing subsidiaries of large industrial companies enjoyed their best year in the last five, but there weren't many of them around anymore to savor prosperity. The housing recession had thinned the ranks of the corporate builders by about 50% and more casualties are in store because some subsidiaries listed in our tables above are in liquidation.

Inland Steel Urban Development Corp. posted its first operating profit in five years, $74,000 on a 24% sales gain to $112 million. Both the panelized Scholz Homes and Schult mobile homes operations made good unit gains, and the first full year of operations at single-family Brook Farm in Bartlett, Ill., aided results. Scholz boosted sales 40% and drew benefits from the introduction of lower-priced models.

Olin-American, homebuilding arm of the chemical giant, Olin Corp., closed sales on 1,923 homes, up 27%, and sales volume rose by 35% to $104 million. Olin-American builds in Baltimore-Washington-Richmond, northern California, Phoenix, Dallas and Orlando, Fla.

Weyerhaeuser Real Estate Co. effected one of the industry's biggest turnarounds. Net earnings surged 150% on a 48% sales gain. Unit volume moved ahead by 48%, including multifamily and joint ventures. The company placed $75 million of 8.5% senior notes with institutions in June of 1977 and is now selling commercial paper, ending 1977 with $42.5 million out.

A loss for MGIC. The MGIC Investment Corporation's real estate operations lost $8.4 million on a 16% sales gain. But the results include red ink from the run-off of a REIT-type loan portfolio along with

SUBSIDIARIES

Year (Interim)	—Sales— Mil. $	% Chng.	—Earnings— Mil. $	% Chng.	—Profit %— 1977	1976	—Mil. $— Assets[x]	Equity[x]	Equity % of Assets[x]	—% Return on— Assets[y]	Equity[y]	Asset Turns[y]
Dec. '77	$111.80	+23.7%	0.10[b]	Z	0.01%	[d]	122.5	14.2 (est.)	11.6%	NA	NA	0.86
Dec. '77	46.45	+16.3	[d]8.39	Z	[d]	[d]	236.2	5.2	2.2	[d]	[d]	NA
Dec. '77	104.42	+34.6	6.35	+203.8	6.1	2.7	84.5	26.7	31.5	8.0	31.3	1.32
Dec. '77	262.84	+47.6	28.63	+149.5	10.9	6.4	363.7	176.0	48.4	8.2	18.1	0.75
	$525.51	+36.2%	$26.69	+843.1%	5.1%	NA	$806.9	$222.1	27.5%	NA	NA	0.98

ESTATE SUBSIDIARIES

Year (Interim)	—Sales— Mil. $	% Chng.	—Earnings— Mil. $	% Chng.
Dec. '77	$231.12[f]	NA	14.09[a]	NA
Dec. '77	38.40	+17.1	[d]11.10	Z
Dec. '77	62.99[e]	+193.4	15.81[e][c]	+168.0
Dec. '77	73.40	+48.9	16.20[c]	+184.2
Dec. '77	129.00	+42.9	8.70	+357.9
Dec. '77	54.00	+58.9	21.70[c]	+69.5
Dec. '77	16.20	+62.7	[d]1.87[c]	Z
Dec. '77	5.94	−21.4	[d]0.05[a]	Z
Dec. '77	39.24	−8.1	17.14[b]	NA
Dec. '77	73.84	+61.3	18.76[c]	+122.8
Dec. '77	148.02	+56.2	33.22[c]	+103.4
	$641.03	+49.6%	NA	NA

a—Net income after taxes.
NA—Not available or comparable.
b—Net income before taxes
c—Oper. income before overhead & taxes
e—Includes $7.5 million gain on sale of Kaanapoli Beach Hotel, Maui, Hawaii d—Deficit.
Z—Not calculated, loss in one or both years.
f—Excluded in totals because of reorganization during 1977.
x—Based on year-end assets and equity; totals and averages are for companies with data shown.
y—Based on assets and equity at beginning of year, not shown separately. Asset turns is number of times beginning assets converted into sales. Data for interim reports are annualized.

uncertain results from house and apartment sales. The parent contributed $10 million to the real estate subsidiaries to avoid a capital deficit during 1977.

City Investing's Wood Bros. Homes enjoyed its best profit in five years, $5.7 million on a record $129 million sales. Deliveries of 2,649 homes surpassed the 2,413 of 1973. The company now builds in Denver, Houston, El Paso, Dallas, Phoenix, Tucson, Albuquerque, Cheyenne and several smaller cities. It went into Dallas via the acquisition of Raldon last November *(for details, see page 56)*. Wood Bros. agreed with five banks on a $40-million revolving credit line during 1977, conditioned upon parent City Investing lending $5 million in subordinated debt. Early in 1978 Wood Bros. was merged into GDV Corp., a land developer controlled by City, to give GDV a stronger building arm.

Mission Viejo, a new-town developer and builder for Philip Morris Inc., lifted sales by 56% to a record $148 million and poured $33 million in operating profit into its parent's coffers. The 22½% operating income margin, before corporate overhead and taxes, more than tripled margins of only two years ago. It also reflected major sales and price gains at the Mission Viejo community southeast of Los Angeles. The company acquired the 6,700-acre Moulton Ranch two miles away and renamed it Aliso Viejo in preparation for development. It also took an option on 22,000-acre Highlands Ranch south of Denver [HOUSING, March]. Deliveries accounted for nearly 10% of the volume in Orange County, Calif., for the year.

Loews and Aetna. Loews Corporation's Snyder operation, now being wound down, scored an impressive 61% sales gain to $73.8 million, and the $18.8 million in operating income was far and away the best contribution in the last five years of Loews ownership. Loews has decided to stay with the Larwin Group housing operations, acquired when Loews took over CNA Financial. Larwin has now repaid $100 million in debt to banks and, at end of 1977 CNA bought another $75 million of the remaining bank debt for 62½ cents per dollar. Larwin's results will be included with CNA operations during 1978.

Castle & Cooke's Oceanic Properties had a good year at its Mililani Town residential development in Hawaii, but the subsidiary was denied zoning for a 2,800-acre tract south of San Jose, Calif. Sea Ranch, in northern California, still faced environmental restrictions. Barclay Hollander, in Los Angeles, is being liquidated. Amfac's real estate operations benefited from $7.5-million gain on the sale of the Kaanapali Beach Hotel in Maui. Property development on the mainland is being phased out except for the Silverado Country Club and Resort in California's Napa Valley.

Aetna Life & Casualty emerged from breakup of the Kaiser-Aetna joint venture as a major southern California builder through Ponderosa Homes. Its volume plus other operations in Aetna Realty Group gave Aetna $14.1 million in after-tax earnings.

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Mergers are back—minus the mania

Wall Street investors continue to low-ball the earnings of homebuilders, and the stocks sold at a low 5.9 times earnings in April. This is below the 9.1 price/earnings ratio for the Dow-Jones industrials and is in keeping with Wall Street's penchant for putting low multiples on boom-year earnings.

Yet builder earnings are so good—nearly 30% on beginning shareholder equity for the 10 majors—that current prices translate to 1.1 times book value. A year ago many building stocks sold below book.

The price surge makes mergers possible again, and several deals have been completed and others are in the works. But there's nothing like the mania to merge that marked the early 1970s; this time around the deals are priced modestly.

Four builders have agreed to pay more than $45 for four acquisitions. The biggest deal was Starrett's payment of $30 million ($8 million in cash, the rest in subordinated notes) for Levitt, the revitalized builder. The deal works out to 7.2 times Levitt earnings *(see table pages 50-51)* and 1.0 times book value—after the seller, International Tel. & Tel., takes a $30-million hit on the sale.

Ryland has agreed to pay $7.8 million in cash and stock for Crest Communities, a Cincinnati builder headed by a younger brother of Ryland's chief, Jim Ryan. Ryland will pay 3.7 times earnings and 1.0 times book.

Buy-in deals. Buyers are essentially paying to enter new markets in the other two deals, and so prices don't make much sense. Ryan Homes has arranged to pay $7.2 million in cash for Richmond Homes, a large on-your-lot builder along Florida's west coast. Richmond earned only $174,000 in its May 1977 fiscal year and book value is only $2 million, so the 42 P/E ratio is not meaningful. The best guess is that Richmond's profits are understated, as are those of many private companies.

In contrast, Wood Bros. paid next to nothing for Raldon, the Dallas builder that has been "marginally unprofitable for several years." Wood said the $709,000 it paid was $1.4 million above Raldon's tangible net worth, indicating Raldon actually had negative equity. Wood had previously lent money to Raldon on a subordinated basis, and the deal was in effect a back-door acquisition to enter a new market. Raldon sales were $25.1 million on 570 deliveries in 1977; it lost $223,000.

Housing manufacturers return to the profit path

Manufactured-housing producers were proud of their 1977 results—for a change. The manufacturers carry heavy fixed-plant investment, and this gives them considerable upside leverage when sales are lush—as they were in 1977 *(top table above)*.

The five producers tallied in the delivery/backlog table *(page 49)* boosted unit sales by 19% and, generally, marked record years. Big, independent National Homes is working out its problems, and it turned its first profit in five years—thanks largely to phasing out its troubled mobile home division; "low volume with a margin squeeze" was the verdict.

National's panelized units contributed $9 million to operating profit on $111 million in sales, both high marks for the last five years. Resort homesites finally turned a thin $70,000 operating profit, but the phasing out of on-site construction still cost $1 million. A record contribution by the mortgage banking subsidiary produced a net profit of $290,000 for National as a whole, even after it absorbed $1.8 million in losses on the mobiles.

The smaller Nationwide Homes ended its long string of earnings gains as profits turned flat and margins narrowed. Lindal Cedar Homes, maker of vacation-home packages, continued its strong rebound under

MANUFACTURED HOUSING

Company—Location Independents	Year (Interim)	—Sales— Mil. $	%C
Lindal Cedar Homes, Seattle, Wash.	Dec. '77	$ 14.64	+1
National Homes, Lafayette, Ind.	Dec. '77	120.33	+2
Nationwide Homes, Martinsville, Va.	9 mos. Dec. '77 Yr. Mar. '77	17.16 14.99	+1 +
TOTALS		$152.13	+2
Industrials			
Boise Cascade Co., Boise, Idaho	Dec. '77	127.50 (est.)	+1
Evans Products, Portland, Ore.	Dec. '77	105.88	+3
Insilco, Meriden, Conn.	Dec. '77	36.43	+2
UGI Corp. (Capital Hsg.)	Dec. '77	9.19	+
Jim Walter Corp., Tampa, Fla.	Aug. '77	173.25	+2
Wylain Co., Dallas, Tex.	Dec. '77	38.19	+2
TOTALS		$490.44	+2

CANADIAN HOMEBUILDERS

Company—Location	Year (Interim)	—Sales— Mil. $	% C
Bramalea Ltd., Toronto, Ontario	Jan. '78	$101.93	–
Rich. Costain Ltd., Toronto, Ontario	Dec. '77	77.19	+3
Daon Devel. Corp., Vancouver, B.C.	Oct. '77	155.74	+2
Nu-West Devel., Calgary, Alberta	Dec. '77	319.16	+4
TOTALS		$654.02	+3

—Earnings— Mil. $	% Chng.	Earn./ Share	% Gross Margin	—Profit— 1977	1976	Stock Listed	P/E* Ratio	—Mil.$— Assets[x]	Equity[x]	Equity % of Asts.[x]	—% Ret.— Assets[y]	Equity[y]	Asset Turns[y]
0.68[a]	+17.2%	1.13	24.0%	4.6	4.6	OTC	2.0	7.4	1.8	24.6	9.9	56.7	2.12
2.09[b]	Z	0.30	21.5	1.7	d	NYSE	12.5	136.8	31.9	23.3	1.5	6.6	0.88
1.29	No chng.	0.97	NA	7.5	8.9	ASE	9.0	—	—	—	—	—	—
1.37	−10.0	1.11	26.1	9.1	10.3	—	—	12.5	10.3	82.8	11.5	14.7	1.26
$4.06	Z		23.9%†	2.7%	d		7.8†	$156.7	$44.1	28.1%	7.6%	26.0%	1.42

NA	NA
8.28[c]	+18.1
11.88[c]	−12.4
1.51[c]	Z
51.06[c]	+25.0
3.42[c]	+17.5
NA	NA

a—Extraordinary credits in 1977: Lindal Cedar, $373,000 or 62¢/sh. net operating loss benefit in 1977.
b—Before loss from discontinued operations of $1.80 mil. or 26¢/sh. in 1977 (National) NA—Not available or not estimated. Z—Not calculated, loss in one or both years.
c—Operating income before corporate overhead and taxes.
**—Price/earnings ratio based upon latest 12 months' earnings and price in April 1977. Earnings per share are for fiscal year shown.*
†—Gross profit margins and price/earnings ratios are averages of ratios shown; all other group averages are weighted averages of totals.
x—Based on year-end assets and equity; totals and averages are for companies with data shown.
y—Based on assets and equity at beginning of year, not shown separately. Asset turns is number of times beginning assets converted into sales. Data for interim reports is annualized.

—Earnings— Mil. $	% Chng.	Earn./ Share*	% Gross Margin	—Profit %— 1977	1976	—Mil. $— Assets[x]	Equity[x]	Equity % of Assets[x]	—% Ret.— Assets[y]	Equity[y]	Asset Turns[y]
$6.55	+3.1%	$1.24	NA	6.4%	6.1%	$347.9	$34.7	10.0%	1.9%	20.9%	0.34
6.00	+38.2	2.14	22.4	7.8	7.7	147.9	21.8	14.7	5.4	35.1	0.69
10.55	+35.8	2.22	20.1	6.8	6.3	464.3	34.3	7.4	3.8	41.2	0.44
19.40	+19.3	3.01	NA	6.1	7.5	482.8	65.40[c]	13.5	5.3	38.4	0.87
$42.50	+22.4%		22.4%†	6.5%	7.0	$1,442.9	156.2	10.8%	4.1%	33.9%	0.59

**—Earnings per share are for fiscal year shown.*
†—Gross profit margins are averages of ratios shown; all other group averages are weighted averages of totals.
x—Based on year-end assets and equity; totals and averages are for companies with data shown.
y—Based on assets and equity at beginning of year, not shown separately. Asset turns is number of times beginning assets converted into sales. Data for interim reports are annualized. Data in Canadian dollars.
c—Shareholders' equity net of preferred stock stated at liquidating value.

new management. Profits rose 17% and Lindal paid its first-ever dividend. Hodgson Houses (not included in table) reported a loss for 1977, however.

Boise and Jim Walter. Boise Cascade and Jim Walter Corp. ran neck and neck for production leadership among subsidiaries of the industrial corporations. Boise delivered 9,769 units, about two-thirds being panel homes sold under the Kingsberry name and the rest three-dimensional sectional units from six western plants. Jim Walter Homes sold 9,336 shell units, up 16%, and the average price moved up 11% to $13,935 as 44% of the company's buyers took fully finished homes. House sales thus jumped 20% to $130 million, with the rest of the revenue gains coming from financing and other sources. Backlog was up 49% at year-end.

The Capp Homes and Ridge Homes divisions of Evans Products scored a good gain to $106 million sales, still well down from the record $200 million in 1973. Margins widened on higher selling prices. Wylain's Continental Homes posted record sales and was able to pass on higher insulation prices to customers. Its backlog was up nearly $10 million at year-end. Early in 1978 it sold its Indiana operation, formerly Davis Homes, which had contributed about $7.5 million in sales.

Canada's housing giants cast covetous eyes south

Canada's homebuilding companies *(see table above)* are emerging as full-line giants whose operations often combine land development, merchant house-building and a broad range of income property development and management. And while they have found active markets in Canada, many are also moving southward toward the big urban U.S. markets.

Nu-West Development Corp., whose $234 million in house sales make it Canada's largest merchant builder, has prospered from the oil and mining boom around Calgary, Edmonton, Regina, Saskatoon and Vancouver. Nu-West has moved into the states in strength and acquired Hallcraft Homes, the troubled Phoenix builder, in April 1978.

Less widely known are Nu-West's other U.S. activities: a subsidiary delivered 57 homes in Colorado during 1977 and had another 160 homes under construction. In 1977 Nu-West bought the land and building sites of United Homes Joint Venture in Seattle, paying $5.5 million. This operation delivered 187 homes and had 159 houses under construction at year-end. And in November, Nu-West paid $14 million for the 800-unit Woodlake apartment complex in Oklahoma City.

Daon and Costain. Fast-growing Daon Development of Vancouver has expanded rapidly southward and now has 33% of its $464 million assets in the United States, mainly in Washington and California. During 1977 it bought four apartment

TO NEXT PAGE

projects with 918 apartments in California and a fifth project of 135 units in Washington. Condo conversion is set for some projects. Daon also assembled 2,214 acres in California for development, the largest parcel being the 977-acre Shadow Ridge in Vista, Calif.

Toronto-based Richard Costain launched its initial American operation by buying 106 acres at the Boca del Mar project west of Boca Raton, Fla. Single-family houses are being built, the first of a planned 300 homes.

Genstar Ltd. (not included in table), a major builder and land developer, sold 1,000 homes in southern California through Broadmoor Homes, and is entering Houston.

Land developers swing back to homebuilding

The retail land-sales business bottomed out in late 1976. It turned up in 1977 and has accelerated in 1978. But the upturn has run well below the peaks of years past.

The business has changed dramatically since the 1970s, when adverse publicity, fraud suits and restrictive environmental requirements led to writedowns and several outright withdrawals by developers. The viable public companies that remain have derived much of their sales gains *(see table top right)* from non-land activities—indeed, mostly from homebuilding.

The accent is on building out present developments. New developments are out of the question, what with the abundant supply of homesites and the inordinate front-end requirements imposed by authorities.

Some developers—such as GDV (formerly General Development) and Deltona—have well established building capability that adds to their profit.

One distinct indication of retail land's diminished importance was GDV's recent merger with its parent's homebuilding operation to broaden and diversify its base.

The industry's improvement does not extend across the board. Recreational communities that require weekend travel are still doing poorly, although retirement communities generally have picked up in the wake of housing's recession.

LAND DEVELOPERS

Company—Location	Year (Interim)	—Sales— Mil. $	% C
American Capital, Miami, Fla. (formerly Viking General)	Aug. '77	$9.10	−3
Amrep Corp., New York, N.Y.	9 mo. Jan. '78	31.56	+1
Deltona Corp., Miami, Fla.	Dec. '77	104.67	+1
Diamondhead Corp., New Orleans, La.	Dec. '77	·46.95	+
Fairfield Communities, Little Rock, Ark.	9 mo. Nov. '77	30.33	+3
GDV (formerly General Development), Miami, Fla.	Dec. '77	101.71	+1
Horizon Corp., Tucson, Ariz.	9 mo. Feb. '78	20.74	+
Killearn Properties, Tallahassee, Fla.	9 mo. Jan. '78	1.83	+
Land Resources, North Miami, Fla.	Sep. '77	42.84	+1
Punta Gorda Isles, Punta Gorda, Fla.	Dec. '77	29.96	+2
Royal Palm Beach Colony, Miami, Fla.	9 mo. Jan. '78	12.65	−1
Sea Pines Co., Hilton Head, S.C.	6 mo. Aug. '77	16.40	−
TOTALS		$448.24	+

MOBILE HOME MANUFACTURERS

Company—Location	Year (Interim)	—Sales— Mil. $	% C
Champion Home Builders (Mobile Div.), Dryden, Mich.	39 wks. Nov.'77	$125.17	+
City Investing (Guerdon), New York, N.Y.	Dec.'77	136.70	+
Commodore Corp., Danville, Va.	June '77	22.32	+
Conchemco (Home Group), Lenexa, Kan.	Oct. '77	44.32	+
Conner Homes, Newport, N.C.	Aug. '77	35.01	+
DeRose Industries, Indianapolis, Ind.	Dec. '77	23.92	+
Fleetwood Enterprises, Riverside, Cal.	40 wks. Jan. '78	458.36	+
Golden West Mobile Homes, Santa Ana, Cal.	9 mo. Feb. '78	73.78	+
Kit Manufacturing, Long Branch, Cal.	Oct. '77	53.36	+
Lanchart Industries, Wichita Falls, Tex.	Sep. '77	28.91	+
Liberty Homes, Goshen, Ind.	Dec. '77	63.32	+
Mark IV Industries, Williamsville, N.Y.	9 mo. Nov. '77	24.73	+
Moduline Intl., Lacey, Wash.	9 mo. Dec.'77	38.18	+
Monarch Industries, Goshen, Ind.	June'77	14.58	+
Nobility Homes, Ocala, Fla.	Oct. '77	16.06	+
Oakwood Homes, Greensboro, N.C.	June '77	29.45	+
Redman Industries, Dallas, Tex.	9 mo.Dec.'77	135.60	+
Shelter Resources, Lyndhurst, Ohio	Dec.'77	81.95	+
Skyline Corp., Elkhart, Ind.	9 mo. Feb.'78	266.45	+
Tidwell Industries, Haleyville, Ala.	Dec.'77	45.20	+
Town & Country, Wichita Falls, Tex.	Oct.'77	8.38	+
Vindale Corp., Brookville, Ohio	9 mo. Nov.'77	17.63	+
Vintage Enterprises, Atlanta, Ga.	39 wks. Dec.'77	23.70	−
Zimmer Homes, Pompano Beach, Fla.	Dec.'77	58.57	+
TOTALS/AVERAGES		$1825.65	+

Mobile homers gain by upgrading product

The mobile home producers enjoyed their second year of reviving demand *(see table above)*. Unit shipments rose 11% to about 275,000 in 1977 and the retail value assigned to the industry's production rose 27% to $4 billion.

Shipments are well below their 1972 peak of 576,000, but retail value is reaching toward the $4.4-billion figure of 1973.

The industry has steadily upgraded its mix. More expensive and bigger double-wides increased to 30% of the shipments in 1977 from 27% in 1976.

—Earnings— Mil. $	% Chng.	Earn./ Share	% Gross Margin	—Profit %— 1977	1976	Stock Listed	P/E* Ratio
[d]1.44	Z	[d]1.01	15.2%	d	d	ASE	—
0.63	Z	0.19	NA	2.0	d	NYSE	—
0.89	Z	0.24	NA	0.9	d	NYSE	—
[d]8.56[a]	Z	[d]1.45	NA	d	d	OTC	—
1.29	+111.5	0.98	NA	4.3	2.7	OTC	5.8
9.68	+12.8	1.05	54.6	9.5	9.4	NYSE	8.6
[d]0.52	Z	[d]0.12	NA	d	d	NYSE	—
0.13[a]	Z	0.10	NA	0.7	nil	PHIL	—
0.65	Z	0.21	48.7	1.5	d	OTC	12.5
0.92	+124.0	0.50	NA	3.1	1.7	ASE	15.9
0.24[b]	−68.0	0.05	NA	1.9	5.3	ASE	55.0
[d]0.75[b]	Z	[d]0.28	NA	d	d	OTC	—
$3.16	Z		39.5%†	0.7%	d		22.8†

a—After $3.15 million tax credit for Diamondhead, $0.08 million tax credit for Killearn.
b—Before extraordinary gain of $0.29 million for Royal Palm; $2.05 million for Sea Pines.
d—Deficit NA—Not available
Z—Not calculated, loss in one or both years.
**—Price earnings ratio based on latest 12 months earnings and price in April 1978. Earnings per share for fiscal period shown. †—Gross profit margin and price earning ratios are derived from ratios shown. All other group averages are weighted averages of totals.*

—Earnings— Mil. $	% Chng.	Earn./ Share	% Gross Margin	—Profit %— 1977	1976	Stock Listed	P/E* Ratio
[d]0.97[b]	Z	[d]0.03	NA	d	d	ASE	—
6.50[b]	+441.7	3.01	NA	4.8	1.2	NYSE	5.0
0.67[a]	Z	0.02	10.8	3.0	d	ASE	11.2
0.34	Z	3.07	NA	0.8	d	ASE	4.6
1.48[a]	+27.6	0.98	19.7	4.2	4.5	OTC	4.2
0.36[a]	Z	0.25	9.2	1.5	d	ASE	12.0
10.63	+16.7	0.93	NA	2.3	2.3	NYSE	9.7
4.23	+95.8	1.92	NA	5.7	5.0	ASE	5.7
1.31	+181.7	0.91	12.9	12.9	2.5	ASE	4.6
0.75	+47.1	0.88	14.8	2.6	1.9	OTC	5.6
3.50	+102.3	0.78	17.8	5.5	4.2	OTC	6.4
1.38	+220.0	1.13	NA	5.6	3.1	OTC	2.4
0.57	−36.1	0.32	NA	1.5	2.6	OTC	17.6
[d]0.71	Z[d]	0.81	9.0	d	d	OTC	—
0.11	Z	0.06	9.4	0.7	0	OTC	14.3
1.58	+16.2	1.60	28.5	5.4	5.6	ASE	6.0
3.71[a]	Z	0.40	NA	2.7	d	NYSE	32.0
1.35[a]	Z	0.59	NA	1.6	d	ASE	8.1
10.30	+62.5	0.92	NA	3.9	2.8	NYSE	11.5
0.69[a]	+527.0	0.42	14.4	1.5	0.3	ASE	11.3
0.17[a]	Z	0.13	11.6	2.0	d	ASE	23.0
0.09	Z	0.08	NA	0.5	d	OTC	—
0.45[a]	Z	0.24	NA	1.9	d	ASE	20.0
1.98	+122.5	1.61	13.9	3.4	2.0	ASE	8.1
$50.47	+271.6%		14.3†	2.8	0.9		10.6†

a—Before extraordinary credits: $3.12 million for Commodore; $1.76 million accounting charge for Conner; $0.24 million for DeRose; $3.29 million for Redman; $1.29 million for Shelter Resources; $0.62 million for Tidwell; $0.13 million for Town & Country; $0.41 million for Vintage.
b—Operating income. d—Deficit NA—Not available.
Z—Not calculated, loss in one or both years.
**—Price earnings ratio based on latest 12 months earnings and price in April 1978. Earnings per share for fiscal period shown.*
†—Gross profit margins and price/earnings ratios are derived from ratios shown. All other group averages are weighted averages of totals.

The survivors in this reduced-capacity business are now in good position to capitalize on the trend to improvement. Plant closings and the departure of weaker firms have left the industry leaner, and most of the larger public producers enjoyed higher sales in 1977. Profit margins widened considerably, and the few companies that remained unprofitable at least reduced losses. The fastest growth came on higher-priced mobiles in California.

Although the industry's bread and butter remains the standard mobile, now 14 ft. wide instead of 12, the trend to upgrading may point the way into the future. More double-wides, sectionals and code-manufactured mobiles are already being sold, and VA-FHA financing is now available for mobiles: FHA maximums to $23,000 for 15 years on single sectionals and $31,500 for 23 years on multi-sectionals. More savings & loans are willing to provide conventional mortgages on higher-grade mobiles at interest below the chattel rates usually charged.

That's the builder's photo in the sales-office mural at left and the newspaper ad at right

Is this smart promotion or just an ego trip?

"It's smart promotion," says builder/interior designer Cindi Mufson.

Here's why:

"My name is well-known," she says. "I've been doing residential and model interiors and sales offices in south Florida for ten years.

"Furthermore, my market is almost 95% young—ages 20 to 35—and I was only 29 myself when the project opened. I want buyers to see me as someone who understands what features are important to their style of life."

The sales office mural *(facing page)* and prominent use of her name and photo in newspaper ads like the one shown above aren't the only ways Cindi trades on her age and reputation. There's the name of her 198-unit townhouse project, for one thing—Cindi's Place. And stencilled likenesses of her smiling face decorate sales handouts and fences in the model area. She did her own radio commercials, too.

"I wanted to come across as a down-to-earth person," Cindi says, "not as an impersonal big-time builder."

Judging from sales at Cindi's Place, her first venture as a builder, she's on the right track—114 townhouses have been sold at the Dade County, Fla. project in the year it's been open. Self-promotion hasn't done any harm. And it may have done a lot of good.

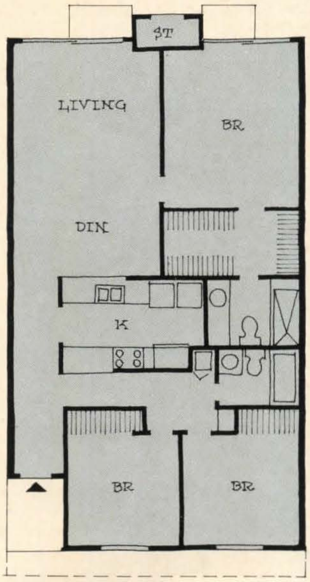
—BARBARA BEHRENS GERS

To see what Cindi's offering her young, first-time buyers, turn the page.

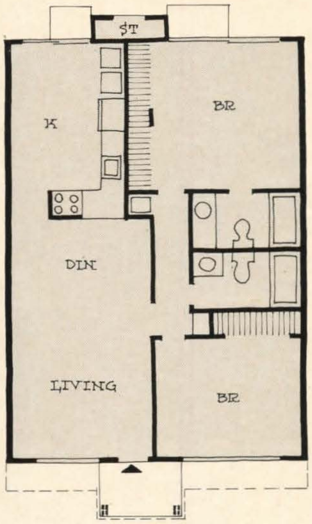
Here's what Cindi's selling

COST BREAKDOWN FOR 1,200-SQ.-FT. UNIT

Construction cost	$24,000
Land	5,000
Land development	3,000
Marketing	2,000
Financing	1,000-2,000
Total	**$35,000-36,000**
Selling price	39,990
Profit	**$3,900-4,900**

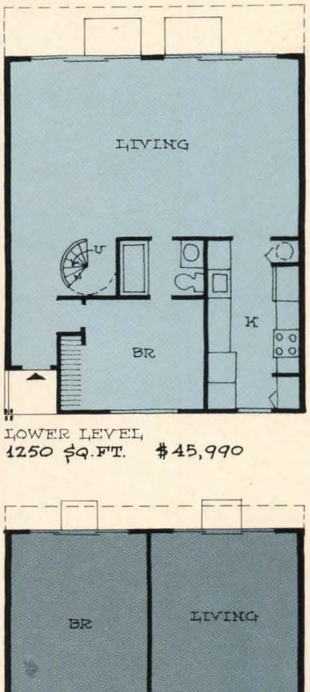


1200 SQ.FT. $39,900

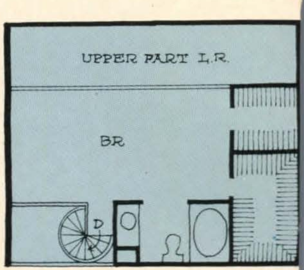


1000 SQ.FT. $37,990

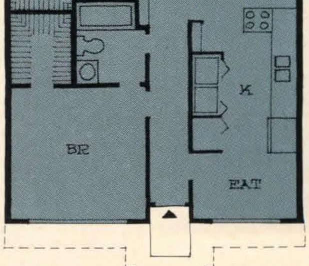
Interchangeable plans *(left and below)* are of same width. They can be fitted into four to seven-unit buildings according to buyers' preferences. Two-story plan *(below)* was introduced recently to add variety. Each unit features small, private backyard *(seen through sliding door in photo below left)*. Forty-acre project also includes tennis courts, pool and common area maintained by homeowners association. Ownership is fee simple; maintenance charges are about $20 a month.



LOWER LEVEL
1250 SQ.FT. $45,990



UPPER LEVEL



1380 SQ.FT. $40,990

Top seller is the project's largest unit, the two-bedroom plan shown at left and in photos at far left and right. Its exposed-wood, cathedral ceiling is typical of all units. Note how Cindi decorated model to show how buyers could use extra space provided by volume ceilings (e.g., floor-to-ceiling shelves in living room at right). What's more, salespeople were instructed to tell prospects, most of them first-time buyers, where to buy construction-grade wood, fabric and other materials to make the platform bed *(left)*, etc. Architect: Charles Sieger Associates, Miami, Fla.

SIX REHAB WINNERS

Born-again buildings like these HFBL* winners are helping older cities retain and reclaim residents who are important to the urban economic and social structure.

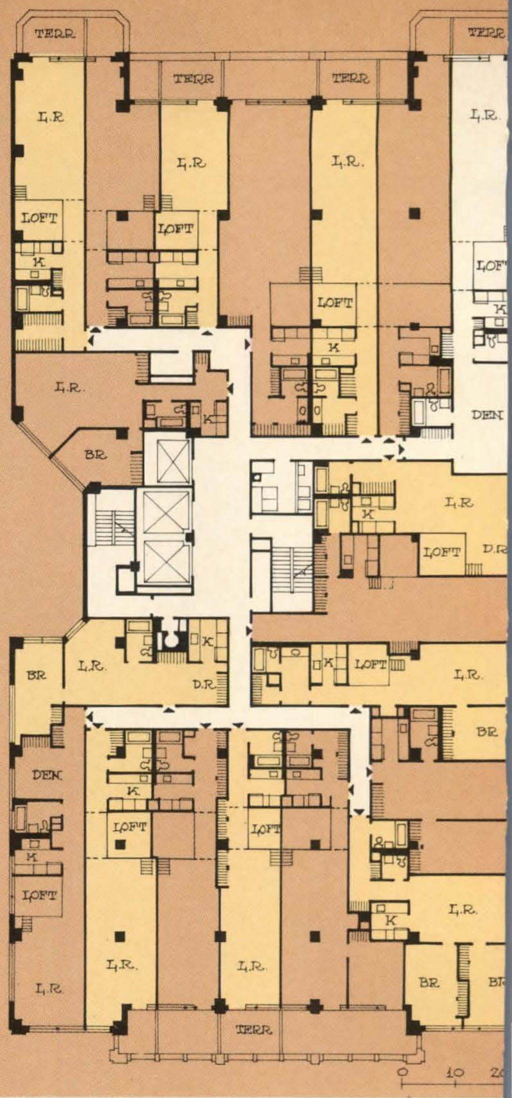
At right and on the next eight pages you'll see housing for upper and lower-income markets; plans tailored for all age groups; and units designed for rent and for sale.

All of these, the multifamily jury agreed, offer their residents better amenities—like high ceilings and super soundproofing—than they could get in new construction. As one juror noted: "Were we starting from scratch, we couldn't afford it."

*The Homes for Better Living Awards program is sponsored by the American Institute of Architects in cooperation with HOUSING. The full list of winners appeared last month. More individual winners will be featured in detail in subsequent issues.


NORMAN MCGRATH

Building setbacks *(above)* create floors of different sizes, so apartment layouts vary from floor to floor. One group is shown at right.



FIRST HONOR AWARD

Architect: Bernard Rothzeid & Partners; Builder/Developer/Owner: Rockrose Development Co

Housing from an office

Even by New York City standards this is expensive housing—$450 to $2,000 a month for 850 to 1,500 sq. ft. of space. But the developer can command these rents because the building's 341 units offer such high-rise features as:

- Eight-foot-high windows and 12-foot-high ceilings, both holdovers from the original construction.
- An unusually wide choice of layouts, tailored to fit the setback-above-setback configuration of the old structure.
- Private greenhouses, which give many of the apartments panoramic views of Manhattan's skyline, including the U.N. building.

The former office building came up for recycling after an explosion damaged it from ground level to the top story. A 50-foot-wide section of the west (non-streetside) facade was blown out, but only the passenger elevator shafts were damaged structurally. This damaged area is a pivotal factor in the reworked plans. To wit:

Instead of replacing the damaged shafts, the architect turned the space into an open court *(indented wall in building plan at right)*. This court lets extra light

SUSAN SCHWARTZ

CARL KAISERMAN

Greenhouse windows, shown inside and out and in the drawing below, were added to the facade above the 17th floor of the 24-story building.

BILL ROTHSCHILD

Sleeping lofts, like the one shown in the cutaway drawing below, are popular additions to most efficiency units. They also appear in some of the larger apartments, like the one at right. That apartment's layout is shown in white in the floor plan on the facing page.

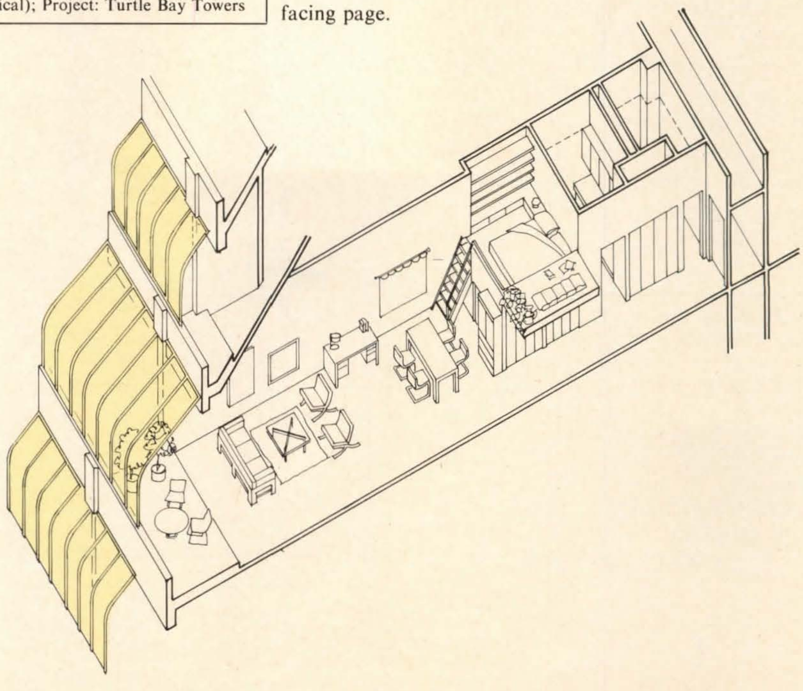
neers: Harwood & Gould (structural), George Langer (mechanical); Project: Turtle Bay Towers

building

and air into the apartments that will face a high-rise, which is being built next door.

More important from a redesign standpoint, the court reduced the building's volume; and zoning regulations allowed this "lost" volume to be recaptured in the form of the greenhouses that are added to the original facade.

This rehab falls under New York City's J-51 tax-abatement program, which provides incentives for converting commercial structures into residential use. Estimated per-unit construction costs: $25,000.



FIRST HONOR AWARD

Architect: Baker Rothschild Horn Blyth
Developer: BRHB Developers
Owner during construction: F. Cecil Baker
Project: Candy Factory Court

Housing from a candy factory

One of the toughest problems on this job in Philadelphia was finding ways to bring light inside for the new housing.

The only open space was a narrow inset between two of the three buildings that had been joined to form the former 15,000-sq.-ft. factory. And the new plan called for three 3-story townhouses to be built in the wider front half of the factory; another townhouse and a three-level office would occupy the rear of the building.

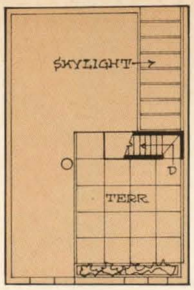
To give the new units light and outdoor orientation, the architect/developer:

- Removed a large section of the roof and floors in the middle of the building so two of the townhouses *(B and D in building plan at right)* could have interior courtyards.
- Demolished a small section of existing space at the rear of unit D to make room for a patio/garden.
- Suspended a deck above the building's new recessed entry *(photo, above right)* to provide outdoor living space for unit C.
- Carved out ground-level-to-rooftop lightwells in each unit *(top photo, facing page)* so that non-windowed spaces would receive some natural lighting.

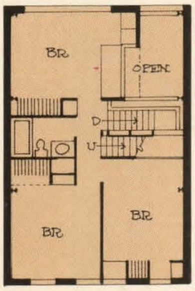
The townhouses contain 2,400 sq. ft. of living area. One is owned by one of the project's architects; the other three, sold fee simple, were first turnkeyed as shells. But all buyers opted to have the architect/developer complete their units; so sales prices ranged from $75,000 to $90,000. A few of the costs for this job are shown below.

PARTIAL COSTS

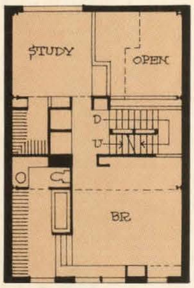
Acquisition	$20,000
Professional fees (estimated)	6,000
Taxes (estimated)	
Per shell	200
Per finished unit	1,500
Construction costs	
Sticks and mortar per shell	45,000
Work to tie units together	20,000
Financing—Collateralized personal loans	NA



ROOF LEVEL



THIRD LEVEL

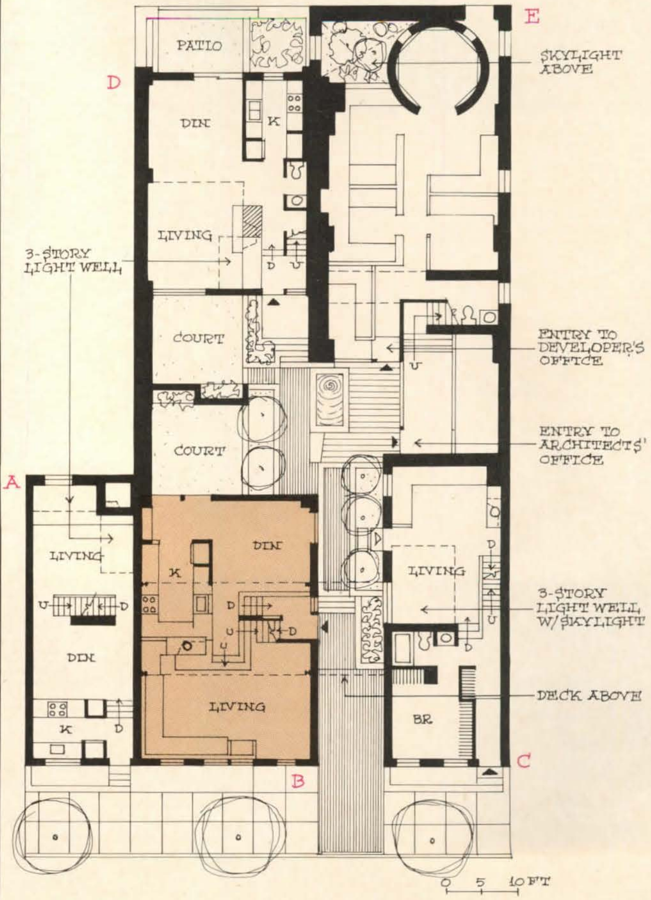


SECOND LEVEL

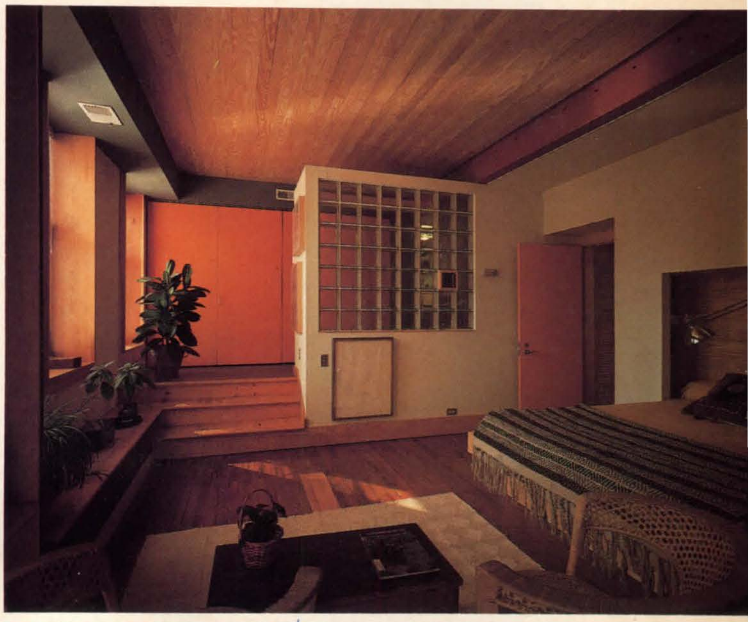
PHOTOS: TOM CRANE

New recessed entrance is major exterior change in revamped building. Other exterior work: removal of fire escapes from left side of building, installation of new first-floor windows and a new door for unit at right, and replacement of all existing window sash.

Building plan *(below left)* shows how townhouses and office for architect/developer fit into former factory space. Townhouse at far left in plan does not show in photo above.



Lightwell *(left)* surrounds open staircase in architect's townhouse. Floor levels were raised and ceiling dropped in living room *(bottom photo)*. Existing steel beams, painted red, emphasized design. Original brick walls are left exposed where insulation is not needed; elsewhere, they're covered with drywall. Glass block partition in master suite *(below)* brings light into raised dressing room/bath but maintains privacy for the sleeping area.



AWARD OF MERIT

Architect: Gelardin/Bruner/Cott Inc.
Builder: Ibek Corp.
Owner: Close Building Associates
Community sponsor: Wellington Harrington Development Corp.
Redevelopment Authority: Cambridge Redevelopment Authority
Financing: Massachusetts Housing Financing Agency

Housing from an industrial building

Unlike the upper-income recyclings featured on previous pages, this is a bread-and-butter job.

The turn-of-the-century building in Cambridge, Mass., was rehabbed under HUD's Section 8 rental-subsidy program. Some of its 61 apartments are occupied by people who used to work in the building. And its reuse as housing is a direct response to a group effort by nearby residents who were determined that the vacated building should not blight their neighborhood.

A major planning problem: Rooms were required by code to be 10 ft. wide, but the space was divided into nine-foot bays. So, as the plans at right show, the columns were incorporated into the building layout. This was done by:

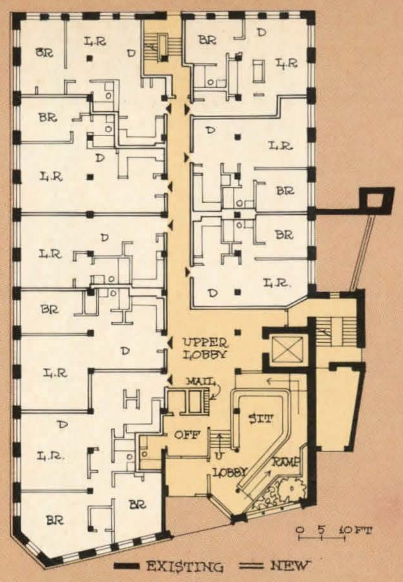
- Using them to demarcate the contours of adjoining apartments.
- Employing them as architectural elements that define rooms within each unit.
- Concealing them within storage spaces.

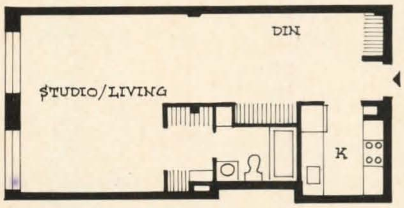
There was another planning problem—how to bring light into rooms on the entry side of the units. This was solved by designing some partitions to fall short of the 10-foot-high ceilings *(see kitchen-area photo, facing page)*. This allows natural light to filter into non-windowed rooms through spaces between the ceilings and the top of the truncated partitions.

The rehab work cost about $1,300,000. Some costs are broken out below. Note how little the 60,746-sq.-ft. building cost. That's because it was not bought on the open market; it had been mothballed by the redevelopment authority for three years.

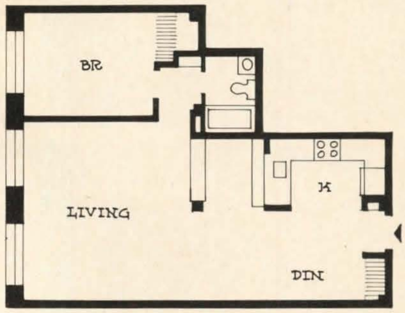
PARTIAL COSTS

Acquisition	$ 56,000
Fees, permits, etc.	80,325
General development (includes interest on construction loan insurance, marketing and rent-up, etc.)	159,000
Developer's fee	149,000

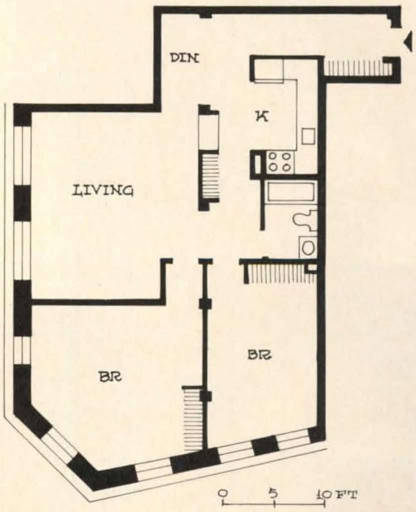




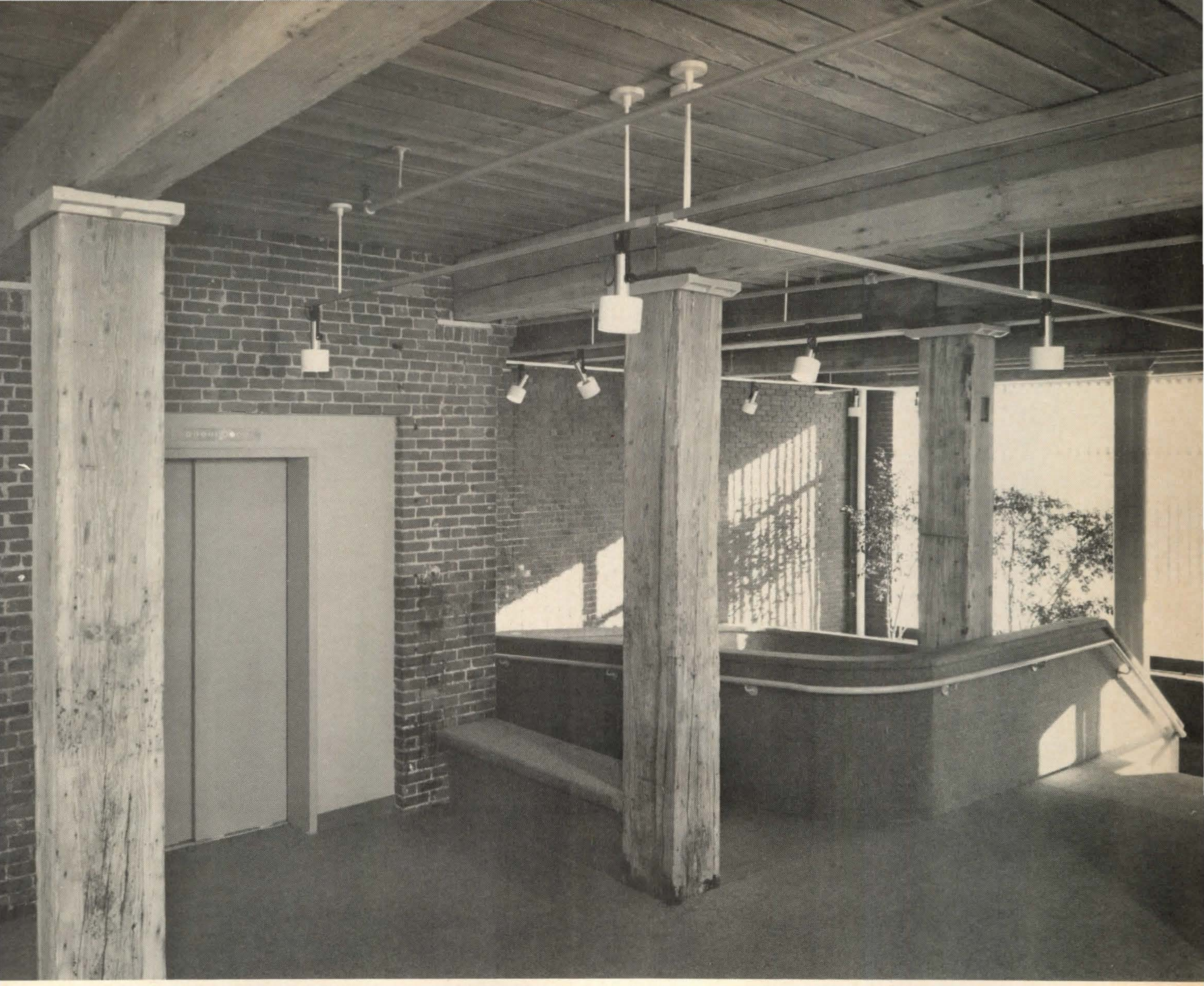
Main entrance of the revamped building *(above)* is former 1½-story loading dock. It leads to the elevator lobby *(right)*, in which the existing brick walls, beamed ceilings and wood columns recall the original character of the building.



Ground-floor plan *(top left)* shows how the existing nine-foot column bays were incorporated into the building layout. It also shows how most apartment doors are staggered to provide a modicum of entry privacy within the double-loaded corridor. Note that the building office is located adjacent to the entry stairs. Thus, all people entering the building can be seen before they reach the rather secluded elevator lobby.



Varied unit plans at left are representative of most layouts. The rehabbed units, planned primarily for low and moderate-income empty nesters, offer between 550 and 850 sq. ft. of space. The largest—a two-bedroom plan—is big enough to accommodate visiting grandchildren.



Built-in seating in elevator lobby *(above)* is covered with carpeting. Contemporary lighting fixtures contrast with brick walls and heavy beams. Plants add a soft touch.

Open kitchens, like the one at left, increase feeling of spaciousness in units and bring natural light into rooms that have no windows.

Upper-floor corridors *(right)* mix contemporary lighting fixtures and carpeting with the old beamed ceilings.

PHOTOS LEFT AND ABOVE: GREG HEINS

AWARD OF MERIT

Architect: Taft Architects
Builder/developer: Gauthier Co.
Owner: Robert K. Lynch
Project: Rosenberg Building

Housing from a loft/warehouse

Using volume to increase square footage is almost S.O.P. in rehabbed housing. In this project, however, sleeping lofts *(lower photo, facing page)* do a lot more than augment the living area in the apartments.

For one thing, they divide each of the building's eight apartments into two rooms *(plan, right)*.

More importantly, the lofts mask four ground-to-rooftop cores that house HVAC units and provide all service distribution to store and apartment tenants. The cores were designed this way so existing high ceilings wouldn't have to be lowered for ductwork.

As the cutaway drawing on the facing page shows, the vertical cores running through each apartment are incorporated into a modular unit that contains a kitchen, bath and closet beneath the sleeping loft.

The drawing also shows another innovation: interior apartment windows that look out on a three-story atrium. The atrium is carved out of the middle of the building *(isometric drawing, right)*, and is skylit on both sides so that light filters down to the ground-floor arcade *(lower plan, right)* and into the entry side of each apartment *(top photo, facing page)*.

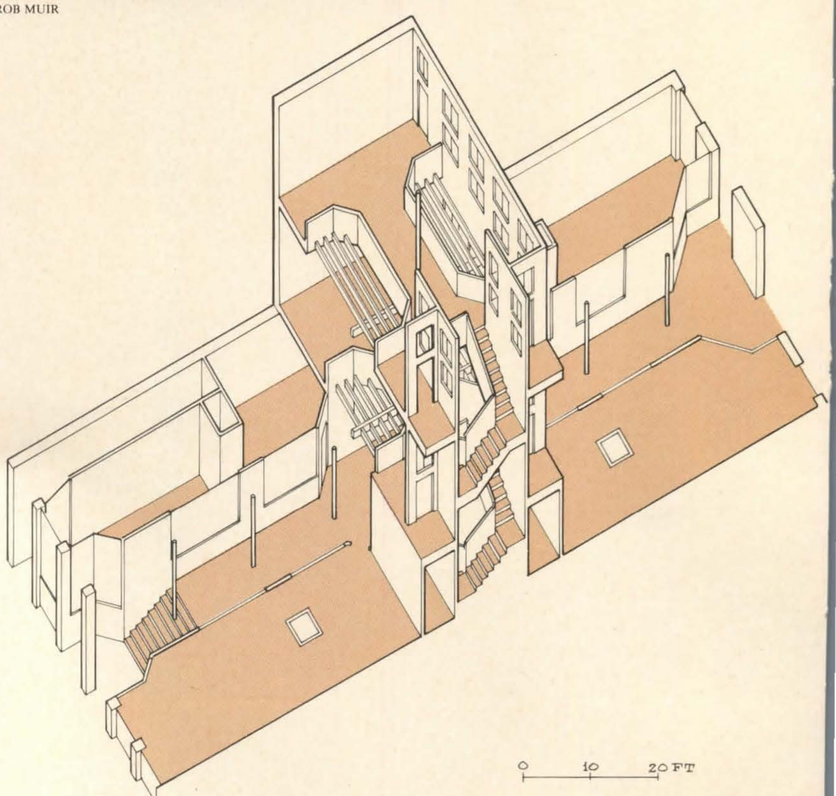
The 42′×120′ former warehouse was rehabbed as part of the Strand Historical District redevelopment program in Galveston, Texas. The building's 850-sq.-ft. apartments rent for $250 per month. Some of the rehabbing costs are shown below.

PARTIAL COSTS

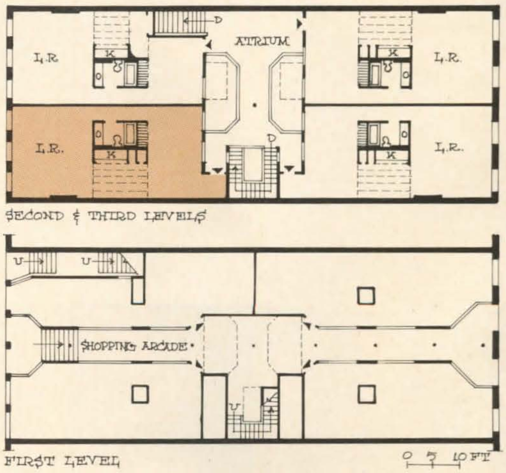
Acquisition	$ 35,000
Architectural and engineering fees	8,000
Interim financing	13,000
Construction costs	198,000
Administration, marketing and advertising	9,000

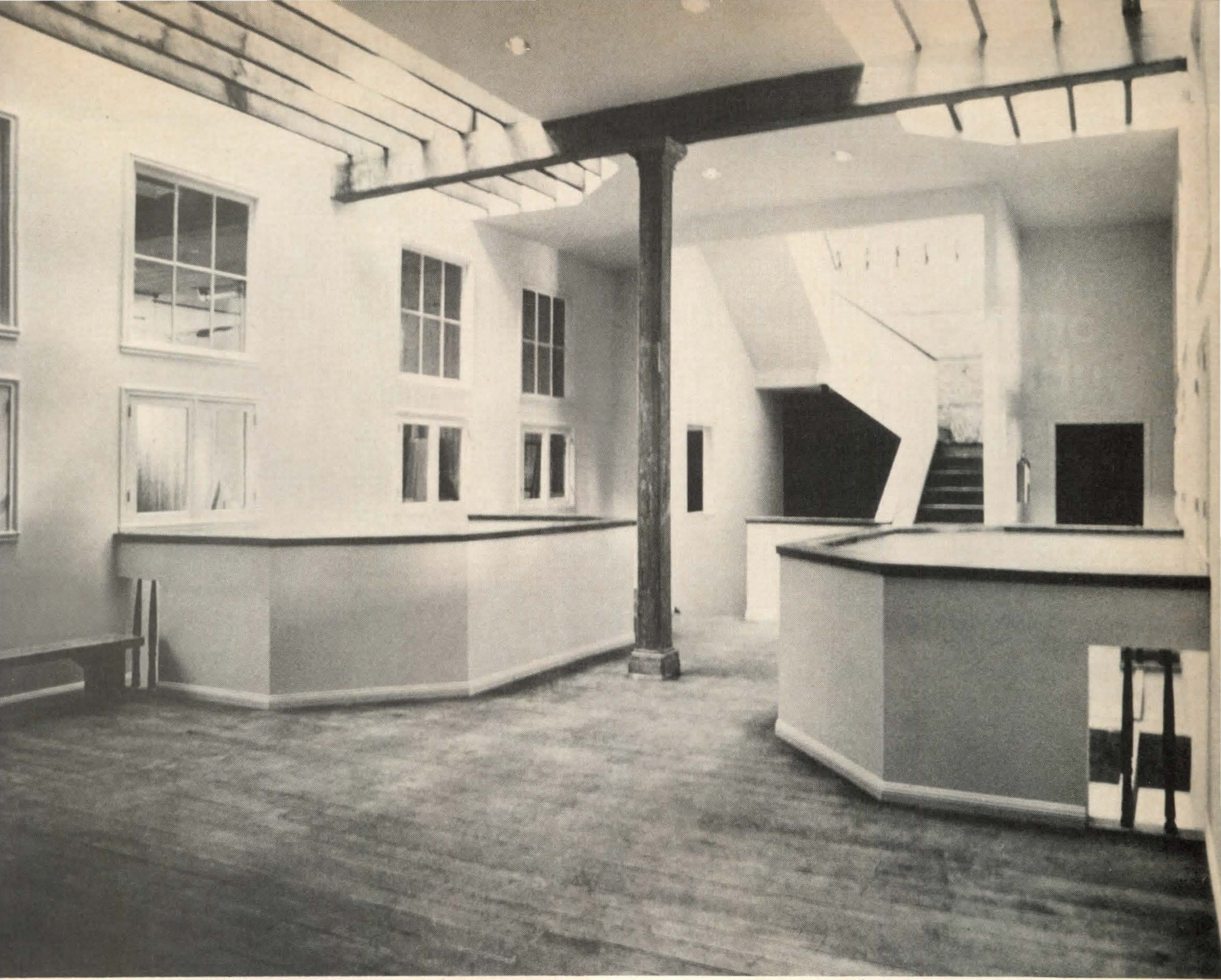
ROB MUIR

Repointed brick and new windows and doors freshen up rehabbed exterior. Center building entrance opens to shopping arcade and stairs leading to the apartments.



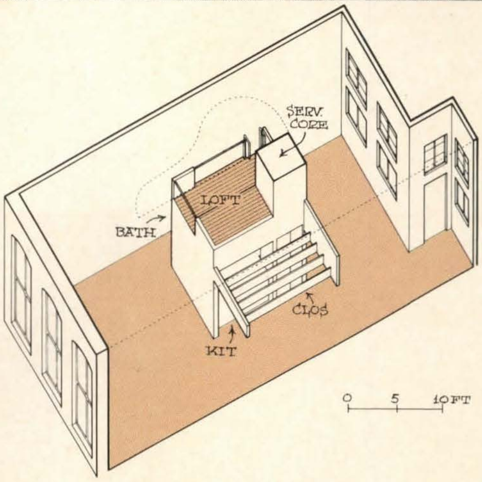
Central atrium, shown in isometric drawing above, was carved out of the building. The atrium is building-wide on the top two floors, narrower on the ground level *(floor plans, right)*. All three levels receive daylight from two lightwells *(dotted lines in floor plans)*. Heavy-timber floor framing was retained as a design element *(top photo, facing page)*. Four ground-floor shops are entered from the arcade, which connects with a shopping alley behind the building.





ROB MUIR

TAFT ARCHITECTS



Sleeping lofts are used instead of partitions to divide space in each apartment. Loft at left and in drawing above is in a top-floor unit; thus rafters are left exposed, allowing light from a rooftop skylight to filter in.

AWARD OF MERIT

Architect: Anderson Notter Finegold Inc.
Buildger: Sydney Construction Co.
Owner: Gloucester Development Team Inc.
Mechanical/electrical engineers:
Environmental Design Engineers Inc.

Housing from a public school

At least one big public school sits vacant in most cities. The classrooms are usually large enough to be converted into apartments with little structural change.

This subsidized recyling in Gloucester, Mass., is just such a job. Most of the 80 apartments, designed for senior citizens, are one-bedroom units that were built fairly easily by:

- Dropping freestanding kitchen/bath cores into the classrooms. The cores are arranged in different ways (note pullouts in ground-floor plan, right) to vary the apartment layouts.
- Installing partitions to separate living and sleeping areas.
- Erecting party walls between adjoining units that are fitted into a single former classroom.

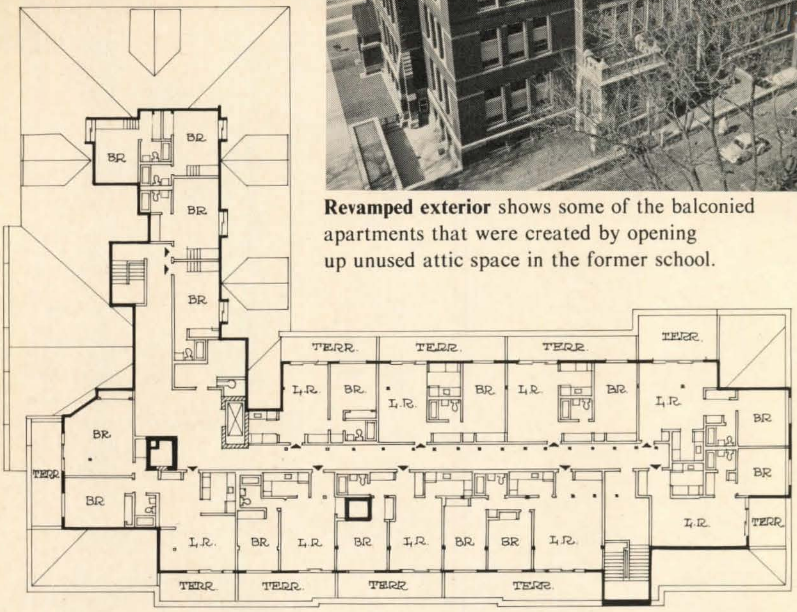
One part of this conversion did call for major structural work: To make room for more apartments, unused attic space was opened up. Part of the added space is used for upper levels of two-story units, which have their main entrances on the fourth floor *(not shown)*. The balance of the added space is taken up by flats that open to large, private balconies *(top plan, right)*.

Nine ground-floor units also were given private outdoor living areas by puncturing the wall on that level for doors.

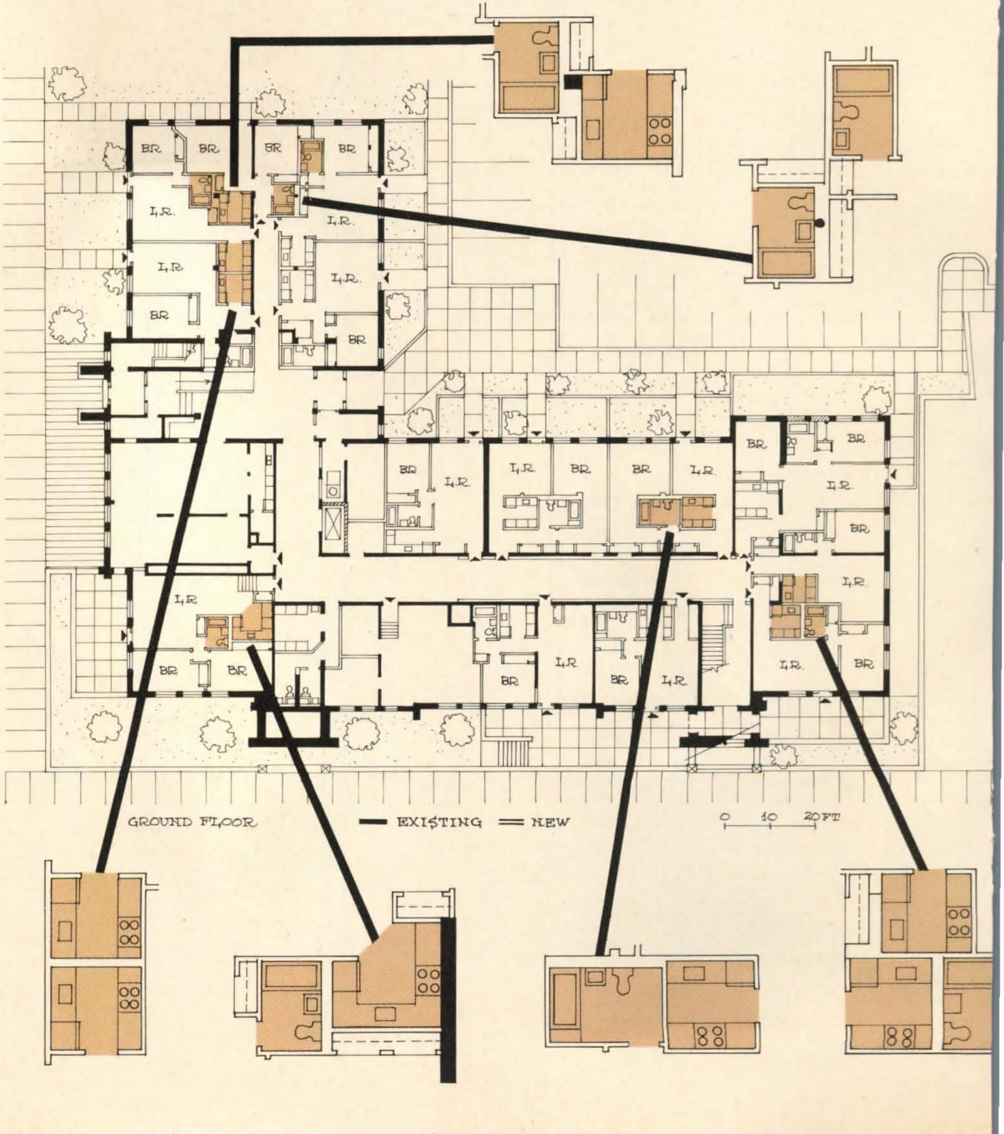
A point worth noting about school recyclings like this. The old buildings usually contain reusable interior elements like maple floors, oak wainscotting and trim, and paneled closets—amenities that can't be duplicated in new construction given today's high costs. The estimated per-unit construction costs (excluding acquisition) for this job: $18,500.

PHOKIAN KARAS

Revamped exterior shows some of the balconied apartments that were created by opening up unused attic space in the former school.



TOP FLOOR (FORMER ATTIC)



AWARD OF MERIT

Architect/Builder/Owner: Endevor Inc.
Land Planner/Landscape architect: Moriece and Gary
Project: Francis Gate Mill

Housing from a shoe factory

This recycling in Lowell, Mass., required a major addition, 14 different apartment layouts (10 are shown in the plan at right) and extensive site work. Here's why:

An addition was needed because there was only enough existing footage to build 86 units; 90 were mandated by the federal turnkey program under which the rehab was done.

A mixed bag of floor plans was needed because the factory—a combination of three buildings—was irregular in shape.

Extensive site work was needed to regrade the 74,710-sq.-ft. property so that the new ground-floor units could be fully exposed to the street *(see photos, top right)*.

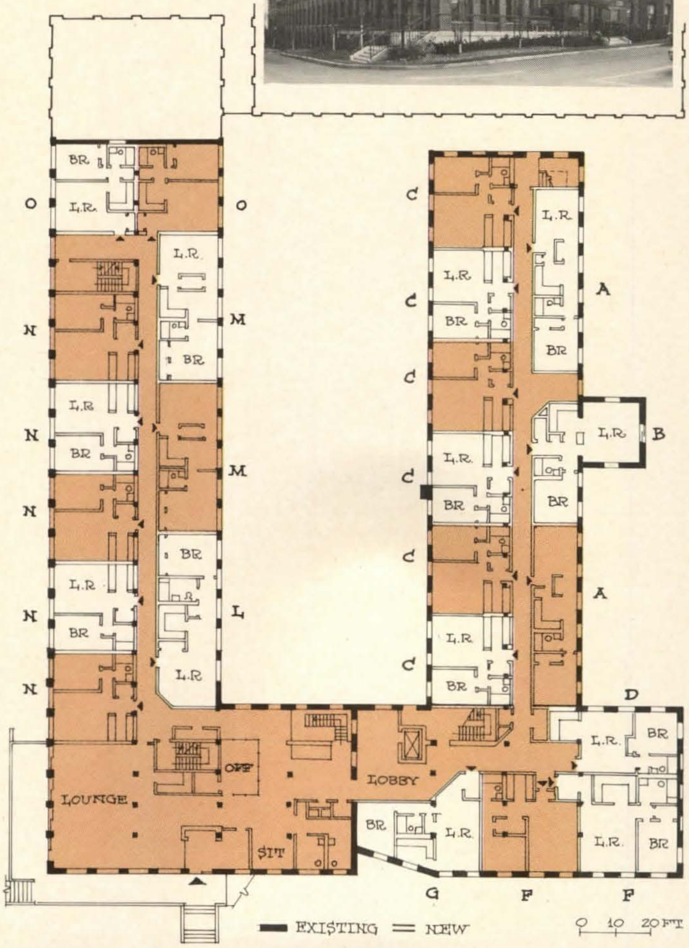
The regrading also allowed the entry side of the building to be terraced and landscaped. And it provided space for an L-shaped porch that opens into the community room at the left corner of the building.

According to the architect/owner, fire insurance rates for the fully sprinklered building are 47% lower than for a reinforced concrete building. And the existing 20'' walls, combined with new insulation, have 12% less heat loss than most new buildings.

Total rehabbing costs for the job ran about $2,040,000. Some of them are broken out below.

PARTIAL COSTS

Excavation and site work	$101,734
Demolition	28,000
Materials and equipment	688,823
Interior wall construction	293,500
Plumbing, HVAC, electrical	576,033
Surveys, permits, fees, etc.	128,930
Facade cleanup	21,000
Elevators	36,750
Paving	10,000
Contractor's overhead and profit	210,063



Before and after: Old structure *(top photo)* was a mixture of varying heights and sizes. Addition on the left side gave the rehabbed building a better scale as well as needed square footage. The new L-shaped porch is more than an amenity. It covers a new concrete structure built over pipes that carry water to the entire city.

Ground-floor plan *(left)* shows the building's community room and other common facilities. Some of the units have been designed for handicapped persons.

U-shaped courtyard *(below)* formerly contained a brick boiler plant. Bricks were reused to build the top-floor addition. The courtyard has two shuffleboard courts.

PHOTOS: PETER VANDERWARKER

How to sell townhouses to the single-family faithful

•Sell fee simple instead of condo.
•Offer big, privately owned yards.
•Free buyers from maintenance worries.
•And provide enough floor plans to appeal to more than empty nesters.

That's how the brothers Burton and Richard Jacoby are attracting buyers to the first townhouses in Rye Town, an affluent suburb north of New York City.

The developers sold 65 townhomes at $68,000 to $92,400 in their first month. Binders were taken on 75 more.

Buyers for the planned 250-unit project are mixed: 40% are empty nesters, 30% are young career couples, 15% are singles and the remainder are small families.

Pride of owning. "Most of these people have owned a detached home or aspire to owning one," explains Dick Jacoby.

The Jacobys' marketing appeals to them all. Move-downs like the fee-simple ownership; they've always had it. So do move-ups; they want their own turf. Big yards offer privacy and strengthen pride of ownership. And maintenance by a homeowners association frees buyers' time.

Front yards range from 200 to 1,000 sq. ft. depending on floor-plan size (1,320 to 1,970 sq. ft.). Rear yards vary from 450 to 1,200 sq. ft. And 116 end-unit buyers get an additional side yard of from 500 to 1,500 sq. ft.

Fee simple vs. condo. The developers went to fee simple even though it boosted costs $3,000 a unit. One reason, says Burt Jacoby: "Utility lines must be hooked to each unit instead of to a common connection in each building."

Here's why they went fee simple anyway:

•It permits flexibility in pricing. The Jacobys set three prices for each model in their opening offering of 167 units, depending on delivery dates. Result: a hedge against future cost increases.

•It stabilizes common charges. Prices can be increased and plans interchanged on lots without affecting buyers' $41-a-month assessment.

•And it reduces paperwork and wait time. Developers in New York and other big condo states cannot make price and site changes without refiling with the state attorney general. Fee-simple developers are free from this restriction.

The Jacobys also boosted sales by offering six different floor plans. To see how these plans attract specific markets, turn the page.

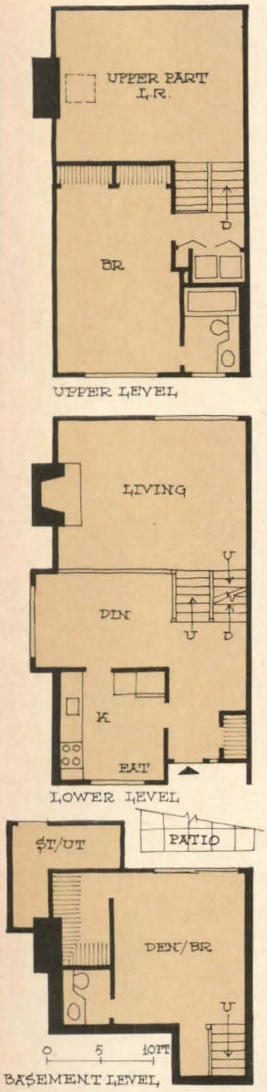
—JOEL G. CAHN

Big yards appealed to buyers' pride of ownership at fee-simple townhouse project in Rye, N.Y. Site plan shows yard arrangement; facing page offers photo of typical rear and side yard. By grouping most houses in three and four-unit buildings, developers were able to offer 116 end units—each with its own side yard. Within each building, setbacks and rooflines are varied.

Former estate was bought for $2.6 million. Site development for first 167 units *(light area, site plan)* cost just over $1 million. Construction costs average $23 a sq. ft. Financing was by Eastern Savings Bank, Scarsdale, a limited partner. Developers offer six plans, from 1,320 to 1,970 sq. ft. Three are shown on next two pages.

Architect: Gismondi & Arnold, White Plains. Land planner: Robert Malkin, N.Y.C.

C NEUHOF, PELHAM, N.Y.



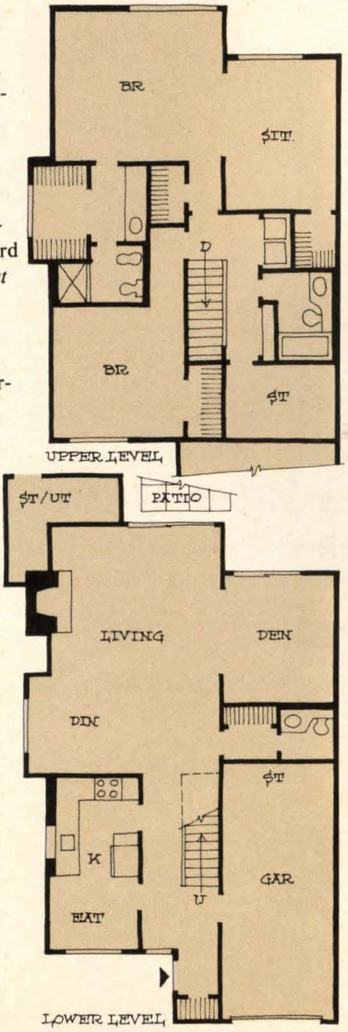
Career couples like contemporary layout of project's smallest plan (1,320 sq. ft.). It has four levels *(plan above)*. Top photo shows dining room on entry level. Photo at right shows part of basement den and stairs to third-level living room and to fourth-level *master* suite. House opened at $71,000.

Different plans for different markets

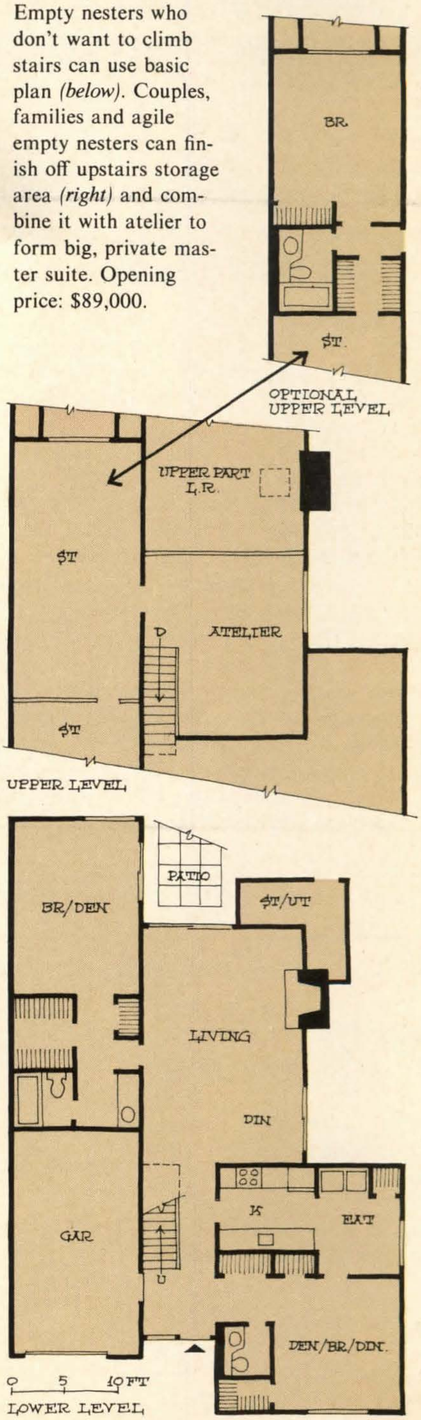
PHOTOS: MARC NEUHOF

Empty nesters like conventional layout of biggest plan (1,970 sq. ft.). Upstairs, separated master suite has private sitting room *(photo above)* that converts to third bedroom. Downstairs, straight hall gives unobstructed view of rear yard from entry foyer *(plan at right)*. Home opened at $89,000.

Project's interior designer was Norman Harvey, Farmingdale, N.Y.



All buyers like convertible features of this 1,655-sq.-ft. layout. Empty nesters who don't want to climb stairs can use basic plan *(below)*. Couples, families and agile empty nesters can finish off upstairs storage area *(right)* and combine it with atelier to form big, private master suite. Opening price: $89,000.



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While there he pioneered in developing trade-in housing and the guaranteed sales plan. In cooperation with other real estate leaders throughout the United States, he also helped establish the initial Council of Trade-In Specialists.

Currently, he is president of The Stone Institute, a marketing and sales consulting firm with both building and realty clients in all parts of the country.

Dave Stone is widely hailed as homebuilding's leading teacher of every phase of sales management. He has lectured to more than 100,000 builders, Realtors, marketing directors, financial executives and salespeople, many of them at House & Home/Housing's seminars. He has produced training films and tapes for the housing and real-estate industry, and has authored nine books on real-estate sales—among them the first major book on the subject of trade-in housing, entitled: "How to Operate A Real Estate Trade-In Program."

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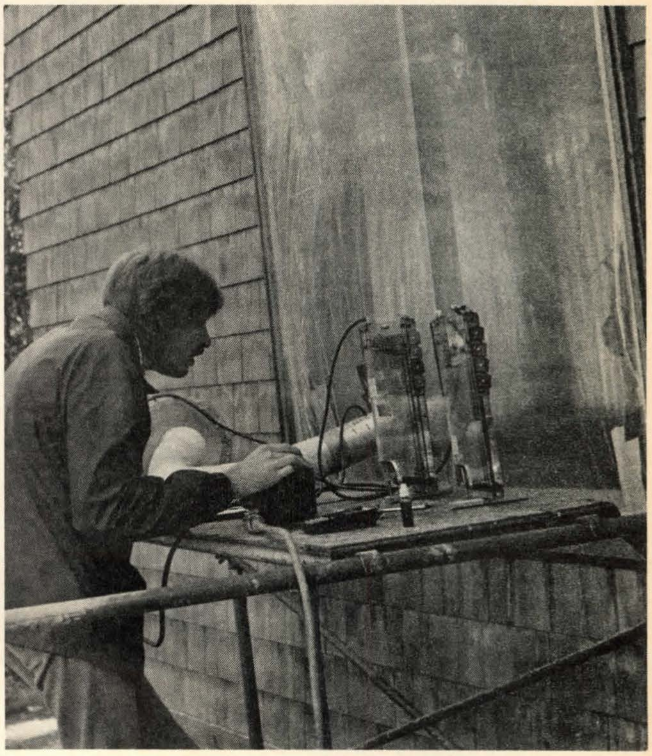

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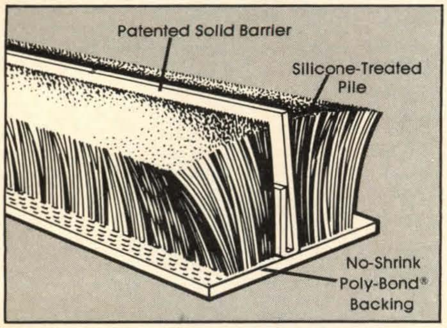

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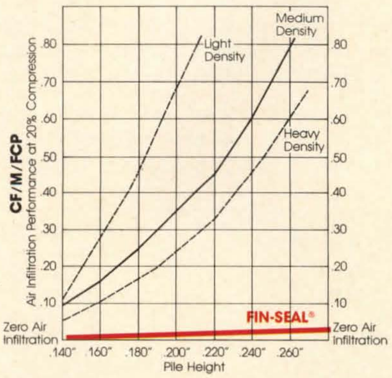

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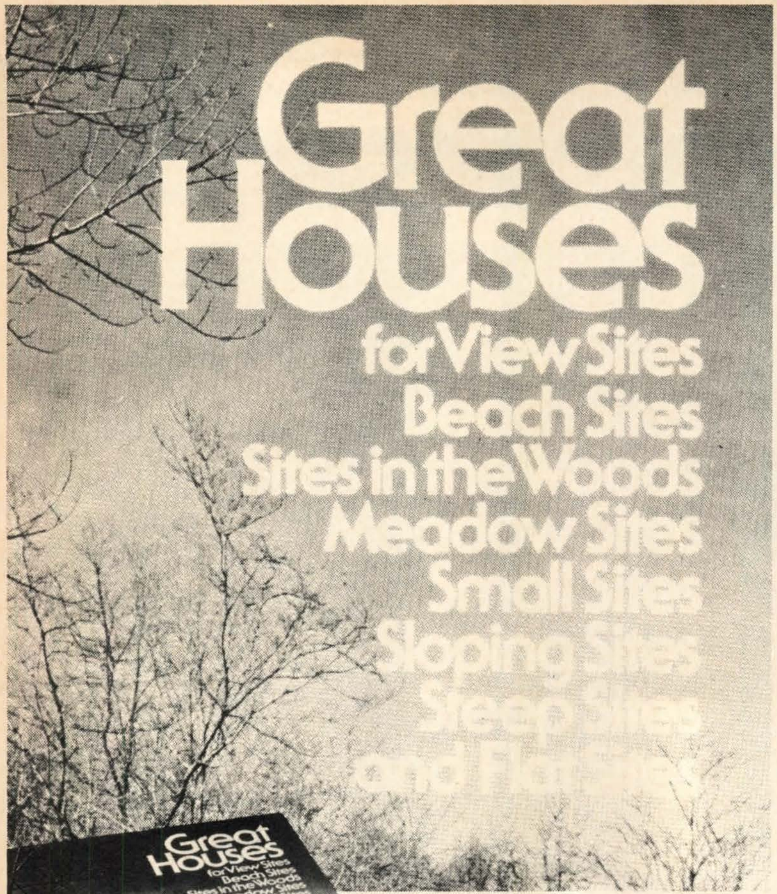

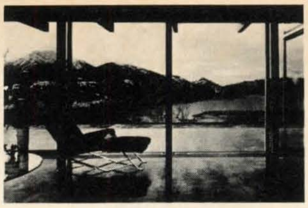

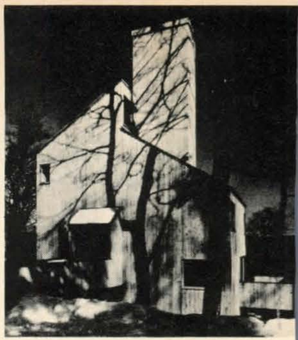

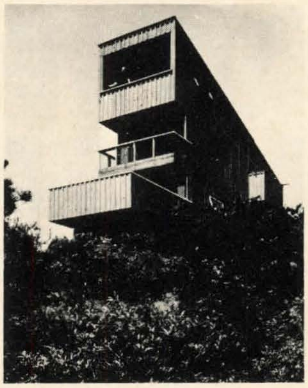

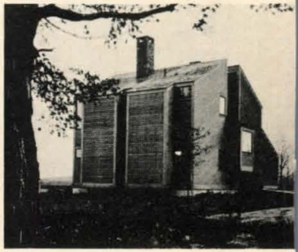

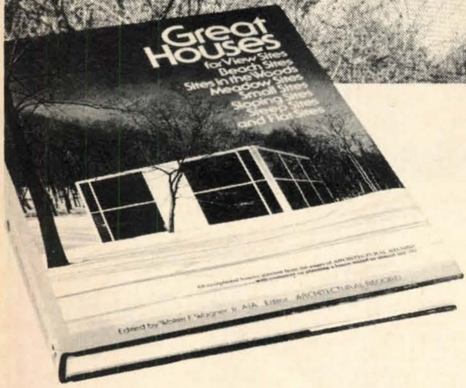

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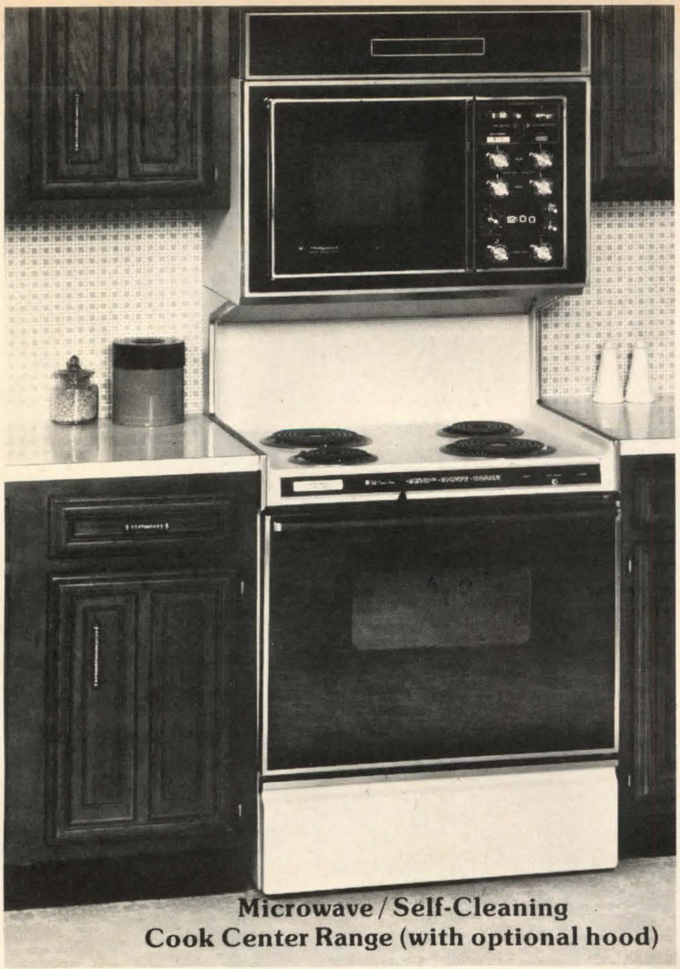

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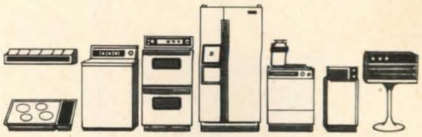

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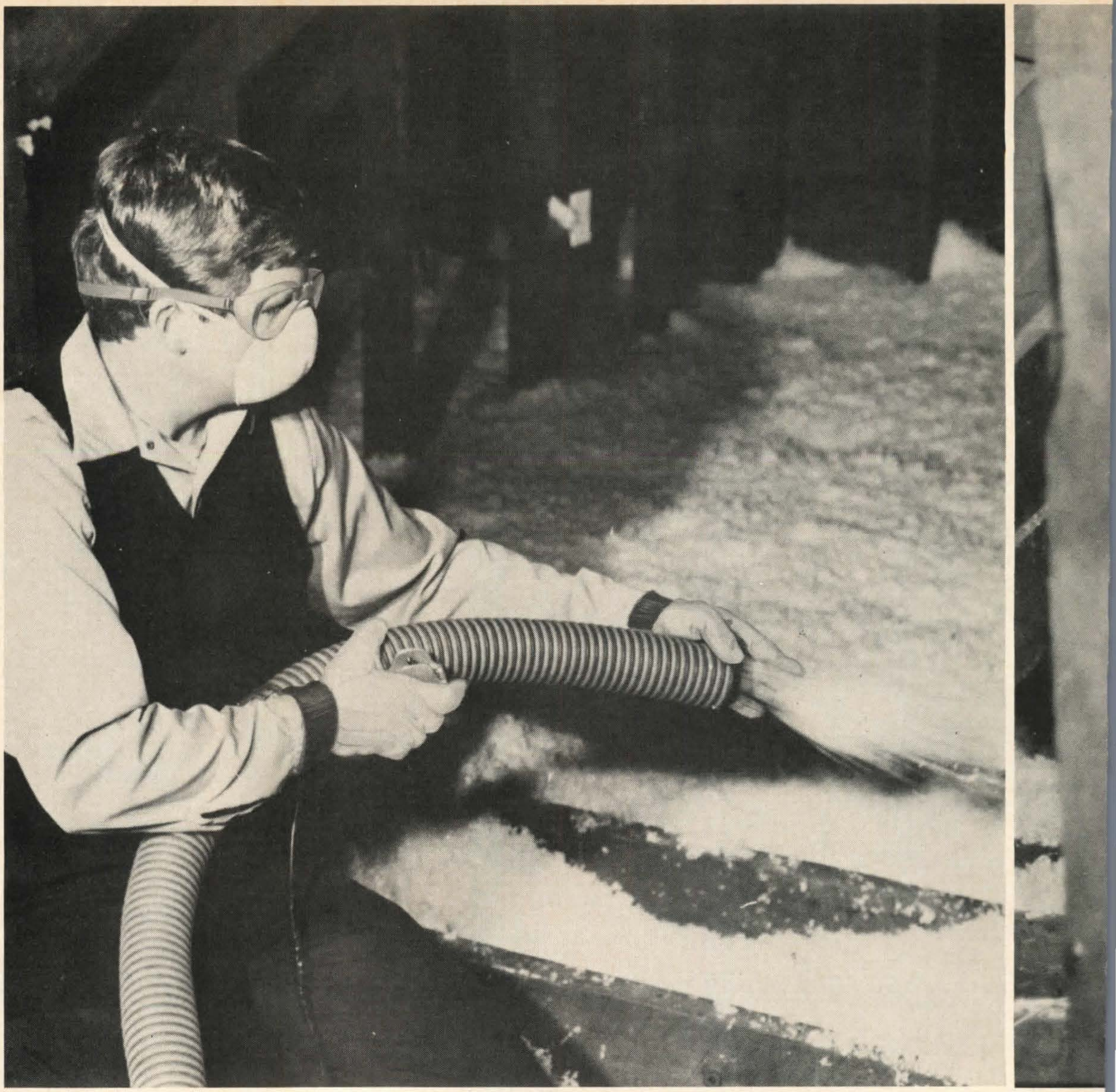


A new twist to an old product:

specially formulated blown-in fiber glass

It's different because it is not made from the by-products of batts and blankets.

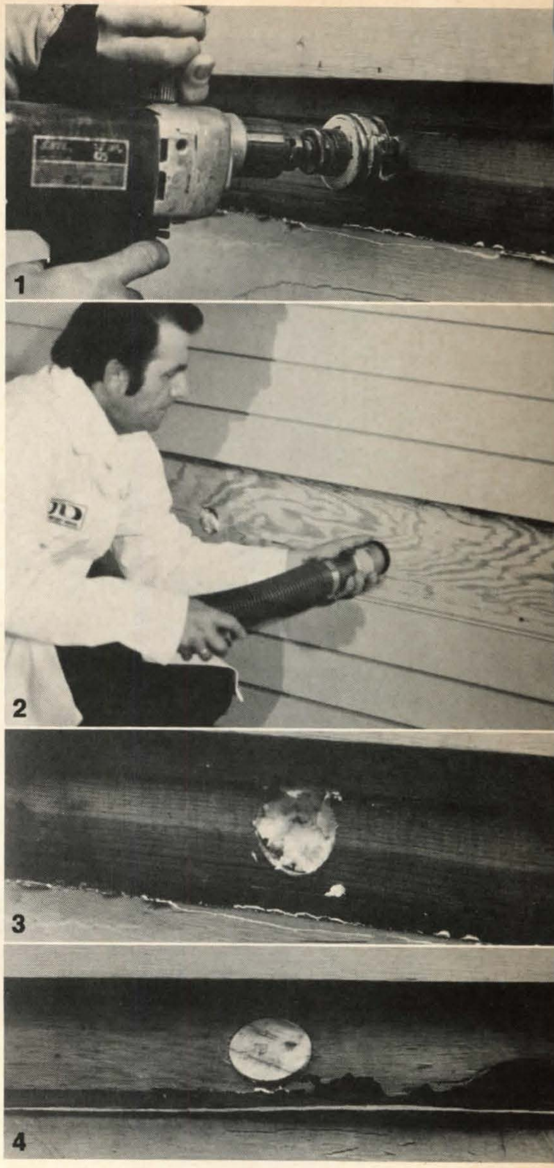
"Insul-Safe" is a loose-fill insulation made of small, white nodules of fiber glass. No binder is used and it is not oven-cured. With "Insul-Safe," the application of blown-in insulation becomes easier:

Its small size allows it to flow freely around obstacles common to sidewall cavities. And while blown-in fiber glass has had a tendency to fluff up in the past, "Insul-Safe" flows at a constant density.

To install, a contractor drills one hole in the bottom of the cavity and another in the top. When the cavity is filled, the blown-in insulation is visible through the holes *(see photos on opposite page)*. "Insul-Safe" is noncorrosive so it can be used around water pipes, nailing plates, electrical conduit and other metals found in walls and attics. Like other fiber glass products, it is noncombustible.

While "Insul-Safe" is geared to the retrofit market, it can also be used in new construction as an alternative to batts or blankets. It's thermally efficient, with an R-value of 3.6 per inch. It has an R-21 when installed in attic floors with 6'' joists. CertainTeed, Valley Forge, PA. *Circle 200 on reader service card*

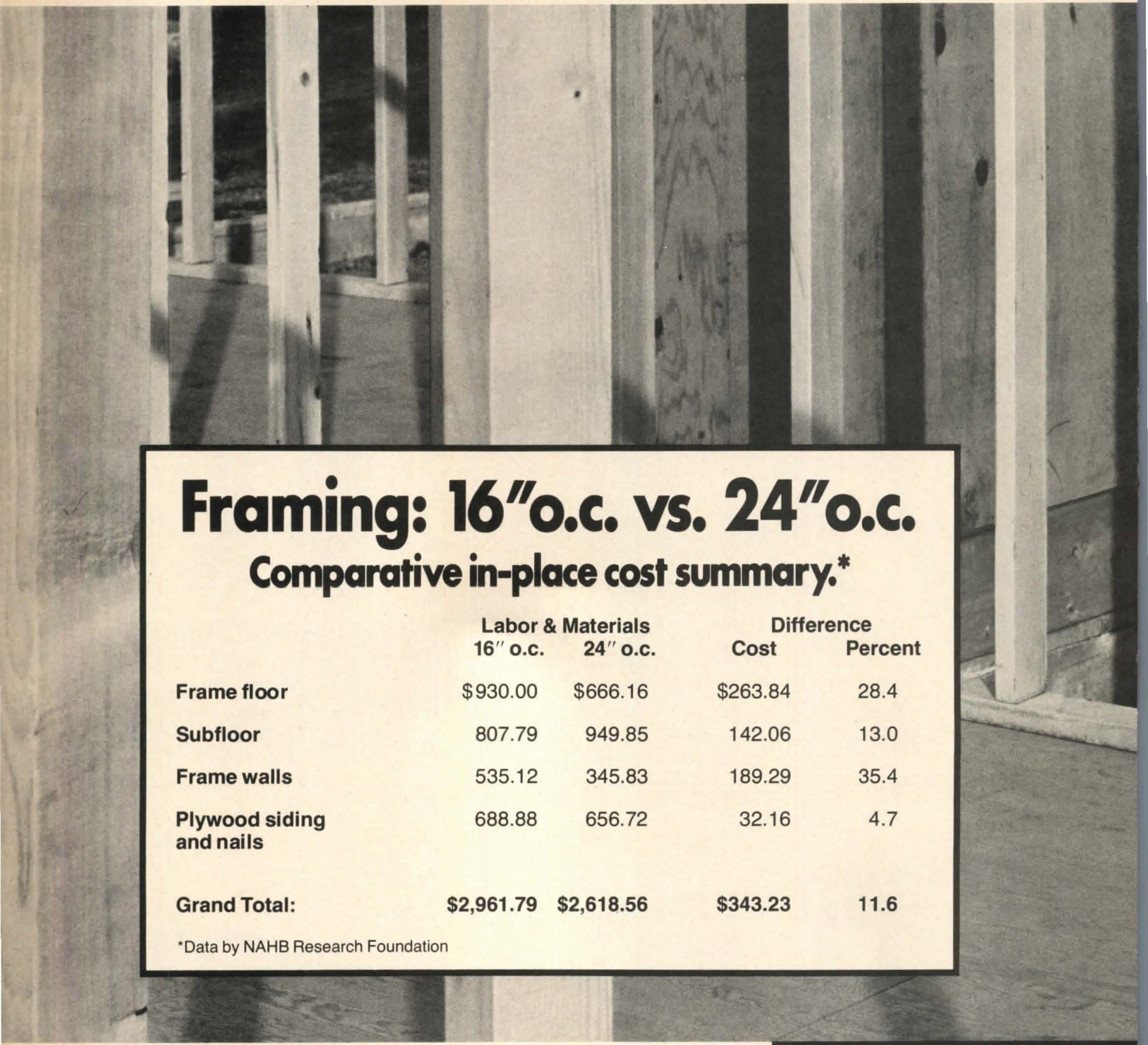
For walls: After siding is removed a drill is used to bore out a hole in the sheathing (**1**). "Insul-Safe" is then blown into the sidewall (**2**) at a constant density. When the wall cavity has been filled, the blown-in insulation can be seen through the hole (**3**). Before siding is replaced, the access hole can be filled in with a wooden plug (**4**).



In attics: Loose-fill "Insul-Safe" is blown between joists *(far left)* and below flooring *(left)*. The blown-in insulation has an R-21 value when the attic floor is filled to a depth of six inches.

Curbside installation: Pneumatic blowing equipment is powered by the truck's motor.

Framing 16"o.c.



Framing: 16"o.c. vs. 24"o.c.

Comparative in-place cost summary.*

	Labor & Materials		Difference	
	16" o.c.	24" o.c.	Cost	Percent
Frame floor	$930.00	$666.16	$263.84	28.4
Subfloor	807.79	949.85	142.06	13.0
Frame walls	535.12	345.83	189.29	35.4
Plywood siding and nails	688.88	656.72	32.16	4.7
Grand Total:	**$2,961.79**	**$2,618.56**	**$343.23**	**11.6**

*Data by NAHB Research Foundation

but is it really worth an extra $340 a house?

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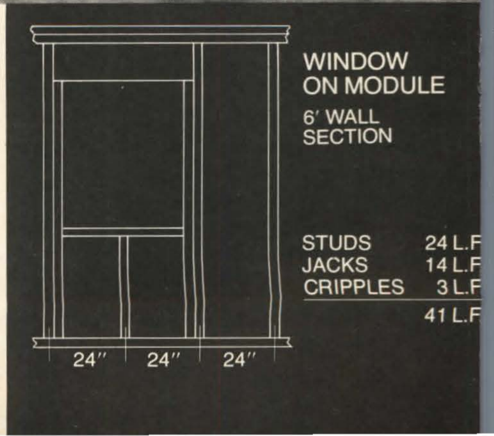

Rustic-styled cabinets *(above)* accommodate microwave ovens. Cabinets are available in wall-mounted, freestanding or countertop units. Air circulation is provided through trim kits or grilled vents. Quaker Maid, Leesport, PA. *Circle 239 on reader service card*

Redesigned "Mayfield" sink *(above)* measures 25''×22''. Self-rimming sink seals directly to a countertop. Enameled cast-iron unit is available in 16 colors, including "Country Grey." Kohler, Kohler, WI. *Circle 241 on reader service card*

"Legacy II" cabinetry *(left)* has a recessed panel set off by a solid oak frame. Cabinet is available in chestnut, butternut or nutmeg woodtones or unfinished. Medallion, Hopkins, MN. *Circle 242 on reader service card*

"Instant-Hot" water dispenser *(left)* delivers 190°F water from a 2.6-qt. tank installed under the sink. Unit requires a 1¼'' hole. No electrical switch or solenoid valve is necessary. Hobart, Troy, OH. *Circle 243 on reader service card*

Traditionally-styled cabinetry, "Bandera" *(above),* features oak veneer V-grooved doors with solid hardwood face frames. Easy-to-maintain cabinets are finished with ultraviolet-cured materials. AristOKraft, Jasper, IN. *Circle 240 on reader service card*

Refrigerator/freezer *(above)* features reversible textured steel doors. The 18.2-cu.-ft. refrigerator has an energy saver switch. Four adjustable glass shelves and a utility drawer are included. Magic Chef, Cleveland, TN. *Circle 244 on reader service card*

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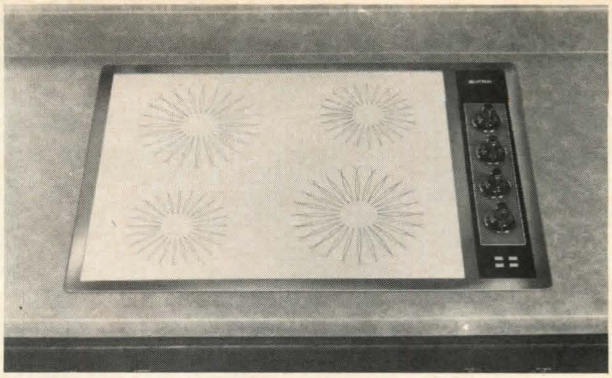
Sears Tower, Chicago, Illinois 60684

Circle 91 on reader service card

Side-by-side refrigerator/freezer *(above)* features a manual "Energy-Saver" switch which can adjust the unit to varying humidity conditions. Frigidaire, Dayton, OH. *Circle 231 on reader service card*

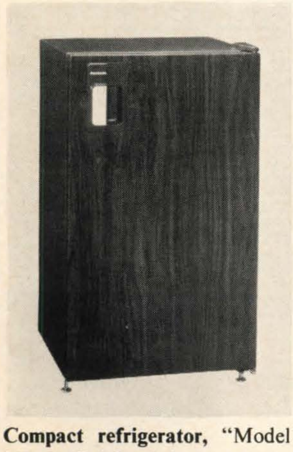


Built-in ceramic cooktop *(above)* is available for countertop installation. Unit features a one-piece, easy-to-clean smoothtop. Two 8'' and two 6'' cooking elements are included. Litton, Minneapolis, MN. *Circle 235 on reader service card*

Laminated woodgrain pattern, "Planked Wormy Pine" *(left)*, has a low-luster, natural finish. Easy-to-maintain plastic laminate has the look and feel of real wood. Ralph Wilson Plastics, Temple, TX. *Circle 236 on reader service card*

Ductfree blower range hood, "Prestige II 7800" *(above)*, features a quiet, twin "squirrel cage" blower. At low speed, the two-speed hood is claimed to be nearly inaudible. Broan, Hartford, WI. *Circle 232 on reader service card*

High-rise faucet, Waterfall™ *(left)*, features a long, swing spout. A single-handle model *(shown)*, which comes with a soap dispenser, a spray hose or both, is available. Delta Faucet, Indianapolis, IN. *Circle 237 on reader service card*



Compact refrigerator, "Model NR-300" *(above)*, has a 2.6-cu.-ft. interior. A separate door sets off a two-level freezer compartment. Refrigerator has bottle and egg racks on its door. Panasonic, Secaucus, NJ. *Circle 233 on reader service card*

Trash Masher® compactor *(above)* features a recessed handle and a touch-toe bar drawer for easy opening. An "Air Freshener Control" minimizes odor problems. Whirlpool, Benton Harbor, MI. *Circle 234 on reader service card*

Bottom-mount 17.6-cu.-ft. refrigerator/freezer *(above)* has a 6.6-cu.-ft. frost-free freezer. The freezer features a glide-out storage basket, a full-width shelf, and two full-width door shelves. White-Westinghouse, Pittsburgh, PA. *Circle 238 on reader service card*

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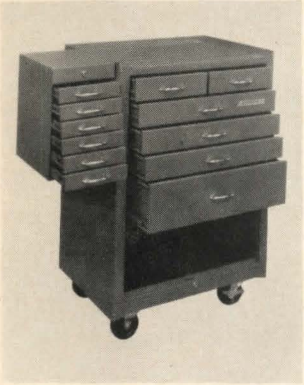
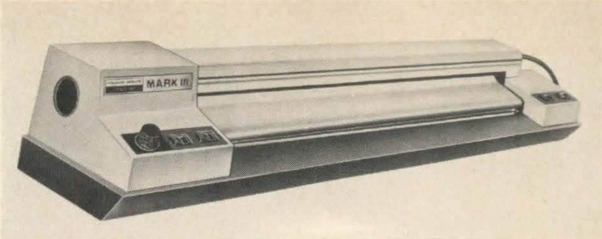
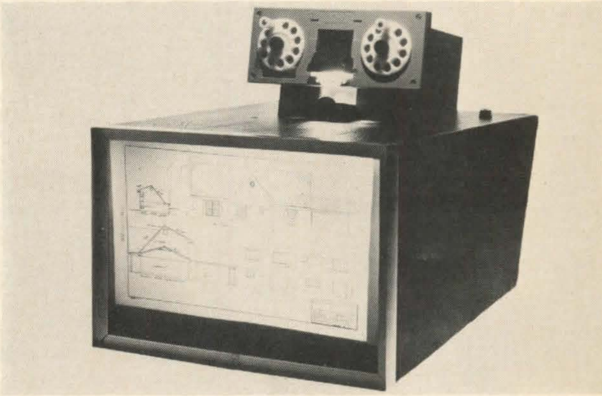


Circular drawing board, "Rotobord" *(above),* rotates to any angle. A built-in feature provides spacing on the vertical scale in divisions of 0.08mm. Zi-Tech, Palo Alto, CA. *Circle 224 on reader service card*

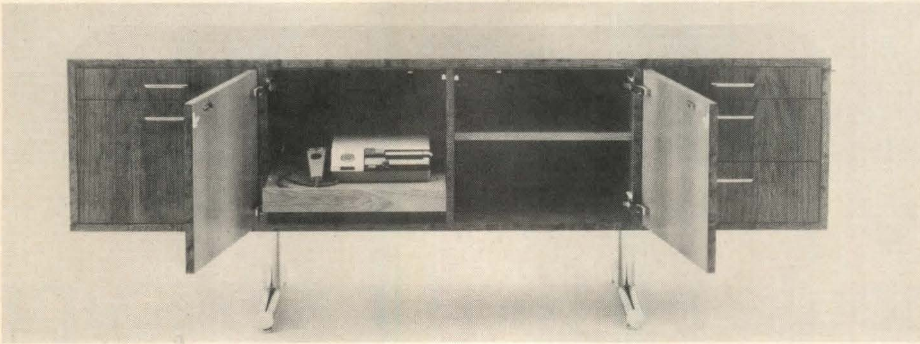
Six-drawer cabinet, the "Sidekick" *(left),* is designed to hang on the side of a standard or heavy-duty roller cabinet. Unit is 9'' wide, 12'' deep and 15'' high. Waterloo, Waterloo, IA. *Circle 225 on reader service card*



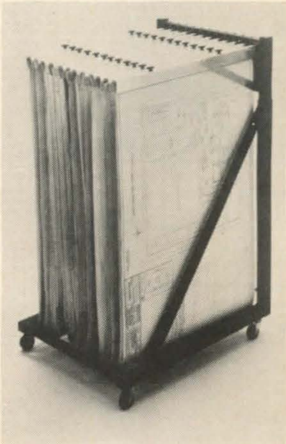
Compact whiteprinter *(above)* can be surface- or wall-mounted. Unit speeds up to 21' per minute in widths of 42'' or 48''. Teledyne Rotolite, Stirling, NJ. *Circle 227 on reader service card*

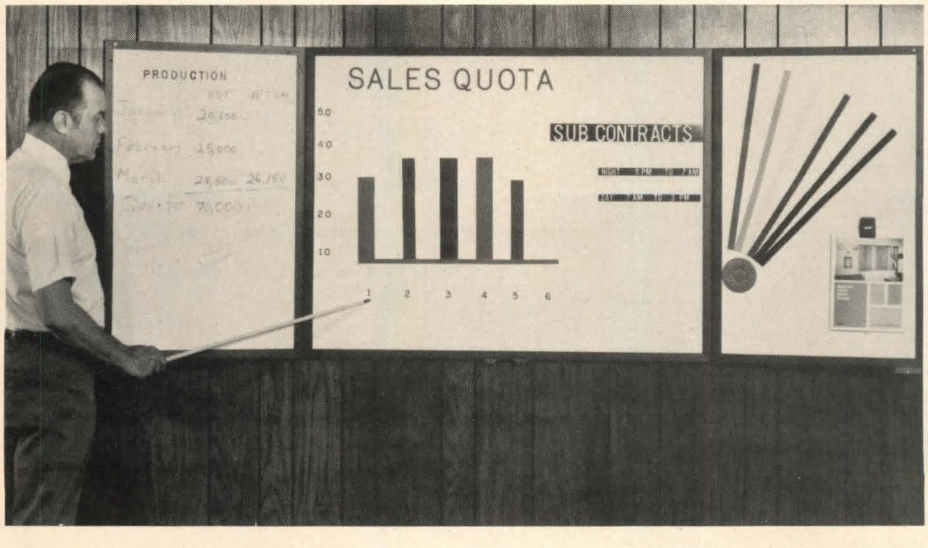


Cassette reader system *(above)* can adapt up to 1,100 floor plans so builders can show plans and elevations to prospective customers. Colony Micro-Plan, Slidell, LA. *Circle 228 on reader service card*



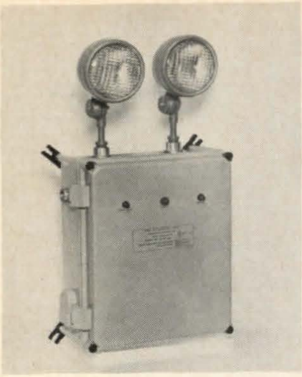
Credenza/cabinet *(above)* consists of four equal size compartments from a choice of six fittings. Hand-rubbed wood veneer and plastic laminate finishes are available. Stendig, New York City. *Circle 226 on reader service card*





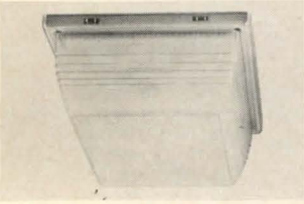
Vertical plan filing system *(above)* can be wall-mounted or freestanding *(shown).* Unit features deep-clamp aluminum binders. Rigid steel pivot brackets allow easy removal and replacement of loaded binders. System allows for color coding. Plan File, Los Angeles, CA. *Circle 229 on reader service card*

Double-door presentation board *(left)* is for use in conference rooms and executive offices. Panels are porcelain steel chalkboard. Units are framed in aluminum with concealed hanger bars. A-1 School Equipment, Santa Fe Springs, CA. *Circle 230 on reader service card*

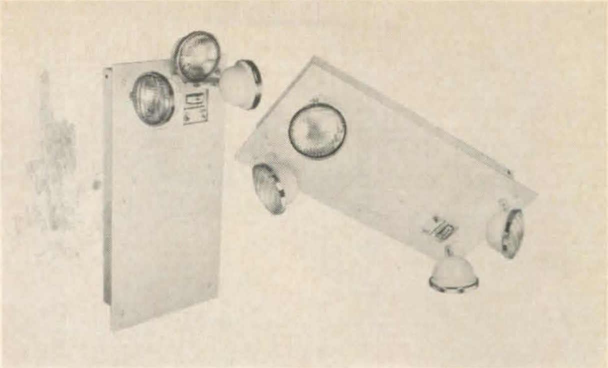


Emergency lighting unit (*above*) is for indoor use. A fiber glass housing protects the light from dust, dirt, splashing and seepage. Lights are charged by a 6v battery. Lightguard, Randolph, MA. *Circle 215 on reader service card*

Comfor-Tek (*above*) is a high intensity discharge (HID) luminaire for industrial applications. A fluted reflector and an injection-molded lens protect the light from contamination. Hi-Tek™, Crawfordsville, IN. *Circle 216 on reader service card*

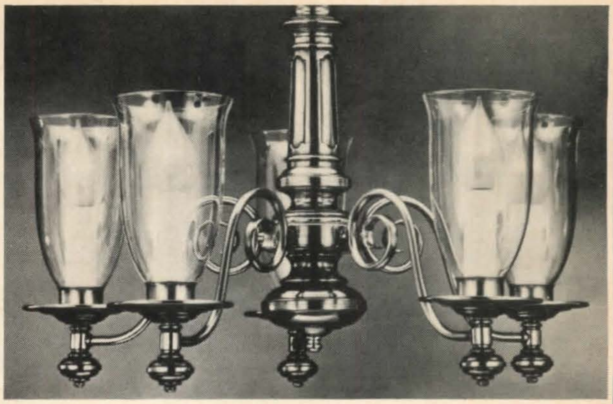


Vandalproof lighting fixture (*left*) is suitable for corrosive atmospheres. It is designed for remote wiring hookup to an emergency lighting unit. Unit may be wall-mounted. Tork, Mt. Vernon, NY. *Circle 217 on reader service card*

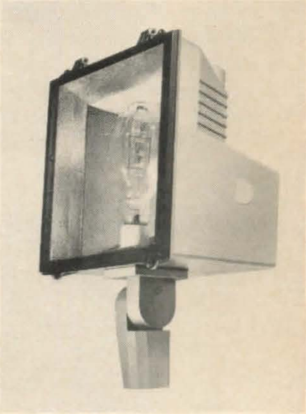


Long-lasting floodlights (*above*), with a 6v battery system, give 1½-6 hrs. of emergency light. Batteries have a life expectancy of 5-7 years. Head assemblies are prewired. Teledyne, Crystal Lake, IL. *Circle 220 on reader service card*

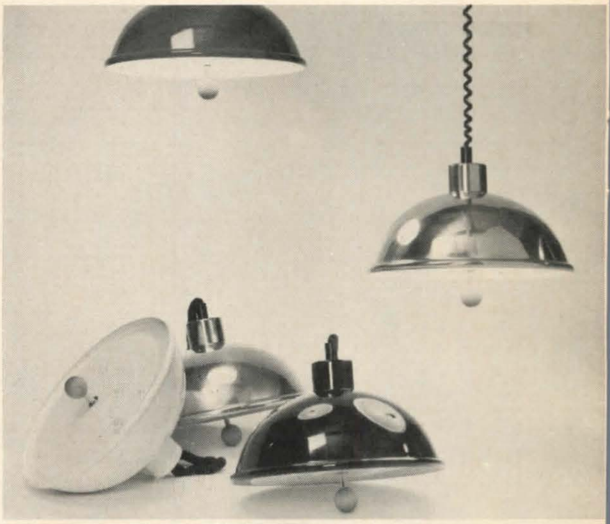
Oriental-styled lamp (*left*) is part of the "Chün" collection. Lamp's base is glazed with a bluetone iron oxide; shade is made of Shantung. Overall height of the lamp is 19''. Norman Perry, Plymouth, NH. *Circle 221 on reader service card*



Traditional chandelier (*above*) is part of the "Stately Elegance" line. Fixture features hurricane shades. Brass-finished unit has a body height of 19'' and an overall height of 45''. Feldman, Los Angeles, CA. *Circle 218 on reader service card*



HID floodlight (*right*) is made of aluminum. The lamp features a break-resistant, tight-gasketed sealed lens. A lamp socket can be adjusted to control the beam spread. Keene, Union, NJ. *Circle 219 on reader service card*



Decorative lamps (*above*) are part of the "Stubby" line. Adjustable heads are made of high-impact plastic. Lamps are available in four styles: floor, desk, clip and wall. George Kovacs, New York City. *Circle 222 on reader service card*

Outdoor luminaire, "Magnudisc" (*left*), is a low-wattage HID lamp. Contemporary-styled, energy-efficient light features wide area and cutoff illumination. Hubbell, Christiansburg, VA. *Circle 223 on reader service card* a housing seminar

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Lester Goodman is president of Lester Goodman Associates, a marketing-services company that specializes in market research, planning and consultation for residential builders. Mr. Goodman has spent 20 years in the housing field. He has been responsible for the marketing and sales of more than 20,000 units for a number of major builders, including The Larwin Group, M.J. Brock & Sons and Towne Properties, and was for two years marketing vice president for Rutenberg Corporation. Mr. Goodman is currently vice president of the new Institute of Residential Marketing, a college-level educational program developed by NAHB, and has been for 12 years a lecturer on marketing for the University of California at Los Angeles and Irvine.

Gene E. Dreyfus is president of The Childs/Dreyfus Group, an interior design firm based in Chicago and with offices in New York, Palm Beach and Toronto. He is a former builder—selling nearly 2,300 homes in the Chicagoland area from 1950 to 1960. And since 1960, first as head of Gene E. Dreyfus Associates and for the past 11 years with his present firm, Mr. Dreyfus has served as a merchandising consultant to more than 150 builders in the U.S. and Canada.

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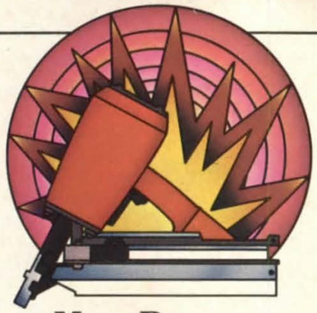

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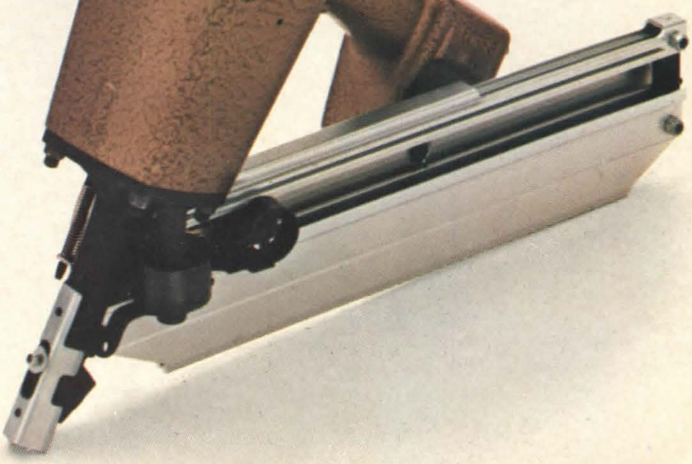
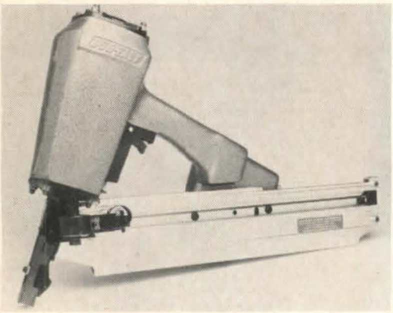


Circle 107 on reader service card

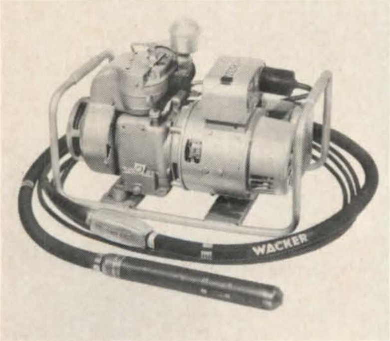
Electro-pneumatic rotary hammer, "Mars 717" *(above)*, delivers 3,150 blows and 550 rpm. Lightweight tool weighs 10½ lbs., and requires only 10 lbs. of contact pressure. Rear handle shape allows greater room for the operator's hand. A switch controls speed and operation. Skil, Chicago. *Circle 208 on reader service card*

Air-powered circular saw, "Model 74Z-528" *(above)*, is 8¼'' wide. The tool cuts through a variety of materials to a depth of 2⅞'' and can make angle cuts up to 45° at a depth of 2¹⁄₁₆''. A dovetail slide permits the operator to maintain his hand position throughout the cut. Rockwell, Pittsburgh, PA. *Circle 211 on reader service card*

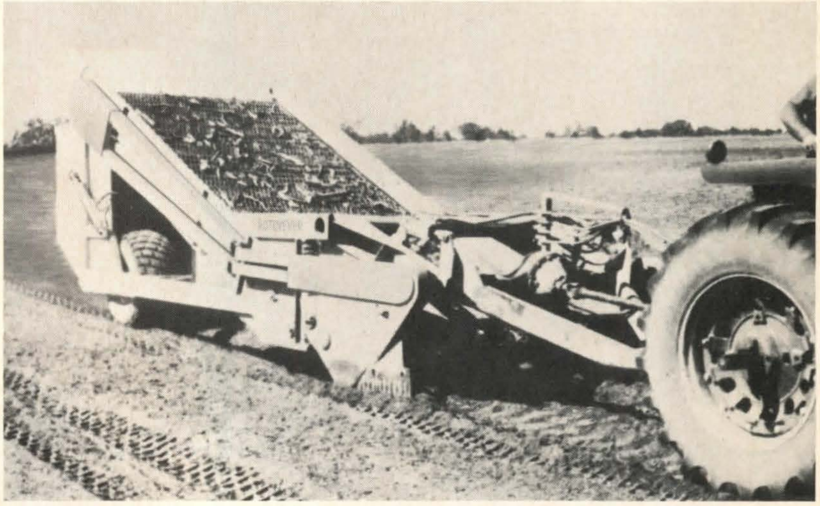
Meter/mix/dispense system *(above)* can be used to install any two-part fire-resistant silicone foam. The unit holds two 5-gal. drums, positive displacement pumps, two 10-foot-long material feed hoses and a hand-held mix/dispense gun. Sealant Equipment & Engineering, Oak Park, MI. *Circle 212 on reader service card*



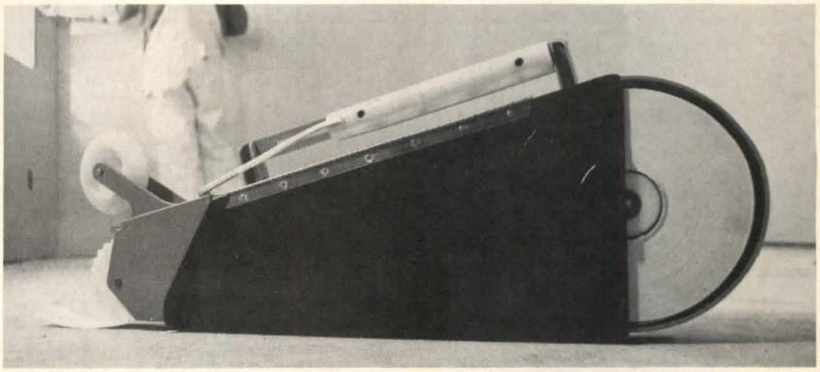
Pneumatic nailer, "Model CN-350" *(above)*, has a load capacity of two 25-nail strips. Lightweight tool weighs 8¾ lbs. and is 13⅝'' high and 20¾'' long. Heavy-duty nailer features a bronze hammerloid finish. Duo-Fast, Elkhart, IN. *Circle 209 on reader service card*



Internal concrete vibrator *(above)* features specially designed motor windings so tool can be used outside of concrete mix with no burnouts. A free-rolling eccentric transmits centrifugal force directly to vibrator-head housing, eliminating load on bearings. Tool comes with 10 ft. of operating hose and 32 ft. of cable. Wacker, Milwaukee, WI. *Circle 210 on reader service card*



Root, rock and debris remover, the "Rotoveyer" *(above)*, clears, levels and mixes prespread lime and fertilizer simultaneously. Unit levels soil to a depth of 12''. The machine, which attaches to a 120-hp tow tractor, covers approximately two acres per hour. Rockland, Bedford, PA. *Circle 213 on reader service card*



Self-contained "Mud Machine" *(above)* claims to tape a 10'x20' room in less than five minutes. An adjustable flow control permits the operator to apply the spackle thick or thin. A cutoff feature eliminates the need for tape rethreading at the end of a seam. Avedon, Longmont, CO. *Circle 214 on reader service card*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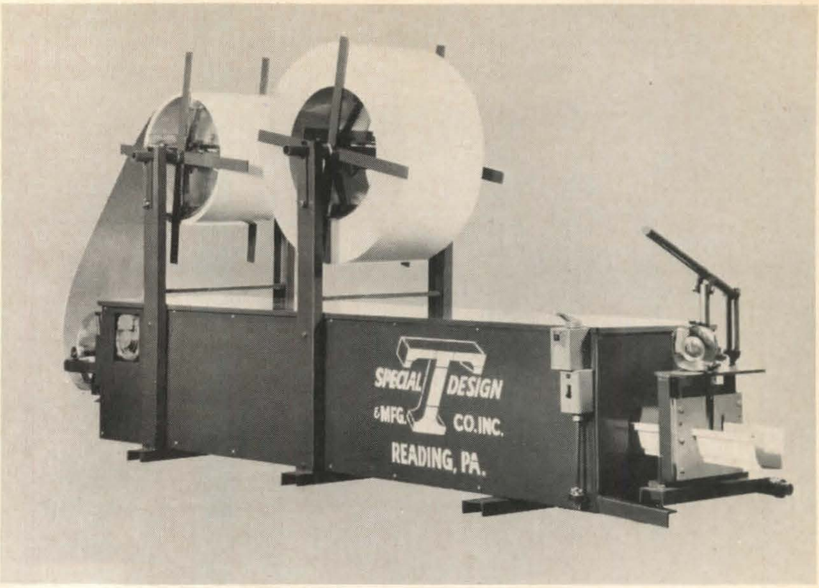
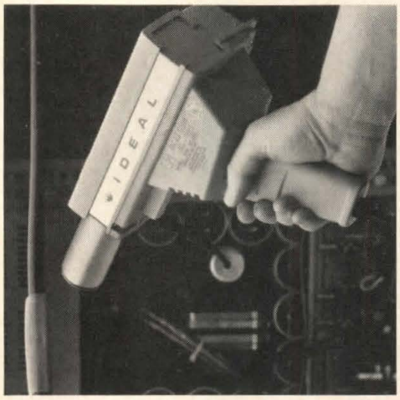
Straight-mast high lift *(above)* is designed for fast load cycling. Load capacity is 5,000 lbs. at 18 ft. with lift heights to 30 ft. A hydraulic frame tilt for lifting loads vertically on uneven terrain is available. Four-wheel drive and three-speed powershift transmission are standard. Lull, St. Paul, MN. *Circle 201 on reader service card*

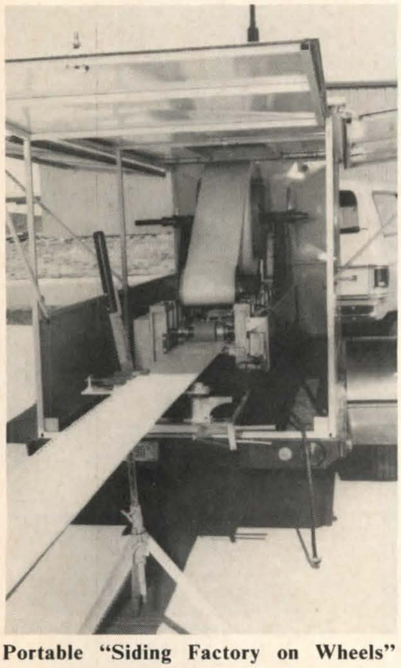


Gutter roll-former *(above)* produces seamless gutters to any length. It features a cutoff guillotine which swings out of the way for fast, roll-on front loading. Unit is designed to be carried on a truck, van or trailer for use near the job. Specialty, Reading, PA. *Circle 203 on reader service card*

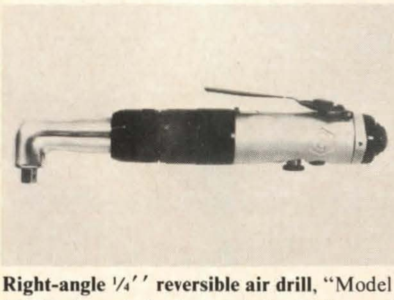


High-capacity heat gun *(above)* has a temperature range from 700° to 1100°F. Lightweight tool weighs only 3 lbs. Multipurpose device features dual-wall construction, color-coded nozzles and a selection of five adapters and deflectors for pinpointing the heat/air flow. Ideal, Sycamore, IL. *Circle 204 on reader service card*

Saw set *(above)* comes with three blades: one for fast cuts in wood, hardboard and wallboard *(shown)*; another for smooth cuts in metal, plastic and bone; and a third for coarse cuts. A rotating mechanism locks blades into position on a 360° circle. Disston, Pittsburgh, PA. *Circle 205 on reader service card*



Portable "Siding Factory on Wheels" *(above)* makes it possible to produce custom-fitted siding on the job site. Steel is run through a portable roll-former, converted to siding panels with a preslotted nailing strip, and cut to a specified length. Seams are thus eliminated. Inland Steel, Chicago. *Circle 202 on reader service card*



Right-angle $\frac{1}{4}$'' reversible air drill, "Model 1498" *(above)*, is designed for high-speed production at 2,000 rpm. Tool has ball-and-needle-bearing construction. It features a built-in design muffler and a special seal to prohibit the ingestion of dust and dirt. Black & Decker, Towson, MD. *Circle 206 on reader service card*

Compact bulk nail hammer *(above)* can be adjusted to provide exacting control of the depth of drive. Nails can be countersunk or left standing to a predetermined height. The tool, which has no finger-actuated trigger, cannot be accidentally fired. Aerosmith, Visalia, CA. *Circle 207 on reader service card*

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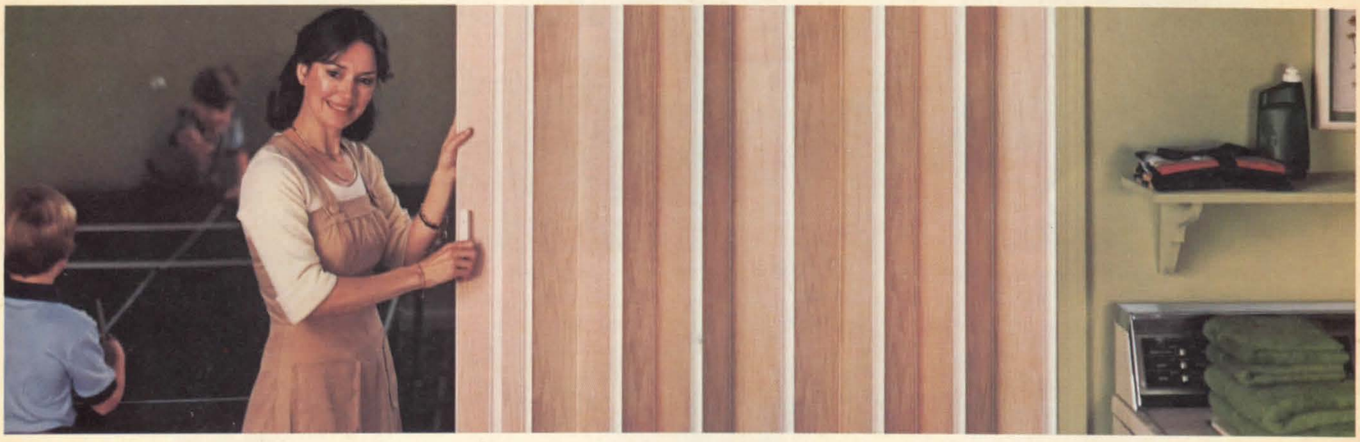
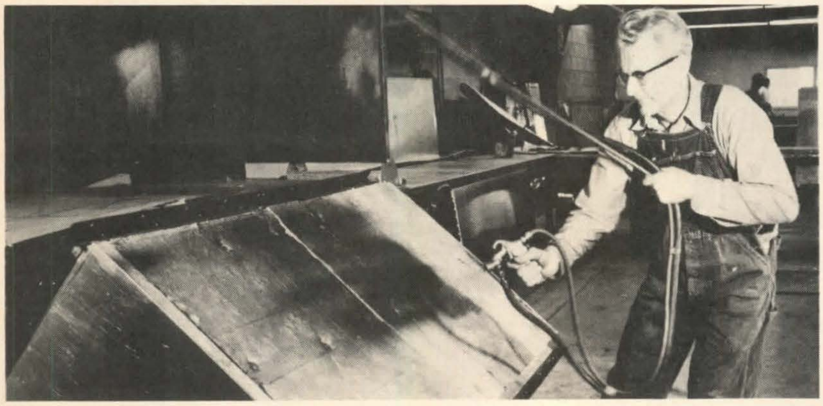


Circle 111 on reader service card

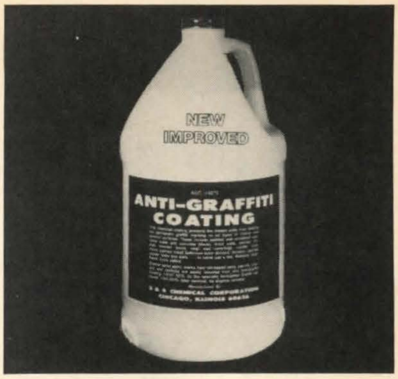
Cellulose "Wall Prep," "Wallpaper Adhesive" and "Vinyl Adhesive" *(above)* are available in canisters. Both the wallpaper and vinyl adhesives are used with heavy wallcoverings. Krause Milling, Milwaukee, WI. *Circle 254 on reader service card*

Nontoxic polish and scratch reducer *(left)* is specially formulated for use on polycarbonate products. The polish, "PF-1940," is designed to protect plastic products, such as bubble and RV windows. It has a cumulative effect. The scratch reducer, "PF-1542," is for use on surface abrasions. Both products are available in 8-oz. containers. Cadillac Plastic, Detroit. *Circle 255 on reader service card*



Water-dispersed insulation adhesive, "4230-Plus" *(above),* is a liquid for bonding glass fiber insulation to sheet metal in heating and air conditioning equipment. Easy-to-apply adhesive is nonflammable. It can also be applied by brush or roller. 3M, St. Paul, MN. *Circle 256 on reader service card*

Polyurethane wood finish, "Antique ZAR" *(above),* is for use on all interior wood surfaces, including floors. The polish is unaffected by alcohol, household acids and alkalis, and requires no waxing or polishing. It prevents ringmarks. UGL, Scranton, PA. *Circle 257 on reader service card*



Anti-graffiti coating, "AGC #6275" *(above),* makes surfaces harder and more impenetrable. Acrylic-based transparent coating will not yellow, crack or peel. The coating is said to be effective on 95% of all surfaces. S&S Chemical, Chicago. *Circle 258 on reader service card*

Latex flat enamel paint *(above)* is for use on woodwork and walls. The paint resists stains and can be washed with soap and water. It has a flat finish when seen from straight on, and a low sheen when viewed from the side. O'Brien, South San Francisco, CA. *Circle 259 on reader service card*

Contact cement *(above)* is for laminating plastic counter tops, wood, metal, leather and canvas. Adhesive bonds instantly and no clamping is required. Cement is available in quart and gallon cans, 5-gal. pails and 55-gal. drums. Gulf, Shawnee Mission, KS. *Circle 260 on reader service card*

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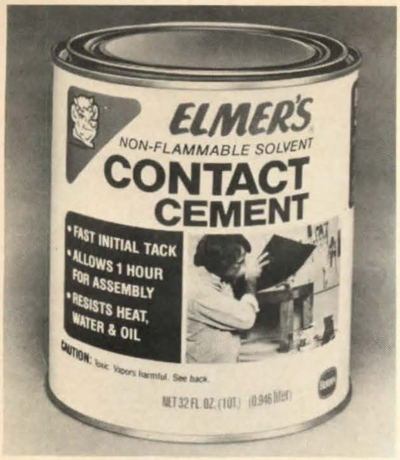
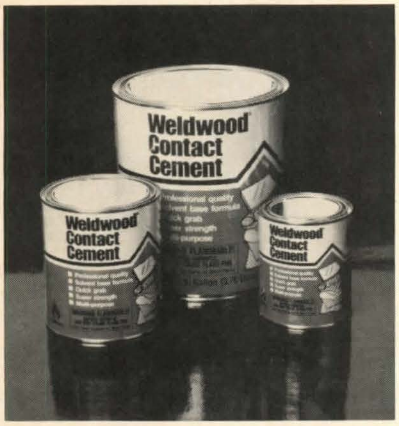


Contact cement *(above)* is a nonflammable solvent. The substance requires an assembly time of one hour, and dries in 15 minutes. Cement is available in pint, quart, gallon and 5-gal. can sizes. Elmer's, Hilliard, OH. *Circle 245 on reader service card*

Non-asbestos products *(above)* for reinforcing joints between gypsum-board panels include "Ready-Mixed" and "Taping-Topping-Texture" compounds. Flintkote, East Rutherford, NJ. *Circle 248 on reader service card*

Two-part urethane sealant, Thorocalk™ 227 *(above)*, is for use on horizontal joints with heavy foot traffic. Sealant can be applied in a caulking gun. Standard Dry Wall, Miami, FL. *Circle 251 on reader service card*

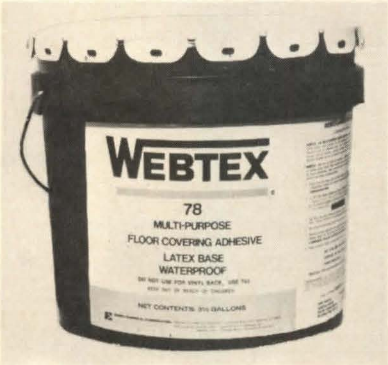


Solvent-based contact cement, "Weldwood" *(above)*, resists oxidation, water, oils, grease and many household chemicals. Flammability level meets the most recent Consumer Product Safety Commission standards. Roberts Consolidated, City of Industry, CA. *Circle 246 on reader service card*

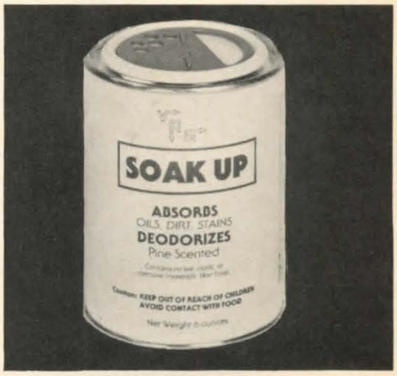
Nonflammable contact adhesive, Lokweld™ 700 *(above)*, is for bonding laminated plastic. The substance bonds between 25-45 minutes. Lokweld™ 600, for commercial use, bonds immediately on contact. Ralph Wilson, Temple, TX. *Circle 249 on reader service card*

Nonsolvent heavy-duty hand-cleanser, Baracaide® *(above)*, removes paint, caulking and other sealants. The cleanser works with or without water. Baracaide® contains no petroleum distillate solvents. Mentholatum, Buffalo, NY. *Circle 252 on reader service card*

Silicate-based adhesive, "Sealox" *(above)*, is used to treat lumber. The flame retardant reduces combustibility by locking out oxygen in cellulose wood fibers. It fills voids and canals to reduce termite damage. Liquidyne, Fountain Valley, CA. *Circle 247 on reader service card*



High-strength adhesive *(above)* can be used when applying a variety of floorings, including linoleum and asphalt tile as well as indoor/outdoor carpets. White rubber/resin substance results in a smooth surface. Webtex, Los Angeles, CA. *Circle 250 on reader service card*



Powder-concentrate "Soak Up" *(above)* removes stains and sludge from tiles, linoleum, wood and concrete, as well as from floorcoverings. Substance contains no lye, acids or corrosive materials. Valley Research, Hewlett, NY. *Circle 253 on reader service card*

How to soften up homebuyers with hardwood paneling.

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People are impressed by little things. And Weldwood® hardwood paneling is visible proof that you care just a little bit more.

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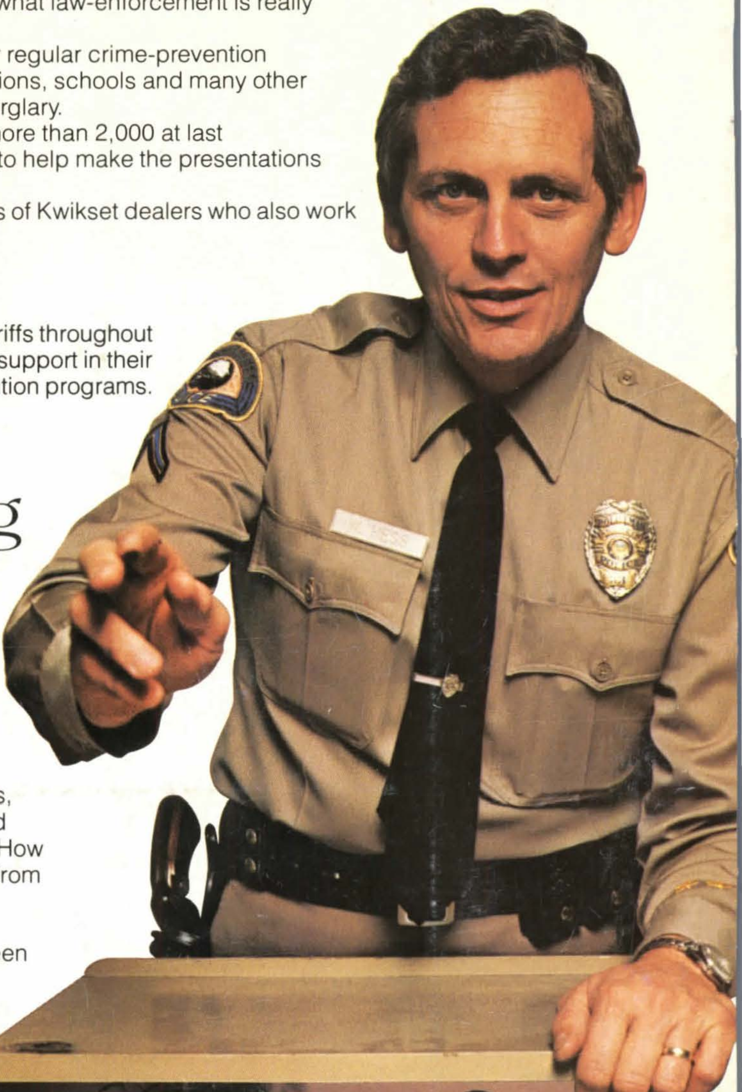
How Kwikset helps over 2,000 police departments fight burglary.

Solving crimes makes for good TV shows. But preventing crime is what law-enforcement is really all about.

Enlightened police departments throughout the country sponsor regular crime-prevention programs for service and women's clubs, neighborhood organizations, schools and many other groups to show the public how best to protect their homes from burglary.

Kwikset works closely with these law-enforcement agencies—more than 2,000 at last count—providing them with demonstration displays and literature to help make the presentations more dramatic and more effective.

We find it's good corporate citizenship. So do the many hundreds of Kwikset dealers who also work closely with their local police and sheriff's departments.



Police officers and sheriffs throughout the U.S. welcome your support in their burglary-prevention programs.

A little something Kwikset's done for you lately.

Kwikset's authoritative booklets, "How to Protect Your Home and Family Against Burglary" and "How to Help Keep your Home Safe from Burglars" are free to law-enforcement agencies. More than 4,000,000 copies have been distributed.

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