

housing

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housing

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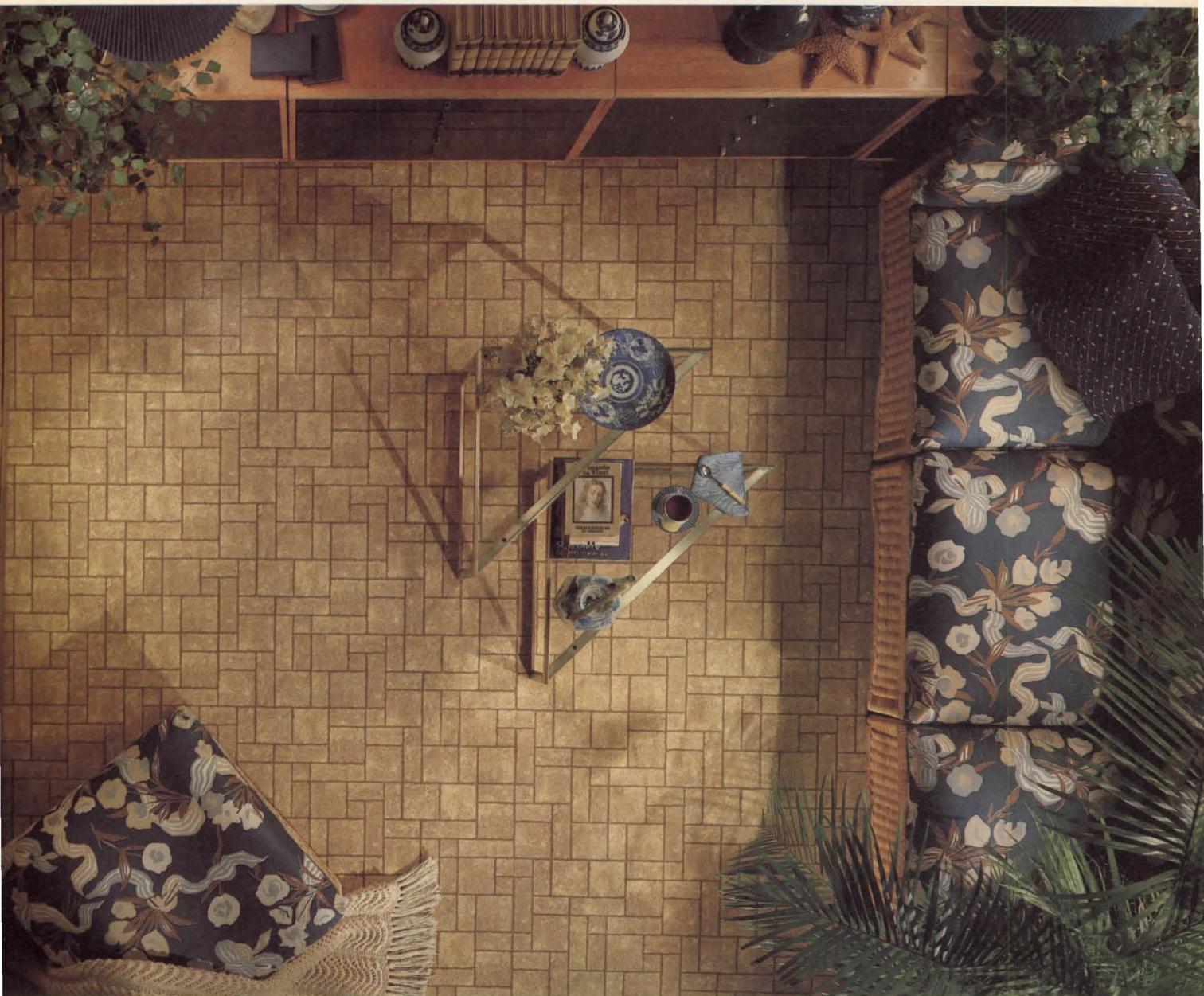
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When policy makers shatter the crystal ball

Market analyst Al Gobar sent us a wryly humorous note with his latest forecast (*page 27*) of housing demand in 119 metro areas.

"Our computer is nearing a nervous collapse," he wrote, "and I am considering early retirement to a cave in the High Sierras."

Gobar is a funny man who likes to kid himself. But he wasn't kidding about the uncertainty of market predictions at this time. And what he went on to say has meaning for everyone in the housing marketplace.

The gist of his message: Be careful. His reasoning: Erratic changes in the government's fiscal and monetary policies are causing unpredictable shifts in the direction of the economy.

Gobar wrote: "We've seen on-again, off-again commitment to fight inflation, to high interest rates, to a balanced budget, and so on." And the effects of these zigs and zags can sandbag the average developer, whose production cycle normally runs from six to 18 months.

Last fall we supported the Federal Reserve Board's massive attack on inflation—albeit with some reservations. As we saw it, the Fed's action signaled a government commitment to a more stable, more predictable business climate.

Our optimism was misplaced.

The nation is smack in the middle of a recession. Inflation is still a problem. And the business climate—particularly for housing—is, if anything, less stable and less predictable.

Looking back to see what's ahead

Here at HOUSING we spend most of our time looking ahead—seeking new trends and trying to anticipate change. But now and then it's rewarding to look back. We did just that the other day—scanning our back issues for winning entries in the annual Homes for Better Living awards program.

The HFBL program, co-sponsored by HOUSING and the American Institute of Architects, is the oldest and largest design competition devoted solely to housing. It has just rounded out 25 years, and it draws from 300 to 500 entries a year.

Our trip through those back issues showed us how closely the HFBL winners reflect the changing patterns of U.S. housing. In the early years, for example, all the winners—and all the entries, for that matter—were single-family houses. Then, as lifestyles and economic conditions changed, came townhouses, apartments, remodelings, recyclings—plus a growing emphasis on denser land use and, recently, on energy conservation.

The newest entries are pocket projects on urban infill sites—market-wise responses to the energy-related demand for close-in living. Four outstanding examples—all 1980 winners—are shown in the story starting on *page 50*.

—JOHN F. GOLDSMITH

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And that makes you reliable.

*The sheathing itself has an R-value of 4.8 at 40° F. mean temperature and 4.4 at 75° F. mean temperature. It is one inch thick. ©O.-C.F. Corp. 1980

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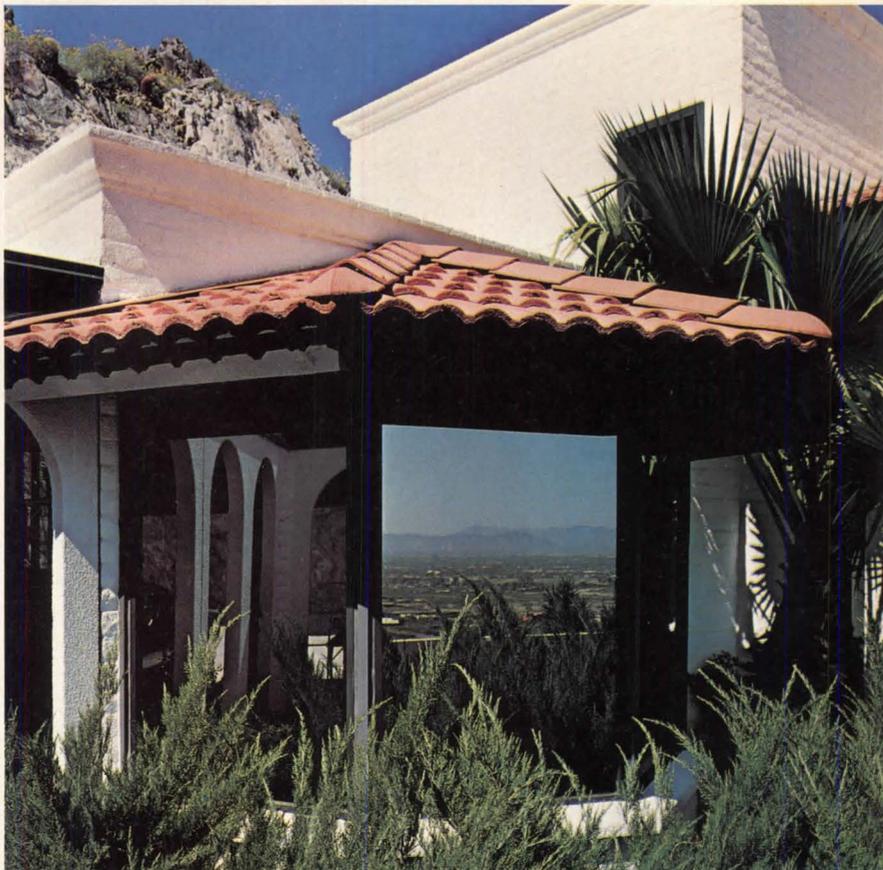
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New funds, tempered rebound foreseen

Economists expect more plentiful mortgage money to infuse some life into new home construction by August.

But the sales forecast is cloudy, affected by a generally weak economy and rising unemployment through summer.

Nevertheless, several events portend more money available soon for construction and end loans:

- An apparent reversal in the direction of funds flow at S&Ls, as savings begin to flow in again.

- A new Bank Board rule making it easier for federal S&Ls to sell mortgage pools to the secondary market.

- A Bank Board action increasing nearly fourfold the amount of money federal S&Ls can borrow outside the Home Loan Bank System.

- A Labor Dept. proposal expanding pension funds' powers to invest in mortgage pools.

End of outflows. Encouraging was the observation by economist Dale Riordan that the April figure—a \$963 million outflow—was probably the last outflow statistic this year.

Riordan, who is the Federal Home Loan Bank Board's director of policy and economic research, said the outflows contributed strongly to the recent scarcity of mortgage money as well as record-high rates.

However, he said, in May, S&Ls apparently had a modest funds inflow, and this should continue to pick up through the year.

Recession effects. In Cambridge, Mass., economist Allen Sinai of Data Resources said that while funds will be available, the recession and growing

unemployment will dampen demand.

This slack demand will help push rates in some areas down to 12%, he added, and "by the end of the summer, new mortgage commitments should be on the upswing."

But rates won't fall too fast. Sinai said that since most new money flowing into S&Ls will go into relatively high-yield six-month and 2½ year certificates, 12% will be about the lowest mortgages rates will drop this year.

New s&l regulations. A bevy of new regulations by the Bank Board and other financial regulators will have mixed effects on funds availability, according to experts. All told, however, the thrifts come out ahead.

A new restriction limits the advantage S&Ls enjoy over banks in the interest rates they may pay on six-month certificates. This limitation is "a major new defeat for housing," according to U.S. League of Savings Assns. President Edwin B. Brooks Jr., who claims it will keep \$17 billion out of the mortgage market this year.

The ruling, by an interagency committee, limits when S&Ls can pay one-quarter point more than commercial banks can on the certificates. Now they may do so only when the average rates at Treasury six-month bill auctions—the basis for certificate rates—are between 7¼% and 8¾%.

Previously, the quarter-point differential was in effect whenever the Treasury bill rate dropped under 9%.

Banks also have this advantage under the new ruling: On any six-month certificate maturing for the first time, banks may offer savers a renewal rate equal to what S&Ls are

offering. This is effective no matter what Treasury bill rates are.

Riordan said that committee actions on 2½ year certificates—where S&Ls now have an unqualified quarter-point advantage—will balance effects of the restrictions on six-month certificates, which hurt the thrifts.

Two Bank Board actions which help S&Ls:

- A change in the financial liability S&Ls will undertake when selling pools of mortgages to the secondary market. The net effect is to encourage these transactions, lower their cost, and increase available mortgage money.

- A broadening of resources outside the Home Loan Bank System. The net effect is to quadruple the previously available amount, to nearly \$300 billion.

Economist James Christian of the U.S. League of Savings Assns. said this will mostly help some large West Coast associations.

Pension funds. Meanwhile, the Labor Dept. has proposed new regulations to let a pension fund buy pools of mortgages put together by a bank or other organization which also serves as the fund's financial manager.

Presently these actions are barred, because they might cause a conflict of interest. It's not yet known how much more money this proposal—if finalized—would pump into mortgages. Currently, private pension funds, with \$236.8 billion in assets, hold about \$3.5 billion in mortgages allowable under present regulations.

—G. DAVID WALLACE
McGraw-Hill World News,
Washington

Are new, low rates enough?

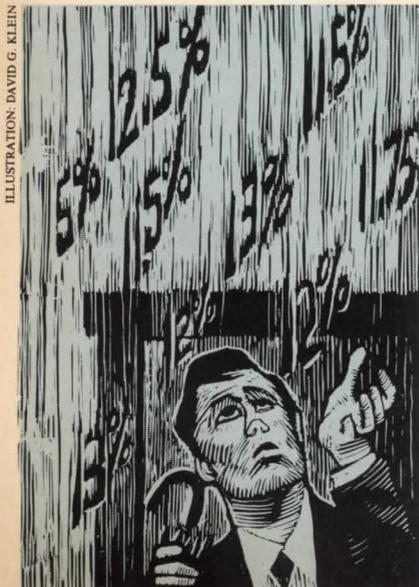
Not long ago, it seemed if you added lower interest rates to the high housing demand, you would get a fast recovery. But rising unemployment—and plummeting consumer confidence—have proven to be complicating factors in that easy equation.

Example: April new home sales, says the Commerce Dept., dropped to a seasonally adjusted annual rate of 364,000—the lowest in nearly 14 years. The National Assn. of Realtors says existing home sales, annualized at 2.2 million in April, were the lowest since the last recession.

Interviews with leading builders around the country show a slow—but not stopped—marketplace recently buoyed by lowered interest rates. Yet even the most optimistic of those interviewed are resigned to modest sales this year.

Inventory. A large accumulation of unsold new houses, coupled with a slow rate of sales, prompted the Commerce Dept. to declare a 12-month standing inventory in April. The actual stock—359,000 new houses—is not unusual, but at the current extremely low sea-

➔ 12



GOP: Administration "precludes owning"

Administration economic policies are "precluding the possibility of homeownership for all but a select few Americans," charges a Republican party task force on housing.

This broadside accompanies a program of proposed short-term and long-term actions which the government could take to aid the industry. NAHB President Merrill Butler was quick to endorse the program, presented in Washington by Bill Brock, chairman of the Republican National Committee, and 13 members of Congress, including minority leaders Sen. Howard Baker (Tenn.) and Rep. John J. Rhodes (Ohio).

Short-term proposals. For immediate legislative aid, the task force suggests:

- "Relatively light" restrictions on tax-free revenue bonds, and no restrictions at all until "the underlying cause of the growing use of these bonds is addressed."

- Rejection of the Carter proposal to withhold federal taxes on interest and dividends, the effect of which "is to add yet another disincentive for sav-

- Revision of the Sec. 235 program to encourage homeownership among low- and moderate-income groups, so as to stimulate construction of 100,000 additional new houses.

Long-term proposals. Housing can best be helped in the long haul by actions to attack "the lack of savings in the economy," the task force says.

It explains that today's tax provisions discourage saving because interest income is piggybacked on salary income and taxed at the same rate or higher. So it offers these two proposals to make saving more attractive:

- A separate tax schedule for interest income, combined with a maximum 50% rate on interest income. This would cut in half the average taxpayer's tax on interest, says the task force, and "shift money out of tax loopholes and into real 'productive' job-producing investments."

- A "housing and education savings account" tax incentive, as provided for in a bill recently introduced by Sen. Robert J. Dole (R-Kan.). Up to \$1,500 (or \$3,000 for married couples filing jointly) would be tax-deductible, if the money were set aside for a first-house down payment.

Investment gains would not be taxed; nor would the accumulated funds when distributed, if used for a

down payment as specified. The investment gains would be considered as capital gains on the eventual sale of the house, however.

The bill also allows a similar account for education expenses.

The task force criticizes the confusion of current federal housing assistance programs and advocates replacing them with a blanket program of housing assistance block grants. In addition, it supports streamlining present regulation of the industry—citing BEPS as an example of bureaucratic overkill—and recommends flexibility for the FHA-insured loan rate.

—HERBERT CHESHIRE,
McGraw-Hill World News,
Washington

Withholding tax support is withheld

A Carter Administration proposal to withhold taxes on interest and dividends—strongly opposed by housing interests—has lost momentum in Congress and is likely going nowhere.

A Senate resolution denouncing it passed comfortably, indicating little support. There is strong opposition in the House as well.

—H.C.

11 low rates

sonally adjusted sales rate, it would take approximately 12 months to sell that many homes.

However, the April figure is down slightly from the March inventory count of 381,000.

One reason for stagnant inventory is that rates haven't fallen enough. Says builder Jim Ghielmetti, in San Francisco, "With rates at 12½% to 12¾%, there is still a large segment of market that doesn't qualify."

Ghielmetti, president of Shapell Industries of Northern California, says sales "have picked up, but slowly" since the rate tumble started, and traffic has increased 10% to 15%. However, he notes, traffic's only two-thirds of what it was a year ago.

'Negative sales.' More dramatic was the turnaround experienced by the Development Corp. of America, Hollywood, Fla. Marketing Director Susan Highsmith says that in the last week of May DCA had 50 sales—after "we had several weeks of negative sales in April

and early May." That is, more cancellations than closings.

In Chicago, Maurice Wallack, senior vice president, United Development



DCA's Highsmith
'Sudden turnaround
in sales'



Superior's Pugh
'Some buyers are
still waiting'

Co., minces no words. Sales are "lousy, very lousy," although "we've had a few deals," he says. Most buyers are those who need to buy, rather than move-ups, he says. One aid: a graduated payment mortgage, starting at 9.6% and reaching 12.9% in five years.

Houston's Superior Homes is now selling between 50 and 60 houses a month, says Julian Pugh, vice president, marketing and sales, but that's few compared to the year-earlier monthly rate of 180 to 200.

Still lower rates. Pugh sees some potential buyers holding off because they expect rates to fall further. He's not so sure they will.

In Orange County, Calif., Gordon Youde is anticipating some decline. The marketing vice president of Broadmoor Homes says he is planning his near-term market strategy on 11% money.

Why? Because Broadmoor—which is selling more than a house a week in the \$300,000-\$500,000 range—has been getting the message that now that money is available for lending, demand for loans is slackening a bit.

"Lenders are starting to call us," muses Youde, "and they say, 'Can we write you a commitment?'"

—DAVID GARFINKEL

1980 housing bills: a few industry gains

The housing bills reported out of House and Senate Banking Committees—which may well become law this month—offer modest stimulus to the industry.

Key parts: an expanded Sec. 235 program, a revived Brooke-Cranston program, and an updated FHA limit that jibes with today's house prices. These measures broaden the base of eligibility for federal housing aid to include more middle-income buyers.

NAHB generally supports House and Senate versions. Says James Schuyler, staff vice president for governmental affairs, "It looks like they recognized the dire straits of the builders."

Quick consensus. While the versions of the bill are different, they are enough alike to suggest that House and Senate conferees can work out a relatively speedy compromise.

One similarity: bills from both houses raise mortgage limits by 25% in their reestablishment of the Sec. 235 program, which should aid low- and moderate-income buyers.

However, a committee report accompanying the House version notes that countercyclical federal housing aid such as Sec. 235 should be targeted mostly to low-income groups.

Brooke-Cranston. Both committees also revised and updated the so-called Brooke-Cranston tandem program. This gives the HUD secretary discretionary authority to buy mortgages at below-market rates.

The House version upgrades the mortgage limit to \$60,000 (or \$67,500 in high-cost areas) and lets HUD pay up to 105% of those limits for the mortgages. It also deletes the fixed 7.5% rate in favor of a flexible rate.

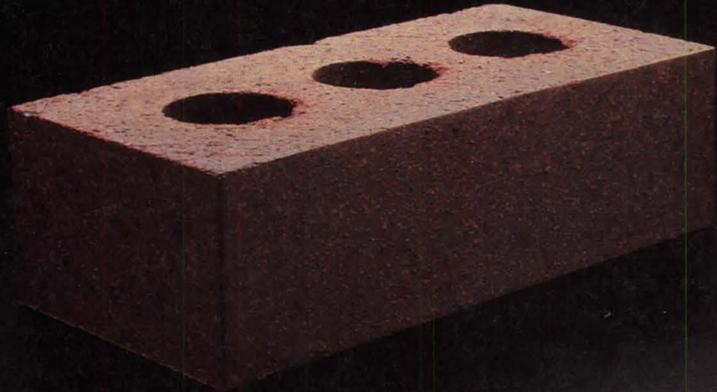
FHA limit disagreement. House and Senate versions differ on mortgage limits for FHA homes. The House committee wants to increase the maximum insurable from \$67,500 to \$75,000.

The Senate committee, however, would establish a flexible top limit "to reflect local market conditions more accurately." Its version: \$67,500 or 95% of the area's median sale price, whichever is greater.

The committee's rationale: In low-priced markets, a large proportion of buyers could benefit with the \$67,500 limit; but in more expensive areas, only a few could.

—WILLIAM D. HICKMAN
McGraw-Hill World News,
Washington

WHAT'S THE MOST NATURAL WAY TO SAVE ENERGY?



Brick passive solar heating is a natural solution to your problems in today's chilly housing market. In fact, it's almost like giving the home buyer something for nothing: No extra mechanical equipment is needed, just the proper placement of brick to collect the sun's rays to provide free warmth in winter. Because today's home buyers demand energy efficiency, naturally, your passive solar building plans demand brick. Trust Brick.

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AIA may be the only friend BEPS has left

Mounting opposition to the proposed federal Building Energy Performance Standards (BEPS) [HOUSING, May] has convinced even their creator, the Department of Energy, to favor a six-month implementation push-back and possibly some substantial modifications.

But the proposed standards have one staunch ally among the building interests: the American Institute of Architects (AIA).

In concert with consumer, citizen and labor organizations, the AIA sees BEPS favorably as "a consumer issue, not a pocketbook issue for architects," says AIA Executive Vice President David Olan Meeker Jr.

To emphasize its support, the AIA spent \$15,435 in May to place a full-page ad in *The Washington Post* (right). The ad praises BEPS and urges Congress to keep the original August 1981 implementation date.

Position scorned. Says Donald L. Carr, NAHB director of technical services, "We don't think the AIA under-

IS CONGRESS ABOUT TO TAKE A GIANT STEP BACKWARD ON ENERGY CONSERVATION?

In 1976, with the firm support of The American Institute of Architects, Congress passed a law requiring the federal government to develop energy conservation performance standards... BEPS... on new buildings.

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1735 New York Avenue, N.W., Washington, D.C. 20004

stands what it is for. Certainly the position from AIA headquarters does not represent the position of residential architects we talk to."

The NAHB's official stance contrasts

strongly with the AIA's. The builders call BEPS "untested, unsubstantiated and uneconomical."

Increasingly hostile criticism of BEPS appears to be paying off, at least for the time being, for the NAHB and a wide range of other lobbyists. It seems likely that the original timetable will be rolled back at least six months.

One sign: provisions in housing bills approved by both the House and Senate Banking Committees [HOUSING, June] pushing back the schedules by nearly two years.

Congressional caution. The House panel supports the delay because industry complaints about the standards have "raised a myriad of technical and practical issues that cannot be adequately resolved within the time limit prescribed by existing law."

The Senate committee agrees, adding it expects final standards to include "a practical guidebook for architects, designers and builders so the standards can be readily used." —W.H.

Foam insulation warning wanted by CPSC

Remodelers take note: urea-formaldehyde foam insulation may soon carry with it a formidable warning if the U.S. Consumer Product Safety Commission (CPSC) has its way.

That agency would like all installers of U-F foam to include a large printed warning on sales contracts about possible health hazards of insulation.

A pocketbook issue may make U-F foam less attractive to consumers, too. The CPSC and Congress have warned the Department of Energy (DOE) to carefully consider accepting the insulation for energy conservation tax credits—or generally approve it at all—because of health considerations.

Suspected formaldehyde gas. The cause of the stir is some 1,000 consumer complaints about the insulation received by the CPSC.

These complaints may be linked to the gradual release of formaldehyde gas after the U-F foam has been installed, the CPSC says.

Exposure effects. The warning the CPSC would like to have printed on sales contracts: "Formaldehyde gas may cause eye, nose and throat irritation, coughing, shortness of breath, skin irritation, nausea, headaches and

dizziness. People with respiratory problems or allergies may suffer more serious reactions, especially persons allergic to formaldehyde." It also says that symptoms may not appear until months after installation.

Manufacturers take issue with the way the CPSC is handling the situation. In 1977, the seven largest U-F foam manufacturers formed a trade association. They argue the CPSC has failed to distinguish between this group's self-policing efforts on the one hand, and unscrupulous operators on the other.

Extent of use. U-F foam is seldom used in new homes, so the requirement—if adopted—would mainly affect remodeling. Now about 500,000 houses are insulated with U-F foam, and the CPSC projects 60,000 to 80,000

more will be by year-end.

The CPSC has begun a 60-day comment period, to end in mid-August, when a final decision will be made as to whether to issue the regulation.

DOE is considering regulation of U-F foam in a separate action. Last December, DOE proposed standards for manufacturers and installers covering application and product testing. The purpose was, first, to insure that the foam met insulation criteria and, second, to provide for training, testing and certification of installers. Final decisions are due soon; the current health questions have made full DOE acceptance less than a sure bet.

—VICKY CAHAN,
McGraw-Hill World News,
Washington

Already banned in Boston

Last November, the state Health Department banned use of urea formaldehyde foam insulation in Massachusetts. Trade groups have challenged the decision in court, and there are proposals in the legislature to overturn it.

Other state actions: In Connecticut, the state Attorney General's office and major manufacturers have agreed to a system of resolving complaints. And in New York, there must be a notice to homeowners about health hazards. —V.C.

ENERGY BRIEFS

The largest solar tax break in the country is claimed by Colorado, following Gov. Richard Lamm's signing of legislation granting a 30% tax credit for installing solar, wind and geothermal home energy systems.

The new credit is in addition to the federal 40% credit. A state energy official said that although the percentage tax credit is less than Arizona's or Michigan's, Colorado allows a maximum \$3,500 credit—compared to \$1,000 in the other two states.

Stephen L. Hosmer, president of a solar trade group, said the new credit could double industry sales in the next year or two. After all available tax savings, he said, a Colorado resident purchasing a domestic hot water heating system for \$3,000 would have a net cost of \$900.

Two savings provisions already in effect: exemption from state sales tax on the cost of such a system, and exemption from property taxes on the system until 1990.

Besides benefiting homeowners, the new law provides a 30% tax credit to businesses for solar and wind energy installations and 10% for other alternative energy sources.

Passive solar design may be required by the Farmers Home Administration (FmHA) in homes built under its programs, if proposed regulations go through.

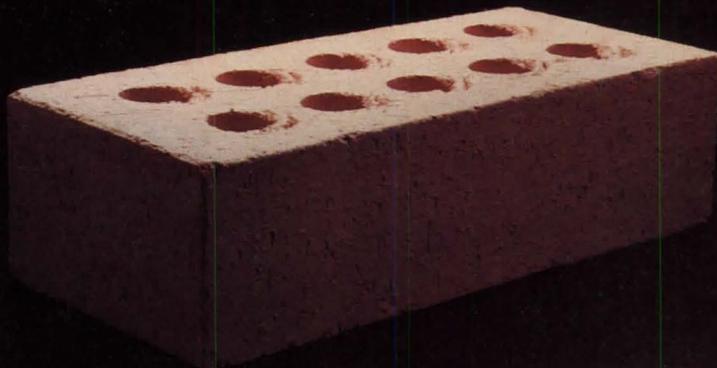
The FmHA is proposing minimum passive design features as part of its responsibilities for saving petroleum and natural gas.

The proposed regulations, in the May 7, 1980 *Federal Register*, cover minimum south-facing glazing areas, and provide suggestions on how to compute energy savings.

A low-cost, organic solar cell has been developed in prototype form by researchers at the University of Western Ontario, London. Canadian scientists said the new cell imitates in part the natural process of photosynthesis, which plants use to store the sun's energy.

Researcher James R. Bolton said he expects solar cells to be developed later to be as efficient as silicon cells, the most widely used kind now. Because of their lower cost, enough organic cells to provide electricity for a house could run between \$1,000 and \$2,000—compared to \$40,000 to \$50,000 for state-of-the-art silicon cells.

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'79 purchases averaged \$550 a month

Last year, more than half of the buyers of new and existing homes relied on two incomes to qualify for their purchases. In addition, nearly half spent more than the traditional 25% of family income to make typical house payments of \$550 a month, says the U.S. League of Savings Associations.

That's based on a survey of 14,000 mortgages made in 1979, by 350 associations in 20 metropolitan areas. Some other findings: Nearly one-quarter of buyers were single; more than one out of ten homes purchased were condominiums; and slightly more than one-sixth of purchasers were first-time buyers.

The monthly payment is defined in the survey as principal, interest, taxes and insurance plus utility costs.

Wide range. Typical costs varied greatly depending on the part of the country and the size of the metro area.

Some highlights:

- San Francisco was most expensive, averaging \$925 a month. Next was Los Angeles—\$765—followed by Washington, D.C., \$752. Least expensive: Pittsburgh, \$462 (see chart, right).

- Large cities (population more than 1.5 million) were most expensive, at \$617 a month on average. Medium cities (250,000—1.5 million) averaged \$519; small cities (less than 250,000) were least costly at \$470.

- Homes in the West, at \$675 a month, were the most expensive of any region's. Next came northeastern homes at \$521, edging out homes in the north central region, which averaged \$520 a month. Least expensive: homes in the South, at \$506.

Condo increase. Regional variations were strong in the percentage of condominiums purchased. Washington, D.C. and Denver led the country with 45.3% and 43.4%, respectively.

At the other end of the scale: Peoria, Ill. Condos didn't play well there, accounting for only 0.4% of purchases. Nationally, 11% of buyers bought condos.

Single persons accounted for a significant share of homes bought in 1979, the survey

shows. Denver was tops with 43.9%; Washington, D.C. close behind with 40.8%.

Hartford, Conn. and the New York area tied for fewest single purchasers: 14.8% apiece. Nationally, 22.4% of homes were bought by singles last year.

First-timers. One disturbing note: The survey showed a 50% decline since 1977 in the percentage of first-time buyers. In 1977, 36% were first-timers; in 1979, only 18% were.

"Not all homebuyers were equally affected by inflation," the survey report states. "Its heavy hand fell hardest on the first-time home buyer. That is, inflation significantly reduced

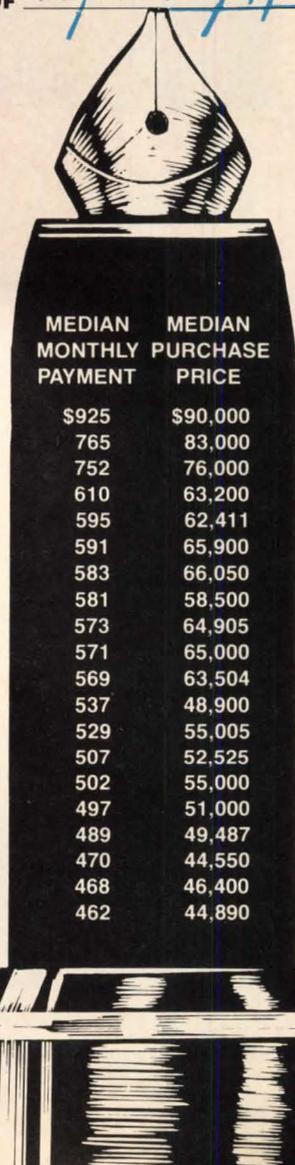
the percentage of first-time home buyers in 1979 housing markets, although it did not greatly affect the ability of repurchasers to buy homes."

Larger income portion. One way first-time buyers coped was by breaking the old rule of thumb of allotting one-quarter of monthly gross income to housing payments.

First-time buyers exceeded that amount in 45.1% of the purchases. And 65.5% depended on a second income to be able to afford the house payments.

Overall, 1979 homebuyers used a second income 53.9% of the time for payments, and exceeded the one-quarter limit of total household income

PAY TO THE ORDER OF *Monthly House Payments*



METRO AREA	MEDIAN MONTHLY PAYMENT	MEDIAN PURCHASE PRICE
San Francisco	\$925	\$90,000
Los Angeles	765	83,000
Washington, DC	752	76,000
Minneapolis	610	63,200
Atlanta	595	62,411
Chicago	591	65,900
Hartford, Conn.	583	66,050
Portland, Ore.	581	58,500
Milwaukee	573	64,905
New York	571	65,000
Denver	569	63,504
Detroit	537	48,900
Columbus, Ohio	529	55,005
Burlington, Vt.	507	52,525
St. Louis	502	55,000
Baltimore	497	51,000
Peoria, Ill.	489	49,487
Portland, Maine	470	44,550
Philadelphia	468	46,400
Pittsburgh	462	44,890

45.7% of the time.

Suggested policies. The League survey came to these conclusions about buyers:

- First-time buyers will benefit from increased emphasis on alternative mortgage instruments, such as graduated payment mortgages.

- All buyers will profit from steps leading to a constant supply of mortgage credit—but especially aided will be first-timers, since they are the first to get squeezed out in a crunch.

- Special tax incentives will help first-timers and insure a continued credit supply. In other words, a tax-free savings account to accumulate down payments will make it easier to buy a first home, and improve S&L liquidity as well.

In terms of national housing policy, the League drew these conclusions:

- The nation must increase its efforts to preserve and rehabilitate the existing housing stock.

- The nation must recognize that condominiums are viable as a first home purchase, while giving "due consideration to renters who may be displaced" when their apartments are converted to condominiums.

- The Congress must pass legislation to "recognize and preserve the vital economic function served by specialized mortgage lenders." —D.G.

Source: U.S. League of Savings Associations

MONEY BRIEFS

Conventional mortgage rates fell a record 0.87 percentage points in a month-long period ending in early May, the Federal Home Loan Bank Board reported. The prevailing rate in early May was 15.72%, which shows how fast rates have continued to drop since then. The one-month drop of nearly one point was the largest the FHLBB has measured since it began recording commitment rates in 1973.

State housing lending is again growing in popularity, even while Congress remains mysterious as to its intentions on how—or if—it will permit tax-free revenue bonds to finance mortgages.

Meanwhile, in New England:

●Massachusetts' Home Mortgage Finance Agency has available about \$70 million for 10 $\frac{1}{8}$ % mortgages to low- and moderate-income buyers. The money comes from a tax-exempt bond sale in May.

●Maine's State Housing Authority has allocated \$26.5 million to 16 banks statewide for 10 $\frac{3}{4}$ % mortgages to low- and middle-income buyers. The Authority said it is working on its next bond issue, which may also be aimed at multifamily purchasers.

●New Hampshire's Housing Finance Agency is planning to issue \$60 million in bonds to finance \$51 million in mortgages at 8 $\frac{1}{8}$ %. The other \$9 million will be kept in reserve.

In the South, Mississippi wants to get into the act. Governor William Winter has signed a bill to issue \$150 million in tax-exempt revenue bonds by creating the Mississippi Housing Finance Corp. Winter estimated some 4,000 to 5,000 additional homes could be built in the state as a result of the funds generated.

AMIs such as FLIP, GPMS and RRMS confuse some builders, so you can imagine how buyers must feel. (AMIs are alternative mortgage instruments, or nonconventional end loans.) United Development Co. was sympathetic, and along with the Chicago Assn. of Commerce and Industry and the Society of Loan Underwriters, set up a telephone hot line to answer buyers' questions.

Called "Home Finance Answerline," it is "one good way to build consumer confidence in home buying," according to Virgil W. Owings, United Development president.

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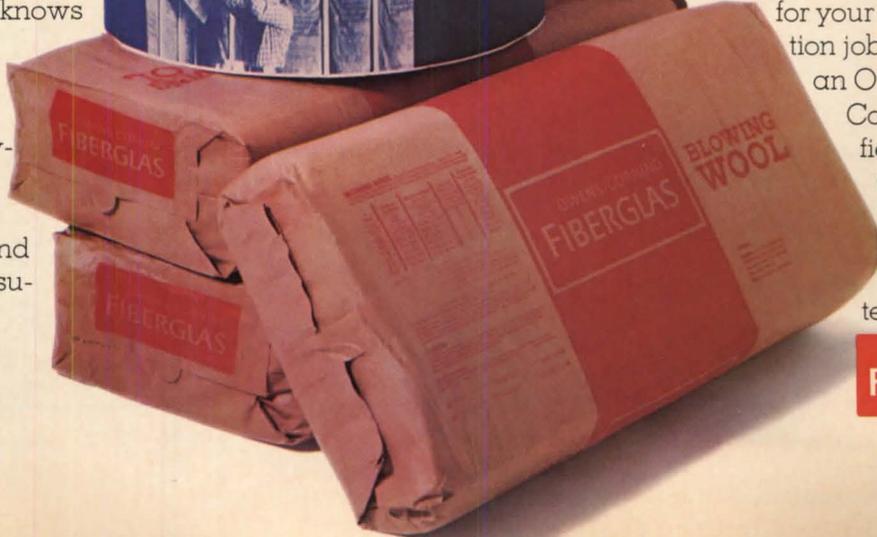
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THE COURTS

Tax court erases write-off

A recent U.S. Tax Court ruling upholds an IRS refusal to allow component depreciation of improvements made before a building was bought.

In 1973, the IRS lifted its ban on component depreciation of an established building, after such a building is purchased. (Component depreciation means depreciating parts separately from the building itself—often a tax-saving device.) Louis and Ruth Fieland, in Nassau County, N.Y., tried to claim a mass depreciation of 35 items at a much faster rate than the 40-year life allowed for the building, but Judge Arnold Raum ruled the 1973 change was "strictly limited" and did not apply to the Fielands.

Requested improvements. The owners listed 35 improvements, ranging from a roof repair to an air conditioning/sprinkler system installation, all of which were done months before they purchased the building. Total cost: \$395,000, about 40% of the total purchase price.

Component depreciation, rules Raum, is generally for:

- Landowners who build on their own property, or
- Landowners who add improvements to an existing building they already own.

Specific values. Raum reiterates the 1964 Tax Court decision that "buyers of used real property ordinarily purchase a unified structure, not individual assets," and thus it is impossible to determine precisely what the buyer paid for the individual used components.

The IRS' 1973 relaxation was only a small move, says Raum, to allow component depreciation of an established building which is bought. It is subject to these requirements: First, the cost of property which makes up each component must be based on its value and useful life when costs are assigned for accounting purposes. Second, the cost must be based on the condition of the components when they are acquired. This has been done in the cases testing the rule so far, he says.

Lump ineligible. In contrast, the Fielands "simply lumped all the improvements together." Even to begin to qualify for the component depreciation, Raum rules, the value of each of the 35 items should have been stated. Because this wasn't done, the IRS refusal was upheld.

But Raum hints that even if the Fielands divided up the \$395,000 as required, component depreciation still might not be allowed. Why? Because, says the judge, much of the money went for work that was "merely ordinary or deferred maintenance."

Zoning. In a separate case, the U.S. Supreme Court stands firm that restrictive zoning is not necessarily an unconstitutional seizure of property, something that the Fifth Amendment prohibits.

In a unanimous ruling, the Court upholds cities' zoning powers, as it did in a zoning ruling 54 years ago. The current case was brought by owners of five choice acres in Tiburon, near San Francisco.

They objected to regulations, imposed after they bought the land, that limit building to single-family houses on minimum one-acre lots and require substantial environmental planning. However, the justices say the many reasons the city gave for the zoning rules justify the statute, and that the landowners' case is hurt by the fact that they did not even submit a development plan to the authorities.

—DANIEL B. MOSKOWITZ
McGraw-Hill World News,
Washington



MAY 1, 1980



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PHOTOS: GARY GRAF

The fastest house in the West

Why would anyone work around the clock to build a \$135,000, 2,550-sq.-ft. house in 21 days? And in the rain, at that?

Denver builder Dave Mandarich and developer Vern Purdy wanted to stage "a return to positive thinking for the nation's housing industry," so they built a house in three weeks to send the nation a message that housing is alive and kicking. They called their project "Operation America."

The high-speed house was built conventionally, but with a number of special advantages, including:

- A 24-hour-a-day construction schedule
- Building inspectors available 24 hours a day
- Crews also available 24 hours a day for utility hookups.

Normal costs, tight schedules.

Hard costs came to \$52 a sq. ft. plus \$26,000 for the 90' x 120' lot. All subs used three crews, so there were no overtime charges.

The \$52-a-sq.-ft. construction cost is "normal" for a house of this kind in Denver, according to Mandarich.

A highly motivated and coordinated labor force was crucial to the stepped-up schedule. For example, the shell was built in 96 rain-soaked hours. Bright quartz lamps were used at night, and framing sub Al Schuelke protected his crew from shocks by wrapping electrical connections in tape.

"Everybody worked eight-hour shifts," says Schuelke, "and the other subs were right behind us—once we laid the subfloor, the plumbers came over and began installing their pipe within minutes."

Luxury amenities. Days later, the house that emerged had amenities such as:

- A wood parquet entry, put down unfinished and completed on site
- Double oven (including a microwave), indoor grill and dishwasher in the kitchen

- Custom cabinets, bookshelves and wet bar in the family room, with a skylight and individually installed tongue-and-groove aspen paneling

- An all-brick fireplace with 13½-ft. raised hearth

- Ceramic tile in upstairs and master baths.

Energy-saving features included water-saving toilets, double-glazed windows and skylights, and heavy insulation.

By preselling the house on the first day of construction, the builder saved \$5,000 in front-end points and interest on a construction draw that never had to be used.

Cash from the purchaser's loan was used to pay major construction bills, and cash flow from other projects paid for other expenses.

The operation was a success, says Mandarich: "One of the nicest things about this was the positive impact we made. Besides saturation press coverage, we got a few unsolicited letters from local builders, praising us for giving the industry something upbeat to think about."

—TOM READ

Clip rent control? California votes 'no!'

Proposition 10—a ballot initiative supported by building interests to limit rent control—was soundly defeated by California voters last month. It had been touted as a step toward revitalizing the ailing multifamily industry in the state.

Its origin: the proliferation of rent-control laws enacted in the wake of tax-slashing Proposition 13. These laws were passed because of political pressure from renters, who charged that property tax savings gained by apartment owners were not being passed along.

A coalition called Californians for Fair Rents (CFR) sponsored Proposition 10, a state constitutional amendment that would have placed severe restrictions on rent control.

The coalition included the state Building Industry Assn. (BIA), the state Building and Construction Trades Council AFL-CIO, the California Apartment Assn. and other industry groups.

Big bucks. CFR spent close to \$7 million to qualify Proposition 10 for

the ballot and then campaign for its passage, according to reports filed with the state.

Much of the money was used to buy television and radio commercials, which asserted that a "yes" vote would help relieve a statewide shortage of rentals (in San Diego, for example, the vacancy rate is only 1.75%).

But CFR ads were no match for the opposition which, under federal Fairness Doctrine guidelines, gained free access to the airwaves. Actors Jack Lemmon and Henry Fonda told TV viewers that the supporters of the initiative were "big landlords and real estate speculators." In one anti-10 commercial, Fonda simply said, "You know what—it's a big fraud."

Against the proposal were mostly tenant, senior citizen and low-income groups. Governor Edmund G. Brown Jr., actress Jane Fonda and consumer activist Ralph Nader were also among the opponents.

Widespread controls. Rent control ordinances now in effect in California cover almost 1 million residents

in nine cities, one county and ten mobile home parks. They are almost identical, limiting increases to 7% or 8% a year. A few ordinances exclude single-family units and duplexes.

Statewide, rental vacancy is 2.9%, according to the state Department of Housing and Community Development. That agency recorded 70,000 units built in 1979, and projects 58,000 in 1980.

Lower projection. But Robert Rivinius, executive vice president of the state BIA, contends a more realistic projection for multifamily this year would be 25,000 new units.

Shirley Stephenson, economist for Security Pacific National Bank in Los Angeles, comments that the industry cannot help but feel disappointed by the defeat at a time when "we need programs to stimulate affordable housing. Nobody knows how much it would have stimulated building, but most investors don't like to contend with rent control," she says. —TOM ARDEN

McGraw-Hill World News,
Sacramento

Duo-Fast can put power and light in your hands.

The Duo-Fast CN-325 is a powerful heavy-duty nailer that makes light work of framing, flooring, and other tough construction jobs. Since it weighs only 8½ pounds, the CN-325 glides smoothly through on-site and in-plant assemblies with one-hand operation. And its compact design gives you greater maneuverability, so it'll fit easily into hard-to-reach areas.

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Ehrling moves up to the top at GDC

Robert F. Ehrling becomes president and chief executive officer of **General Development Corp.** (Miami), thus making a second move up the **GDV Inc.** (New York) ladder in five months.

Ehrling—most recently executive vice president, and before, senior vice president/marketing—succeeds William R. Avella, who accepted the post of president and chief executive officer of **Servomation Corp.** (New York), also a GDV subsidiary, specializing in food services.

Avella, however, keeps some control over GDC with his additional new responsibility as chairman.

Also moving from GDC to Servomation is George V. Flagg. Flagg was vice president/finance, but becomes executive vice president and chief financial officer of the food service. Harold W. Fenno—vice president and controller at GDC—steps into Flagg's shoes.

Eric A. Traub is appointed president/commercial properties division of GDC. He remains senior vice president with the corporation.

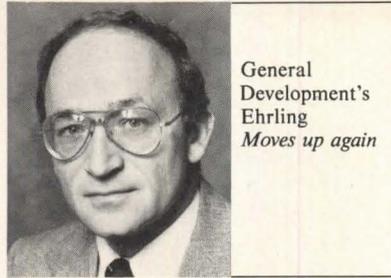
BUILDERS/DEVELOPERS: Paul N. Byrnes is appointed director of planning and engineering for **Marlborough Development Corp.** (Los Angeles). He was director of engineering for **Lewis Homes** in Upland, Calif.

General Homes Consolidated Companies Inc. (Houston) names David Evans as general manager of Lanplan, a land and street planning subsidiary. Evans was a planning consultant for **McIntyre, Evans and Associates**, a publishing and economic planning firm based in Houston.

Rod Gilliland is appointed vice president and corporate director of sales and marketing, a newly created position at **Ponderosa Homes** (Irvine, Calif.). Previously, Gilliland served as director of sales for the Irvine division of Ponderosa.

John Van der Zee assumes the duties of president and chief operating officer of **The Gersten Companies** (Los Angeles). He retires as executive vice president of **United California Bank** (Los Angeles).

At **Daon Corp.** (Newport Beach, Calif.), Thomas J. Rielly moves from vice president to executive vice president. In addition to his old responsibilities—acquisition of condominium properties—*Rielly* becomes involved in operations.



General Development's Ehrling Moves up again

Patrick Wiseman becomes assistant controller for the Newport Beach-based **Genstar Pacific Investments** (formerly **Genstar Housing Partners**).

He was senior auditor with **Coopers and Lybrand** (Newport Beach).

Howard A. Siegel forms **Continental American Capital Group** (Newport Beach) in conjunction with **Continental Properties Ltd.** (San Diego). Siegel, who was previously vice chairman of **Far West Financial Corp.** (Newport Beach), gears the new company to providing equity capital, interim and take-out financing for real estate projects.

Died: Richard B. Pollman, former president of **Homes Planners Inc.** (Farmington Hills, Mich.). —E.Z.G.

Houston, Meyer fill in at NKCA

Following the April death of Executive Vice President James L. Dooley, the **National Kitchen Cabinet Assn.** appoints Matt W. Houston and Robert J. Meyer as interim co-directors.

Previously, Houston was government relations director, and Meyer was manager of the Standards and Certification program.

In other NKCA business, members elect the 1980-81 officers: President—William F. Brandt Jr., chairman of the board and president of **American Woodmark Corp.** (Berryville, Va.); Vice President—K.H. Clarry, vice president/marketing for **Cabinet Group-The Tappan Co.** (Richmond, Ind.); and Treasurer—John P. Edl, general manager of **Yorktowne**, a division of **The Wickes Corp.** (Red Lion, Pa.).

The new directors are: Paul Abodeley, general manager, **International Paper, Cabinet Division** (Longview, Wash.); Gordon P. Connor, president of **Connor Forest Industries** (Wausau, Wis.); Glenn Illig, chairman of the board for **Prestige Products Inc., Cabinet Division** (Neodesha, Kans.); Richard D. Merillat, executive vice

president of **Merillat Industries Inc.** (Adrian, Mich.), Clarry and Edl. Paul E. Leary, manager of corporate marketing services at **Reliance Universal Inc.** (Louisville, Ky.), is an associate member director.

LENDERS: The board of directors of **Wachovia Corp.** (Winston-Salem, N.C.) promotes two employees of its subsidiary, **Wachovia Mortgage Co.** Gregory V. Brock moves to assistant vice president in the Pensacola, Fla. residential office where he was manager. John G. Seastrunk is elected assistant vice president in the Columbia, S.C. residential office where he was manager.

H. Daniel Pincus is appointed president of **Berkeley Financial Corp.** (Short Hills, N.J.), a subsidiary of **Berkeley Federal Savings and Loan Assn.** Pincus was operations vice president for **Countrywide Development Corp.** in Red Bank, N.J.

F&M Savings Bank of Minneapolis forms **F&M Mortgage Corp.**, a residential and income mortgage banking service subsidiary. Miles C. Babcock, senior vice president of F&M Savings, is president of the new sub. —E.Z.G.



NKCA's new officers are (left to right) K.H. Clarry, vice president; William F. Brandt Jr. president; and John P. Edl, treasurer.

Builders stalled until sales return

"We've got half a dozen tracts with foundations poured where we just stopped building in February," said the builder at the NAHB spring board meeting in Washington.

"I don't think builders in California—or elsewhere—will start again until they're sure they can sell what they build."

That builder happened to be NAHB President Merrill Butler of Irvine, Calif. But he could have been one of any number at the meeting who have put their businesses on hold until prospects improve.

Reduced crews. "I had seven men on the payroll a year ago," said Andris Ronis of Saginaw, Mich. "I have one carpenter now, and I don't know what I can do to keep him working."

"I just reroofed a house for somebody, a job I wouldn't normally do. Meanwhile, I'm paying \$1,400 a month to carry two properties and I'm offering all kinds of deals. But no one's taking."

Mark Tipton, a Greenville, N.C.

builder, has had a 40% decline in his single-family business so far this year.

Tipton—who usually builds more than 100 single-family houses a year—is now concentrating on light commercial projects and subsidized multifamily.

"We're fortunate to be big enough to do this," he said. "But many North Carolina builders put up 10 houses a year or less. Our industry can't continue to be used as a whipping boy for the economy."

'Tough year.' NAHB's Butler presented a gloomy outlook for housing in 1980: "The rebound in production won't come until late this year—at the earliest. It's going to be an extremely tough year for our industry."

Butler also said:

- The housing-related unemployment this year—including lumber-mill layoffs—will total 1.6 million.

- Residential construction unemployment, which will peak in October, will reach 25%.

- The "real victim" of the current

housing recession is the homebuyer.

Roller-coaster economy. Federal Home Loan Bank Board Chairman Jay Janis—himself a former builder—told the NAHB meeting that while the industry should not "expect preferential treatment," neither should it "bear the brunt of every economic downturn."

Janis warned builders that the demographics of 1980 homebuyers will cause housing cycles to occur more often. Down periods will become more punishing, he said, unless basic policies are changed.

Some policies Janis suggested:

- Using selective credit regulation, on a spot basis, to smooth out the bumps of the cycle.

- Reactivating an interest rate differential for S&LS—now slated for elimination—whenever housing falls off "by a critical factor."

- Creating tax incentives for savers, either by exempting certain interest from taxation or by permitting tax-deferred savings instruments. —D.G.

Lobbying: It happens every spring

Congressman Bob Carr (D-Mich.) listened patiently in his office as builders from his East Lansing district told him their troubles. Then he responded, "I wouldn't buy a house right now."

Later the Michigan builders grumbled that this was the last thing they needed to hear during their lobbying efforts.

However, in the office of Rep. Walter B. Jones (D-N.C.), sympathy—though spiced with sarcasm—was the order of the day.

"I'm well aware of the economic gloom with which you find yourselves surrounded," Jones told builders, "and, within certain limits, I will vote to help bail you out."

Luncheons and LAs. When organized builders meet every spring in Washington, they both formulate their own (NAHB) policy and try to influence their elected policymakers on Capitol Hill.

"It's our top priority, really. Traditionally, this is when we visit our legis-



Rep. Richardson Preyer (D-N.C.) speaks with builder/lobbyists from the NAHB during their spring meeting.

lators and tell them our needs and concerns," said Andris Ronis, president of the Michigan Home Builders Assn.

This year major requests included passage of House and Senate versions of the housing bill; removal of restrictions on tax-free revenue bonds; and tax exemptions to stimulate savings.

Builders meet legislators at large luncheons, and in smaller meetings in Congressional offices. Rarely do all members of Congress show up at the luncheons; often they send their legislative assistants (LAs) instead.

In the office. In the smaller meet-

ings, builders ask for specific votes on specific issues, but are not always given a specific answer.

North Carolina Home Builders Assn. President Mark Tipton said the most effective lobbying for his group takes place at breakfast meetings during representatives' home visits.

Indeed, politics is a subtle art. Rep. Carr, though he might not buy a house now, did take the time to stack a bunch of foot-length 2×4s in an office corner. Builders had sent him these months earlier, inscribed with the message that they—and their employees—were out of work. —D.G.

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Rigid vinyl trim strips. ¾" face dimension by 12' and 1¾" face dimension by 6'5." White and Terratone.

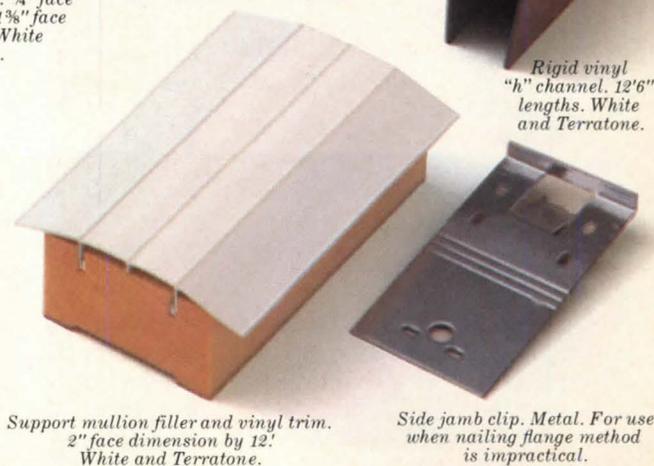
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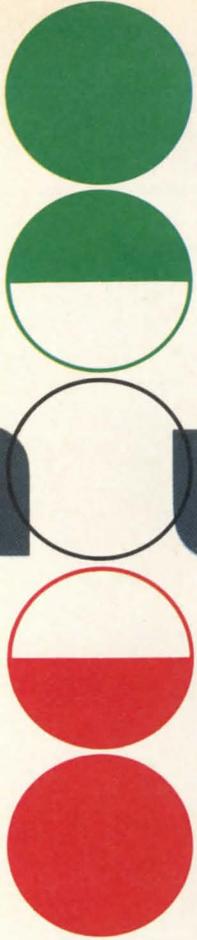
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housing demand index[®] Third quarter, 1980

The nation's housing markets appear to be on a roller coaster ride, as local economies respond to the ups and downs of national fiscal and monetary policy.

In contrast to last quarter's pessimistic forecast, the current housing demand index shows an upward trend: 42 markets move up, while only 22 decline.

"Last quarter's decline was so sharp that a reversal was unexpected," says Al Gobar, the California-based market analyst who masterminds the index. "The underlying buoyancy of many local economies, coupled with extreme shortages of housing, have caused a turnaround."

The improvement may be ephemeral, however.

Current readings indicate a better sales climate this fall, but in early '81, according to Gobar, we may see another plunge—a characteristically delayed reaction to current business cutbacks.

Builders in Ohio, Michigan and New York may not even have that Indian Summer of a sales season. Warning lights are already flashing for cities hitched to the auto industry, such as Flint, Mich., and for those with heavy manufacturing employment, such as Cincinnati, Ohio

and Buffalo, N.Y.

Housing sales are most likely in the South, which is on the rise again after a brief fall into disfavor last quarter. Birmingham, Ala., Little Rock, Ark. and Shreveport, La. all get an excellent rating. Tulsa, Okla. offers opportunities for builders, too. And Oklahoma City and Wichita, Kans. remain perennial favorites.

Other markets with high ratings—indicating unmet demand for shelter—will present more of a challenge. In many California cities—San Diego and San Francisco, for instance—prices have skyrocketed beyond the reach of potential homebuyers. The same malady threatens Denver, Las Vegas and Seattle. (Markets with this price/pocketbook mismatch are indicated by good ratings in the "demand by units" columns and poor ones in the "demand by purchase power" categories.)

And there's another problem which may complicate the lives of builders even in top-rated SMSAs (standard metropolitan statistical areas): diminished consumer confidence.

"Many families who want better homes and have the money to pay for them are deferring purchases," says Gobar. "They're waiting for the national economic picture to come into better focus."
—B.B.G.

How to read the index

Five symbols are used:

-  A green full circle indicates a very strong market with significant pent-up demand.
-  A green half-circle indicates a better than average situation, with demand increasing faster than supply.
-  A white circle indicates the market is in relative equilibrium—that is, supply and demand are increasing at about the same rate.
-  A red half-circle indicates a poorer than average situation, usually an overbuilt market.
-  A red full circle indicates a very poor situation that could be overbuilt by as much as two years.

Each SMSA is evaluated three ways:

1. Degree of opportunity—in effect, a summation of all factors affecting the market.
2. Demand by units—just what it says.
3. Demand by purchasing power—the relative ability of the market to pay current prices or rents.

Each of these categories is in turn divided into three sub-categories:

1. All housing in the SMSA.
2. For-sale housing—single-family detached and some mid- and high-priced condos.
3. For-rent housing—rental apartments and some low-priced condos.

To make best use of the index, keep these points in mind

- Point #1:** The chart's simplified symbols represent complex statistics, so they provide only a general picture. A builder, no matter how high his market is rated, must still analyze his own situation very carefully.
- Point #2:** The reports indicate the degree of risk in a given SMSA rather than the number of housing units that can be built there. A large SMSA with a poor rating would still support more new housing than a smaller SMSA with an excellent rating. But the relative degree of risk for the developer or lender would be much greater in the larger SMSA.
- Point #3:** The reports are projective, not historical. That is, they forecast demand 12 to 18 months ahead rather than describing the situation as it stands. An SMSA may have strong sales or low vacancies but still be a poor risk; building-permit figures may indicate imminent oversupplies. Conversely, an SMSA that looks bad on the surface today may actually be turning around and getting healthy.
- Point #4:** The reports are for the SMSA as a whole. A low-rated market may offer good opportunities for specific kinds of housing in specific locales. On the other hand, a high rating does not guarantee success for the wrong product in the wrong location.

Albuquerque's weak spot could be expensive multifamily: There's a lot of it in the pipeline—maybe too much.

Anaheim (Orange County) pulls down an excellent rating which belies this market's problems. There is an intensifying demand for housing here, to be sure, but high land costs (close to \$10 a sq. ft. for multifamily lots, according to Gobar) make it increasingly difficult to provide shelter that's affordable. Gobar reports that the few "low cost" condo projects—\$40,000 and up—are being sold lottery-style. Buyers' recession jitters and the difficulty they face qualifying for loans at high interest rates have worsened this SMSA's headaches.

Austin still looks sunny, but the rising price tags on new housing could bring on stormy weather.

Baltimore is softening. Potential homebuyers may be deferring purchases because of uncertainty about the economy, however, so that the rental sector may be performing better than its "very poor" rating indicates.

Baton Rouge seems to be bouncing back. If consumers aren't psyched out by recession anxieties, builders in this SMSA should be able to sell single-family homes soon.

Boise requires special handling. There is some evidence of selective market voids, but the key economic indicators have been eroding for almost a year. Therefore, consumer confidence is probably even weaker here than in other parts of the country where there would be less uncertainty about local economic stability.

Buffalo sinks to a "very poor" rating.

Charleston has shaken off some of the sluggishness which showed up last quarter, but there could be more trouble in store for this SMSA—namely, an indigestible amount of multifamily housing coming on market in the second and third quarters of this year.

Cincinnati is more risky now. An industrial city, this SMSA typically feels the impact of recession periods. But, Gobar says, when recovery begins it is usually strong. So long-run prospects are good.

SMSA (Market Area)

SMSA (Market Area)	DEGREE OF OPPORTUNITY			DEMAND BY UNITS			DEMAND BY PURCHASING POWER		
	ALL HOUSING	FOR SALE	FOR RENT	ALL HOUSING	FOR SALE	FOR RENT	ALL HOUSING	FOR SALE	FOR RENT
AKRON, OH	○	○	○	○	○	○	●	●	●
ALBANY, NY	○	○	○	○	○	○	○	○	○
ALBUQUERQUE, NM	●	●	○	●	●	●	○	○	○
ALLENTOWN, PA	○	○	○	○	○	○	○	○	○
ANAHEIM, CA	●	●	○	●	●	●	○	○	●
ANN ARBOR, MI	○	○	○	○	○	○	○	○	○
ATLANTA, GA	○	○	○	○	○	○	○	○	○
AUGUSTA, GA	○	○	○	○	○	○	○	○	○
AUSTIN, TX	○	○	○	○	○	○	○	○	○
BAKERSFIELD, CA	○	○	○	○	○	○	○	○	○
BALTIMORE, MD	○	○	○	○	○	○	○	○	○
BATON ROUGE, LA	○	○	○	○	○	○	○	○	○
BIRMINGHAM, AL	○	○	○	○	○	○	○	○	○
BOISE, ID	○	○	○	○	○	○	○	○	○
BUFFALO, NY	○	○	○	○	○	○	○	○	○
CANTON, OH	○	○	○	○	○	○	○	○	○
CHARLESTON, SC	○	○	○	○	○	○	○	○	○
CHARLOTTE, NC	○	○	○	○	○	○	○	○	○
CHATTANOOGA, TN	○	○	○	○	○	○	○	○	○
CHICAGO, IL	○	○	○	○	○	○	○	○	○
CINCINNATI, OH	○	○	○	○	○	○	○	○	○
CLEVELAND, OH	○	○	○	○	○	○	○	○	○
COLORADO SPRINGS, CO	○	○	○	○	○	○	○	○	○
COLUMBIA, SC	○	○	○	○	○	○	○	○	○
COLUMBUS, GA	○	○	○	○	○	○	○	○	○
COLUMBUS, OH	○	○	○	○	○	○	○	○	○
CORPUS CHRISTI, TX	○	○	○	○	○	○	○	○	○
DALLAS-FORT WORTH, TX	○	○	○	○	○	○	○	○	○
DAVENPORT-ROCK ISLAND, IA-IL	○	○	○	○	○	○	○	○	○
DAYTON, OH	○	○	○	○	○	○	○	○	○

Denver looks better than it did last quarter.

Des Moines' rating goes up, but Gobar fears this improvement could be short-lived—the twists and turns of national economic policies are an unknown factor in the equation.

Eugene-Springfield dips again. This SMSA's economy has had its ups and downs for two years. During that time pent-up demand has been reduced substantially. In early '78, for example, there was a shortage of about 13,000 units; now that's been cut to about 3,000.

Fort Lauderdale's economy seems to be improving. Gobar points out that off-the-books income—such as money from illegal drug trafficking—has an unknown effect on South Florida SMSAs. But even without taking the subterranean economy into account, Fort Lauderdale looks like a better bet.

Fresno's boom continues. A district IRS headquarters, this city is relatively recession-proof.

Grand Rapids is sluggish. Gobar detects some pent-up demand in this market, but he comments: "Although better than nothing, such pent-up demand alone is a poor base for market absorption."

Houston is reviving, but national economic policies may inhibit exploitation of the strong, underlying demand here.

Lansing continues to deteriorate.

Las Vegas appears to have resumed its long-term pattern of economic growth. Pricing is becoming important, however. Gobar notes that lower-priced units are selling at a rate deemed very strong in light of the general uncertainty about the U.S. economy.

Los Angeles-Long Beach's booming economy continues to create a potential for household formations that outstrips builders' ability to provide new housing. Environmental and political constraints as well as "extraordinary" land prices are constricting supply, Gobar says. He estimates pent-up demand at over 270,000 units. By contrast, there was a scarcity of only about 25,000 units at the outset of the 1974-75 recession.

SMSA (Market Area)	DEGREE OF OPPORTUNITY			DEMAND BY UNITS			DEMAND BY PURCHASING POWER		
	ALL HOUSING	FOR SALE	FOR RENT	ALL HOUSING	FOR SALE	FOR RENT	ALL HOUSING	FOR SALE	FOR RENT
DAYTONA BEACH, FL	○	○	○	○	○	○	○	○	○
DENVER, CO	○	○	○	○	○	○	○	○	○
DES MOINES, IA	○	○	○	○	○	○	○	○	○
EL PASO, TX	○	○	○	○	○	○	○	○	○
EUGENE-SPRINGFIELD, OR	○	○	○	○	○	○	○	○	○
FLINT, MI	○	○	○	○	○	○	○	○	○
FORT LAUDERDALE, FL	○	○	○	○	○	○	○	○	○
FRESNO, CA	○	○	○	○	○	○	○	○	○
GAINESVILLE, FL	○	○	○	○	○	○	○	○	○
GARY, IN	○	○	○	○	○	○	○	○	○
GRAND RAPIDS, MI	○	○	○	○	○	○	○	○	○
GREENSBORO, NC	○	○	○	○	○	○	○	○	○
GREENVILLE, SC	○	○	○	○	○	○	○	○	○
HARRISBURG, PA	○	○	○	○	○	○	○	○	○
HARTFORD, CT	○	○	○	○	○	○	○	○	○
HONOLULU, HI	○	○	○	○	○	○	○	○	○
HOUSTON, TX	○	○	○	○	○	○	○	○	○
HUNTSVILLE, AL	○	○	○	○	○	○	○	○	○
INDIANAPOLIS, IN	○	○	○	○	○	○	○	○	○
JACKSON, MS	○	○	○	○	○	○	○	○	○
JACKSONVILLE, FL	○	○	○	○	○	○	○	○	○
KANSAS CITY, MO-KS	○	○	○	○	○	○	○	○	○
KNOXVILLE, TN	○	○	○	○	○	○	○	○	○
LANSING, MI	○	○	○	○	○	○	○	○	○
LAS VEGAS, NV	○	○	○	○	○	○	○	○	○
LEXINGTON, KY	○	○	○	○	○	○	○	○	○
LINCOLN, NE	○	○	○	○	○	○	○	○	○
LITTLE ROCK, AR	○	○	○	○	○	○	○	○	○
LOS ANGELES-LONG BEACH, CA	○	○	○	○	○	○	○	○	○
LOUISVILLE, KY	○	○	○	○	○	○	○	○	○

Lubbock improves, after a period of slow growth.

Melbourne-Titusville's retiree buyers are helping to prevent a severe oversupply. Rising prices may be causing a stronger rental market than the index suggests: Potential buyers are likely to be discouraged by the double whammy of high prices and high interest rates.

Miami's rating rises. The recent influx of Cubans and racial unrest in the city are probably causing an erosion of consumer confidence, Gobar says, but he believes the local economy is generally holding up quite well.

Minneapolis-St. Paul is still under-supplied.

Mobile's long-term prospects are being dimmed by a slowed growth in demand.

Nashville's resurgent demand makes oversupplies less likely.

New Haven is on a rocky road: Economic indicators are down and the supply of housing is up.

Norfolk's big problem is prices: They're rising faster than buyers' incomes.

Omaha shows symptoms of reduced demand, but the trend is not well-enough established to revise this SMSA's rating downward.

Orlando continues to be a quirky market. Brief downturns are followed by sharp upticks, such as the current one.

Phoenix will get an improved rating soon, barring massive dislocations in the national economy.

Portland goes up but, chances are, not for long. Cutbacks in the wood products industry may affect this SMSA's rating next quarter.

Providence is starting to slide, though its rating stays the same for now.

Rochester is losing steam.

Sacramento is a relatively stable market with a shortage of single-family houses. Another encouraging note for this SMSA's builders: The price of housing is in sync with consumer incomes.

SMSA (Market Area)	DEGREE OF OPPORTUNITY			DEMAND BY UNITS			DEMAND BY PURCHASING POWER		
	ALL HOUSING	FOR SALE	FOR RENT	ALL HOUSING	FOR SALE	FOR RENT	ALL HOUSING	FOR SALE	FOR RENT
LUBBOCK, TX	●	●	●	●	●	●	●	●	○
MADISON, WI	○	●	●	●	●	●	○	●	●
MELBOURNE-TITUSVILLE, FL	●	●	●	●	●	○	●	●	●
MEMPHIS, TN	○	○	●	○	○	●	○	○	●
MIAMI, FL	●	●	●	●	●	○	○	●	●
MILWAUKEE, WI	●	●	○	●	●	○	○	○	●
MINNEAPOLIS-ST. PAUL, MN	●	●	●	●	●	○	○	○	●
MOBILE, AL	●	●	●	○	○	○	●	●	●
MODESTO, CA	●	●	●	●	●	●	○	○	○
NASHVILLE, TN	●	●	●	●	●	●	●	●	○
NEW BRUNSWICK, NJ	●	●	○	●	●	○	○	○	●
NEW HAVEN, CT	●	●	●	●	●	●	●	●	●
NEW ORLEANS, LA	○	●	●	●	●	○	●	●	●
NEWARK, NJ	●	●	○	●	●	●	●	●	●
NEWPORT NEWS, VA	○	○	○	○	●	○	●	○	●
NORFOLK, VA	○	○	●	○	○	●	●	○	●
OKLAHOMA CITY, OK	●	●	●	●	●	●	●	●	○
OMAHA, NE	○	○	○	●	●	●	●	●	○
ORLANDO, FL	●	●	●	●	●	●	●	●	○
PENSACOLA, FL	○	○	●	○	○	●	○	○	●
PEORIA, IL	●	●	●	●	●	○	●	●	●
PHOENIX, AZ	○	○	○	○	○	●	○	○	●
PITTSBURGH, PA	○	○	○	○	○	○	○	○	○
PORTLAND, OR	●	●	●	●	●	○	●	●	●
PROVIDENCE, RI	○	●	●	●	●	●	●	●	○
RALEIGH, NC	●	●	○	●	●	●	○	●	○
RENO, NV	●	○	●	○	○	●	●	●	●
RICHMOND, VA	○	○	○	○	○	●	○	○	○
ROCHESTER, NY	○	○	●	○	●	●	○	○	●
SACRAMENTO, CA	○	●	○	○	●	○	○	●	●

St. Louis is on the skids.

Salinas-Monterey's economy is weakening. Sites within commuting distance of San Jose should continue to experience single-family sales, however, since many people employed in San Jose are unable to locate adequate housing close to their jobs.

San Diego has buyers waiting in the wings. But their paychecks aren't big enough to afford most of the housing that's offered. How to satisfy their shelter needs is the puzzle this SMSA's builders need to solve.

San Francisco-Oakland seems to be emerging from a period of decline, but price continues to be a major problem. People employed in this SMSA are taking on long commutes to areas such as Vallejo (see bottom of page) and Santa Rosa (below) in order to buy moderate-priced houses. Even lower interest rates can't remedy this mismatch.

Santa Rosa builders are advised to keep prices down. Otherwise, the future looks bright.

Shreveport should experience a surge in demand in 1981 if industrial buildings now under construction are occupied.

Syracuse drops off sharply.

Tacoma faces a potential over-supply in spite of spillover demand from Seattle.

Tallahassee picks up speed: Potential oversupplies don't look as large as they did last quarter.

Toledo worsens. Only a sudden turnaround can save this city from hitting bottom in next quarter's index.

Tucson's market for housing should improve in late 1980 and 1981, says Gobar. He sees a renewed pattern of economic growth, although the impact of federal economic policies is unpredictable.

Tulsa is on top again. Sales and rental absorption should improve in coming months if there's no major national economic dislocation.

Vallejo-Fairfield's economy has stopped growing, and the housing market is being supported by spillover demand from the San Francisco-Oakland SMSA (see above).

SMSA (Market Area)	DEGREE OF OPPORTUNITY			DEMAND BY UNITS			DEMAND BY PURCHASING POWER		
	ALL HOUSING	FOR SALE	FOR RENT	ALL HOUSING	FOR SALE	FOR RENT	ALL HOUSING	FOR SALE	FOR RENT
ST. LOUIS, MO	●	●	●	●	●	●	●	●	●
SALINAS-MONTEREY, CA	◐	○	◐	○	◐	◐	◐	◐	●
SALT LAKE CITY, UT	◐	○	◐	◐	○	◐	○	○	◐
SAN ANTONIO, TX	○	○	○	○	○	○	◐	◐	○
SAN DIEGO, CA	◐	◐	○	◐	●	○	◐	◐	●
SAN FRANCISCO-OAKLAND, CA	○	◐		◐	●	○	●	●	●
SAN JOSE, CA	●	●	●	●	●	●	○	◐	◐
SANTA BARBARA, CA	◐	◐	○	◐	◐	◐	●	◐	●
SANTA CRUZ, CA	○	○	○	○	○	○	◐	◐	●
SANTA ROSA, CA	◐	◐	◐	●	◐	●	◐	◐	◐
SARASOTA, FL	○	○	○	○	○	◐	◐	○	◐
SEATTLE, WA	◐	◐	○	●	●	○	○	○	◐
SHREVEPORT, LA	●	●	●	●	◐	●	●	●	●
SPOKANE, WA	○	○	○	◐	○	◐	○	○	○
SPRINGFIELD-CHICOPEE, MA	◐	●	◐	●	●	◐	●	●	○
STOCKTON, CA	○	○	◐	○	◐	◐	◐	◐	●
SYRACUSE, NY	◐	◐	◐	◐	◐	●	◐	◐	◐
TACOMA, WA	◐	◐	●	◐	◐	●	◐	●	●
TALLAHASSEE, FL	○	○	◐	○	○	◐	○	○	◐
TAMPA-ST. PETERSBURG, FL	◐	◐	◐	●	◐	●	◐	●	○
TOLEDO, OH	◐	◐	◐	●	◐	●	◐	◐	○
TUCSON, AZ	○	◐	○	○	◐	◐	◐	◐	◐
TULSA, OK	●	●	◐	●	●	●	●	●	◐
VALLEJO-FAIRFIELD, CA	◐	◐	◐	◐	◐	○	●	●	●
WASHINGTON, DC	○	○	○	○	◐	○	◐	○	◐
WICHITA, KS	●	●	●	●	●	●	●	●	
WILMINGTON, DE	◐	◐	◐	◐	◐	◐	◐	◐	◐
WORCESTER, MA	●	●	◐	●	●	◐	●	●	◐
YOUNGSTOWN, OH	●	●	◐	●	●	◐	●	●	○

Housing starts dipped under 1 million in May for the first time this year to a seasonally adjusted 920,000 annual rate, the Commerce Dept. reported. Single family starts fell to 616,000.

NAHB Executive Vice President David Stahl responded by predicting that builder bankruptcies could rise by 25% by year-end. Commerce Secretary Philip M. Klutznik Jr., while acknowledging the grim situation, said "the financial underpinnings for a recovery of homebuilding are falling into place," noting falling rates and increasing savings inflows.

The Federal Trade Commission has been investigating "shoddy construction practices" in homebuilding and should soon finish a survey of 1,800 homebuyers on that subject.

An early draft of the report, based on telephone interviews, has given rise to published reports in Washington that only 80% of those interviewed found their homes satisfactory.

FTC will not confirm this, but stresses that it will follow up interviews with 300 on-site inspections.

Rehab tax incentives are now extended to partnerships and individuals who rehabilitate old commercial buildings. Formerly, only corporations were eligible for investment tax credits for work done after October 31, 1978, under the Revenue Act of 1978.

However, Congress has made a technical correction which qualifies noncorporate lessors for the rehab credit for tax years beginning after October 31, 1978.

Rehab code guidelines were published by HUD in the *Federal Register* of May 27, Part III, to aid state and local building inspectors in adapting existing building codes to evaluate rehabilitation of older buildings. The guides are not mandatory.

A renter's reward, in these low-vacancy times, might just be finding a suitable apartment. But at Versailles on the Lake in Fort Wayne, Ind., it's \$1,000 as well—if you can find it.

Reason: Road construction makes locating the moderately-priced (\$180-\$310 a month) project "almost impossible" according to manager Ramanco Inc. The "reward" should make the hunt easier, Ramanco hopes.

Recession report: a slow rebound

Housing starts and sales will stage a strong comeback in the second half of the year, predicts Advance Mortgage Corp. But the rebound will be far more gradual than the initial fall.

Reason: Both the thrifts' and the secondary market's coffers are getting steadily refilled as interest rates keep falling. But wary consumers—frightened by reports of a severe recession and lured by the prospect of even lower rates—are taking a wait-and-see attitude instead of buying now.

Advance reports these findings in a recent issue of "U.S. Housing Markets," a national market survey.

Money flows. The new funds for mortgages are from investors and savers exploiting high yields on government securities and 30-month savings certificates.

"The clearest signal of the imminent upturn is the buyer's panic in the Ginnie Mae securities market," says Advance president Robert J. Mylod. Rates on Ginnie Maes, which fell three percentage points over an eight-week period, could drop down to 10% before bottoming out this summer, he claims.

The market for 30-month certificates should soon follow suit as savers hop on the high-yield bandwagon. And another incentive to save is the recession itself.

The outlook for securities based on conventional mortgages is also improving. Advance sees the demand for Ginnie Maes spilling over into the conventional market soon, bringing more money there. All this may lead rates down to 11% in July, Advance says.

Lagging demand. Homebuyers, however, aren't flocking to lenders in droves. At least not yet.

Fears of layoffs—or of not being able to sell an old home—are one reason. According to Mylod, most people are aware the nation is in a serious recession and are careful not to overextend themselves.

Another reason to postpone buying: falling interest rates. Even with rates way down from the 17% spring peak, many potential buyers will wait, hoping they will drop even lower.

But strong incentives to buy remain, and Advance predicts housing starts will pick up from the present below-1-million rate to 1.3 million by the end of the year.

Says Mylod: "There is a reservoir of backed-up demand. Some areas have real shortages, inventories of completed houses are low, and most Americans still perceive housing as their best inflation hedge."

—STEPHEN LEVIN

High inflation: housing's friend?

Inflation may be one of the biggest problems of the real estate and housing industries in the 1980s. Not too much of it; too little.

"We learned in the 1970s that inflation is real estate's best friend," says Philip Kozloff, president of Citicorp Real Estate Inc. "Almost all of the mistakes we made in the early '70s were, or will be, bailed out by inflation."

Kozloff spoke at a seminar of the National Assn. of Real Estate Editors in New York on May 3.

Steadily appreciating values, he claims, assured investors in the '70s of an ultimate payoff, even with properties that initially lost money.

But all that may change in the '80s. "We should be alert to indications of deflationary trends so we can handle that new challenge," he says. —S.L.

HUD proposes easier GPMs

HUD has proposed that down payment requirements for graduated payment mortgages (GPMs) be lowered to allow more people to qualify for a loan.

The proposal—published in the *Federal Register* on May 30 and open for public comment till July 29—is intended to provide an alternative to the present system, which requires an 8% minimum down payment on esca-

lating mortgages that cannot exceed 97% of the appraised value of a house.

Under the new rule, the down payment may go as low as 3%. The trade-off is that mortgages may escalate above the appraised value of the house, up to 113%. —MARY KATE CRANSTON

McGraw-Hill World News
Washington



Big winner in the \$100,000 sweepstakes was Chris Gagliano (third from left) of Orlando, an electronics technician. Flanking the Gaglianos (left to right) are FRC prexy Burton Bines, Marketing/Sales Vice President Ray Samanic, radio station WHLY President Robert Herpe and FRC's Executive Vice President Howard Lefkowitz.

'Dream Home' promo scores in Florida

Thumbing its nose at the current business slump, Florida Residential Communities has just wound up a two-month promotion that drew over 25,000 visitors to its five Orlando area projects.

The big attraction? A June 1 drawing whose first prize was a 1,900-sq.-ft., four-bedroom "dream home"—complete with swimming pool, furnished living room, color TV, a 15-ft. boat, Mazda RX sports car, his and her wardrobes and, for good measure, \$100 a month for one year. Consolation prize: a stereo set.

With land, the "dream home" package was valued at more than \$100,000.

Only five years old. "Basically," says Ray Samanic, vice president/marketing and sales, "we did the promotion to celebrate our fifth anniversary (FRC's fiscal year ends May 31) and to focus attention on our product lines." Based in Altamonte, Fla., the \$25-million company built 388 single-family, condo and duplex homes last year. Prices: \$46,000 to \$99,000.

But recession and 16¾% mortgages killed this spring's traffic. "Prior to the promotion," notes Samanic, "we were seeing only five or six people a week at our projects."

Thus, to ensure maximum exposure, "dream home" applications were handed out in each community's sales center. Entrants were also given a key. If it unlocked a "hope chest," the key

holder was eligible for the drawing.

Samanic estimates that 5,000 of the 25,000 keys distributed were chest openers. "Discounting the usual bargain hunters," he says, "about 10% of the entrants were serious prospects. And we'll be going after them tooth and nail."

Besides generating long traffic lines and a fat list of potential buyers, the drawing sparked home sales as well. Some 45 units were moved April through May, including "30 in the last three weeks." Lower mortgage rates (now at 12¾%) also helped, but FRC says most sales grew out of the giveaway.

All told, quite a bonanza for a promo that cost \$15,000 out of pocket, plus the cost of the house.

Lots of cooperation. Although FRC put up a \$70,000 house, local retailers kicked in more than \$30,000 worth of free extras (pool, car, etc.). And in return for sponsoring a midday news report, a 24-hour FM radio station plugged the drawing for two months. Extensive press and TV coverage didn't hurt, either.

FRC plans to repeat the anniversary promotion next year. "In fact," says Samanic, "we may even make it our annual 'thank you' to the people of central Florida."



On-site drawing pulled over 500 visitors in early June.

Quick. Name the best hoodless cooking system.



Now Thermador makes Cook 'N' Vent. And hoodless cooking is going to get a great new name. Here's why. **One.** Drawing power. In Cook 'N' Vent, the powerful remote Ventilator captures most smoke and odors in their concentrated state—before they spread into the kitchen. **Two.** The intake panel that contains the Ventilator raises and lowers at the push of a button. **Plus.** Color. Only Cook 'N' Vent offers a wide variety of colors and finishes—five designer colors or gleaming stainless steel. **Plus.** Storage. Only Cook 'N' Vent allows almost total use of valuable cabinet space under cooktop, even drawer space. **Plus.** Convenience. A four-unit cooktop with a Griddle 'N' Grill right on top. No bending, no fussing—it's ready to cook when you are.

Plus. Profit. Only Thermador created Cook 'N' Vent. And whenever there's a unique concept in cooking, you can be sure Thermador will be there with profit margins the way you like them. Your customer will be there, too, asking to see Thermador. After all, it's the most important name in the kitchen.



Cook 'n' Vent™

by **Thermador**
The most important name in the kitchen.



For information, contact your distributor or write:
Thermador, 5119 District Blvd., Los Angeles, CA 90040 Dept. S



SELLING THE ONE-OF-A-KIND HOUSE

How three builders deal with the buyer who won't settle for a standard product

The only thing these buyers have in common is that each wants something different.

Their dream houses range from log cabins to Tudor mansions—and their pocketbooks dictate a wide range of prices.

The builders are just as dissimilar.

Take Robert Katzman, for example. He's the 35-year-old pictured at left, and he literally learned the business from the ground up—starting by cleaning out crawl spaces for his builder father. Now that he's boss of Abbey Homes Inc., Katzman turns out about 30 custom homes a year for the affluent residents of Bloomfield Hills, Mich.—folks who can spend \$200,000 to \$600,000.

Anthony Coia entered the building business through a different door: He was a mortgage banker until five years ago. "I got to the point where I'd had it with routines," he says, so at age 35, Coia founded Hillhouse Realty and Development Corp. Today his operation builds 20 or more houses each year in and around Cranston, R.I. Mostly modifications of stock plans, they carry relatively modest prices—\$60,000 to \$100,000.

Stephan Chefan's is yet a different tale: This builder was originally in the clothing business. The "designer originals" he produces now are fully decorated million-dollar specs. And the label they carry is that of the B. Stevenson Co., the Fort Lauderdale firm of which Chefan, who's in his mid-fifties, is president.

The tactics of these three are as different as their backgrounds and the houses they build. To learn about them, turn the page.

Construction site confab (left) keeps this Detroit couple clued in on progress of their custom home. The builder (at right in photo) is Bob Katzman, who believes in giving buyers lots of personal attention. For more on his views, see page 38.

SELLING THE ONE-OF-A-KIND HOUSE



BOB KATZMAN RELIES ON THE PERSONAL TOUCH

It wasn't just for the sake of variety that Katzman was photographed with buyers in his office (*above*), inside their half-finished house (*right*) and going over plans for a deck area (*cover*). Those are just three of the places you'd be apt to find him—selling, educating or just plain getting to know the affluent Detroiters for whom he builds \$200,000 to \$600,000 custom homes.

And it all serves a practical purpose.

Katzman does the selling himself because he found that middlemen at best slowed down communication and at worst promised things he couldn't deliver.

Moreover, buyers still tried to get through to him.

Now Katzman is convinced that custom buyers like his are happiest dealing with the man in charge—and he exploits the situation.

And when Katzman takes charge, he's not kidding. He even shepherds husband and wife to the architect's office—and he's the one who does most of the talking once they get there.

Of course, he has already spent time questioning buyers about their life-style and going over stock plans with them—particularly if it's their first custom home. By the time the trio gets to the architect (one of several Katzman uses depending on the style of house desired) he knows as much about their dream as the buyers do.

"If they're on their own," he says, "they're apt to start designing something without the slightest idea of what it's going to cost, and everyone's time is wasted."

After a floor plan is finalized, buyers sign a contract. And on that big day, they're likely to get the full Katzman treatment—namely, the slide show, the psychiatrist act and the selection book.

The slide show is a 15-minute crash course in construction. It's screened when

buyers pop the inevitable: How long will it take to build my house?

"Slides are the best way to show what has to happen and how long it takes," Katzman says. "It saves me aggravation, too. After they see it, customers don't call up with questions like 'Why hasn't my basement been backfilled yet?' They understand the building sequence."

The psychiatrist act complements the slide show: It's a frank discussion of the emotional side of building a custom home.

"I tell them about the times they're going to be unhappy," says Katzman. "And that little conversation has eliminated a lot of grief."

For instance, there used to be complaints about the electrician Katzman prefers. Nobody liked the guy. But now Katzman warns people that meeting with the electrician will be no picnic—that it's no fun to stand around for hours in an unheated house trying to decide where to place outlets and switches. And the complaints have stopped.

"They're prepared for it to be terrible," Katzman says, "so if it's only a little bit bad, then it's wonderful."

The selection book is a three-ring binder, its pocketed pages stuffed with:

- An encyclopedic booklet from the NAHB titled "Your New Home and How to Care for It."
- A list of preferred suppliers for everything from bricks to bidets. Addresses, tele-

Builder-guided tour (*right*) gives Bob Katzman a chance to show Bob and Barbara Starr where bathroom light fixture will go. The Starrs—who've owned 14 homes during Bob's auto-industry career—chose a fixture with the help of a catalog-stuffed binder Katzman hands out (*see photo top of page*).



SELLING THE ONE-OF-A-KIND HOUSE CONTINUED

'I help them find out what they want'

phone numbers and hours of business are included.

● Nearly two dozen manufacturers' catalogs and price lists for the most asked-about items. (The prices are those which would be paid by buyers of Katzman's spec houses. He leaves the list in for cost-plus custom buyers to give them a general idea of expenses.)

It's a weighty volume that's great P.R. Buyers love to show it off to their friends whose builders don't hand out such goodies.

But its primary purpose is to save time—on both sides.

"If they've got it in writing, they don't have to ask me," says Katzman.

Another time-saver is something the builder has copied from dentists: postcards. They politely announce "Please be aware that the following selections are now due" or "Please telephone the following companies and arrange for an on-the-job-site meeting." And they've sped things up considerably.

"It's a more systematic way to reach people than hit-or-miss phone calls," Katzman says.

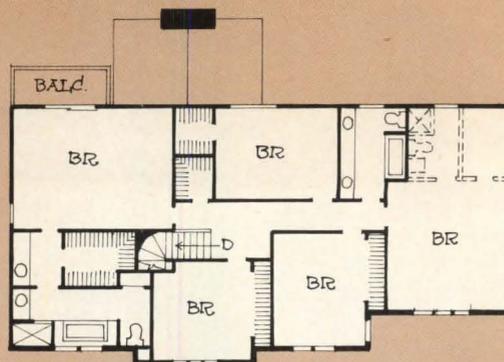
But the builder doesn't communicate exclusively by mail once construction starts. Far from it. There are planned—and unplanned—meetings on site. Plus, Katzman tries to make it as easy as possible for buyers to get direct answers to any spur-of-the-moment questions.

"My superintendent has full authority," he says. "If the buyers are at the house and want to know if a certain style deck is feasible or if it's too late to put in something like a built-in ironing board, he tells them."

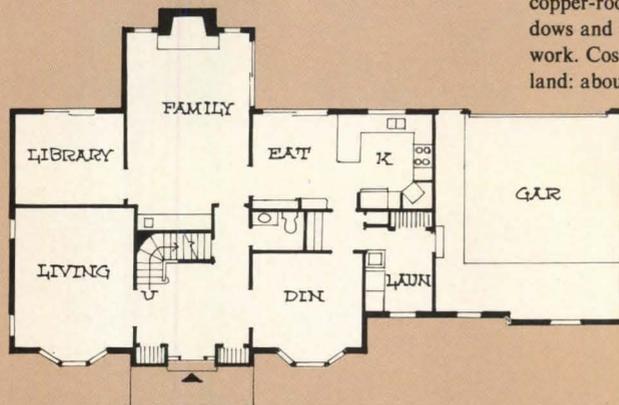
Katzman himself makes house calls to solve problems. For instance, he recently agreed to redo a driveway and retaining wall for a wealthy divorcee.

"I told her it would be a waste of her money to do them over," he says. "But I also knew that if we left them, she'd cringe every time she drove up to the house. So we're redoing them. After all, I have to live with my buyers for a long time."

—BARBARA BEHRENS GERS

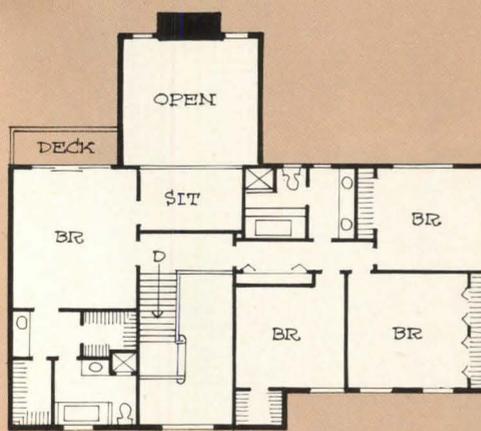


UPPER LEVEL

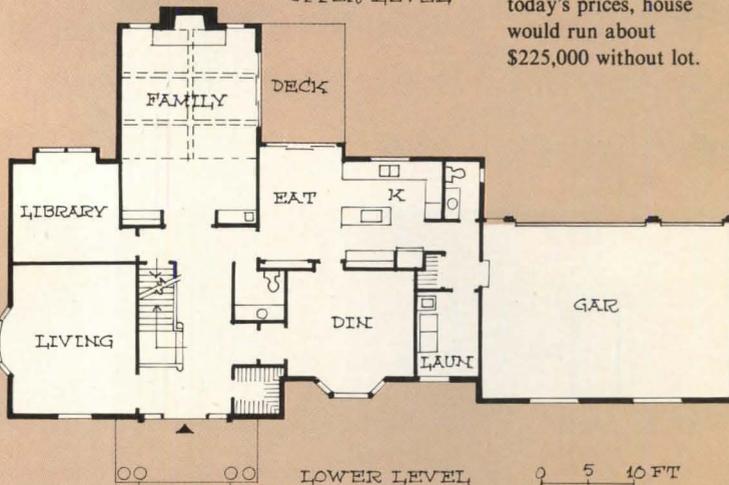


LOWER LEVEL

Elegant traditional (right) is type of home that appeals to majority of Katzman's customers. This 3,420-sq.-ft. house—owned by a Ford exec with small children—includes library as well as family room and formal living room (plan left). Note copper-roofed bay windows and detail of brick work. Cost, without land: about \$220,000.



UPPER LEVEL



LOWER LEVEL

Substantial Colonial (right) has nearly 4,000 sq. ft. of living space—and windows on the street side of the garage make it seem even larger (plan left). The home's most memorable feature: a two-story foyer dominated by a large-scale fanlight. At today's prices, house would run about \$225,000 without lot.





TONY COIA GETS HELP FROM A COMPUTER

Last November, a newspaper ad for a computer system on sale at a small electronics store in Cranston, R.I. caught Anthony Coia's attention. It was just what he'd been looking for: a way to take the guesswork out of the buyer/builder relationship when doing a customized home.

So Coia took \$6,000 and bought what he calls a "souped up Apple"—an Apple II computer hooked up to a Centronix high-speed printer and an RCA color TV that acts as a video display screen. He programmed it himself, and inside of a month, Hillhouse Realty's entire operation was on computer. Now, less than a year later, it appears Coia has accomplished what he set out to do: make the trial-and-error process of doing customized homes a lot easier—and a lot faster.

Coia doesn't traumatize customers by immediately plopping them down in front of the computer and firing questions. "First, one of my project managers gives a slide presentation that tells how we operate," explains Coia. "Then the project manager explains how the computer works and what it'll do for the customer."

If the customer decides to work with Coia, the fee is \$2,000—\$350 for the first computer printout, \$550 each for the remaining three. If a buyer decides to leave during this process, he takes with him any printouts he's paid for, along with all plans and specifications generated along the way.

The first computer program calls for a detailed financial picture of the buyer, including all income, assets and debt. The project manager factors in lot preparation costs as well as specific features and amenities the buyer has in mind. The buyer chooses either a standard, deluxe or luxury plan for fixtures and appliances.

In less than a second, the computer digests this information and spits out a list of 62 plans that fall within the buyer's budget. There are plans for stick-built, log,

panelized and modular homes available in eight styles ranging from colonial to contemporary. Most are priced within a \$60,000 to \$100,000 range, excluding land. For each of these 62 plans, the computer specifies the number of square feet the buyer can afford. The buyer selects a plan and refines it—changing floor plans, adding and dropping amenities—until the home is tailored to his needs.

"The second program," continues Coia, "prices the house. And I mean 'prices,' not estimates." A computer printout shows the exact quantity of each material needed to do the house, every board, nail and shingle. It lists the cost of each material—in the order it'll be used—and determines which fund disbursement from the bank will pay for each material. "It's not only pricing the house," Coia notes. "It's also doing a cash flow."

To order materials, Coia merely sends his suppliers a copy of this printout which includes the prices each supplier updates biweekly.

The third program schedules the entire building process. The program notes when title searches and inspections should be done and when suppliers should have materials and crews on-site.

The final program, the master control, gives a running account of each dollar spent on the house. All products and services are listed along with a comparison of the contract and actual price. As a supplier is paid, the number and date of the check are entered into the computer. By consulting this program, both builder and buyer know whether more money will be needed to finish the house as designed, or if the design must be changed to meet the budget. When the house is complete, this printout shows the customer how and when every dollar was spent.

The master control is perhaps more popular with Coia's clients than any of the other

1. Project manager Chuck Johnson explains Hillhouse Realty's computer system to prospective buyers Eugene and Susanne St. Pierre. He shows them how to read the four printouts in the system and tells them what each program does for them. This done, they move over to the computer.

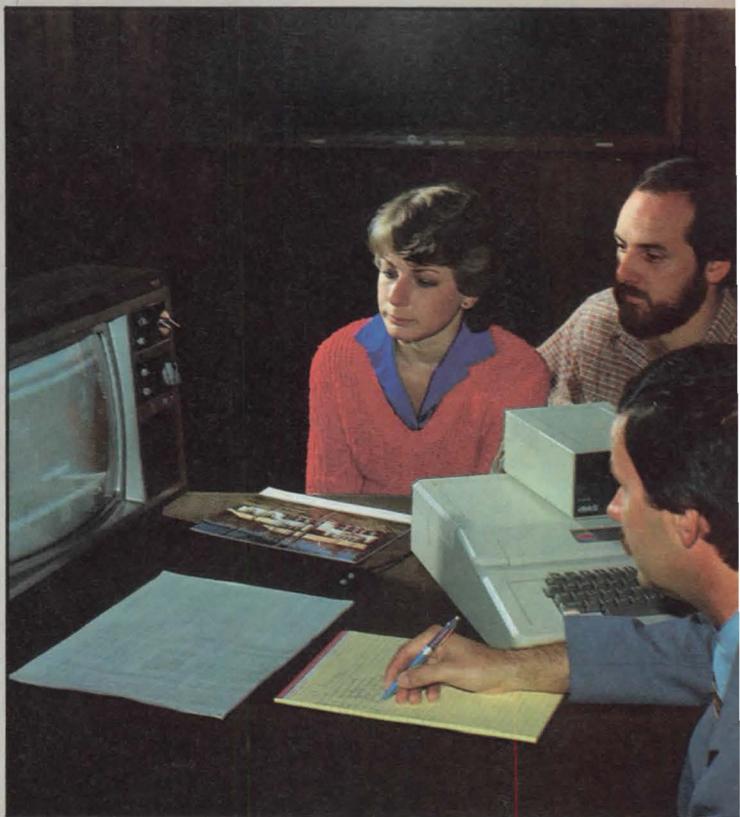
2. At the computer, Johnson takes down a complete financial profile of the St. Pierres. Their income—he works as an industrial photographer, she runs an arts and crafts business—is fed into the computer, followed by a detailed account of the couple's assets and liabilities. The St. Pierres tell Johnson to program deluxe fixtures and passive solar features into the computer. Within seconds, the computer lists 62 plans within the St. Pierres' budget. They go to the plan files.

3. After examining several plans, the St. Pierres narrow the choice down to a panelized saltbox. They specify a sunken entrance and a loft in the living room. But to get the size home they'd like—just over 2,600 sq. ft.—the St. Pierres have to juggle amenities. They decide to keep the passive solar features but drop a deck they'd planned for the home's south side.

4. The final step in the process, choosing the fixtures and appliances, is done with the help of brochures. The St. Pierres go over brochures labeled deluxe in keeping with their initial specifications. At this time, more adjustments can be made too. To remain within budget, the St. Pierres have decided to finish all basement rooms themselves.



1



2



3



4

'Our computer balances what they want with what they can afford'

printouts. "When I'm spending almost \$80,000 on a house," asserts one customer, "I want to know where every single penny is going."

Some buyers initially cringe at the prospect of going one-on-one against a computer. "But once they see it at work," says Coia, "they really get caught up in it." Buyers like being able to get an instant answer to a question like: "If I add passive solar, go from a two-car to one-car garage, do my own finishing in the basement and add a wood-burning stove, what size panelized raised-ranch home can I afford?" If a prospective buyer is considering holding off a year to accumulate more savings and bring a larger cash down payment to his mortgage, the computer will weigh the effect of inflation against the larger down payment.

But not everyone likes the precision the computer offers. One buyer, who came to Coia with a rough set of plans for his "dream house," angrily stomped out of the office when the computer told him the combination of his income and the size of his dream house "did not compute." Later, after other builders corroborated the computer's analysis, this buyer returned to Coia and refined his plans until they matched his budget.

Coia already has one major innovation planned for the computer: "Pretty soon, I hope customers will be able to draw their floor plans right on the television screen. That way, they can change them around as much as they like until they get the exact one they want." The final plan would be run off by the Centronix printer, eliminating the need for numerous preliminary drawings.

Even now, Coia is searching for new ways to have the computer do more for him, his suppliers and subs, and his customers. But, confident though he is of improving his system, Coia maintains there is no truth whatsoever to the rumor that by this time next year he'll have the computer programmed to hold a hammer and drive nails.

—WALTER L. UPDEGRAVE



Two interiors represent two different ways customers can work within Tony Coia's system. Above, the Hamm family—David, Judy and daughter Amy—chose the "involved" route. They did virtually all their own finishing, including the stonework facade of the fireplace shown in photo.

Wilfred and Beverly Michaud (*below*) took the opposite route. Coia's crews did all their finishing, right down to details like a custom wet bar in a lower-level recreation room.



PHOTOS: CHARLES NORTON



Panelized home (*above*) is a tailored-to-the-buyer version of an L.C. Andrews model. It sits on a wooded, 1½-acre lot bordering a lake. The Hamms originally envisioned a 2,000-sq.-ft. home, but it “shrank” to 1,700 sq. ft. after all the amenities were plugged into the computer.

The Michauds settled on a 1,600-sq.-ft. raised ranch with channel-rustic, cedar siding (*left*). The collaboration process between Coia and the Michauds went quickly and smoothly. In March, plans were being discussed, and by August the Michauds had moved into their new home.

SELLING THE ONE-OF-A-KIND HOUSE



STEVE CHEFAN OFFERS A TURN-KEY PACKAGE FOR THE SUPER RICH

Turn-key in this case means that buyers need not bring much more than a toothbrush to move in. For where most builders stop with carpeting and possibly draperies, Chefan goes the whole distance, supplying furniture, accessories and even a fully-stocked wine cellar with each of his expensive homes.

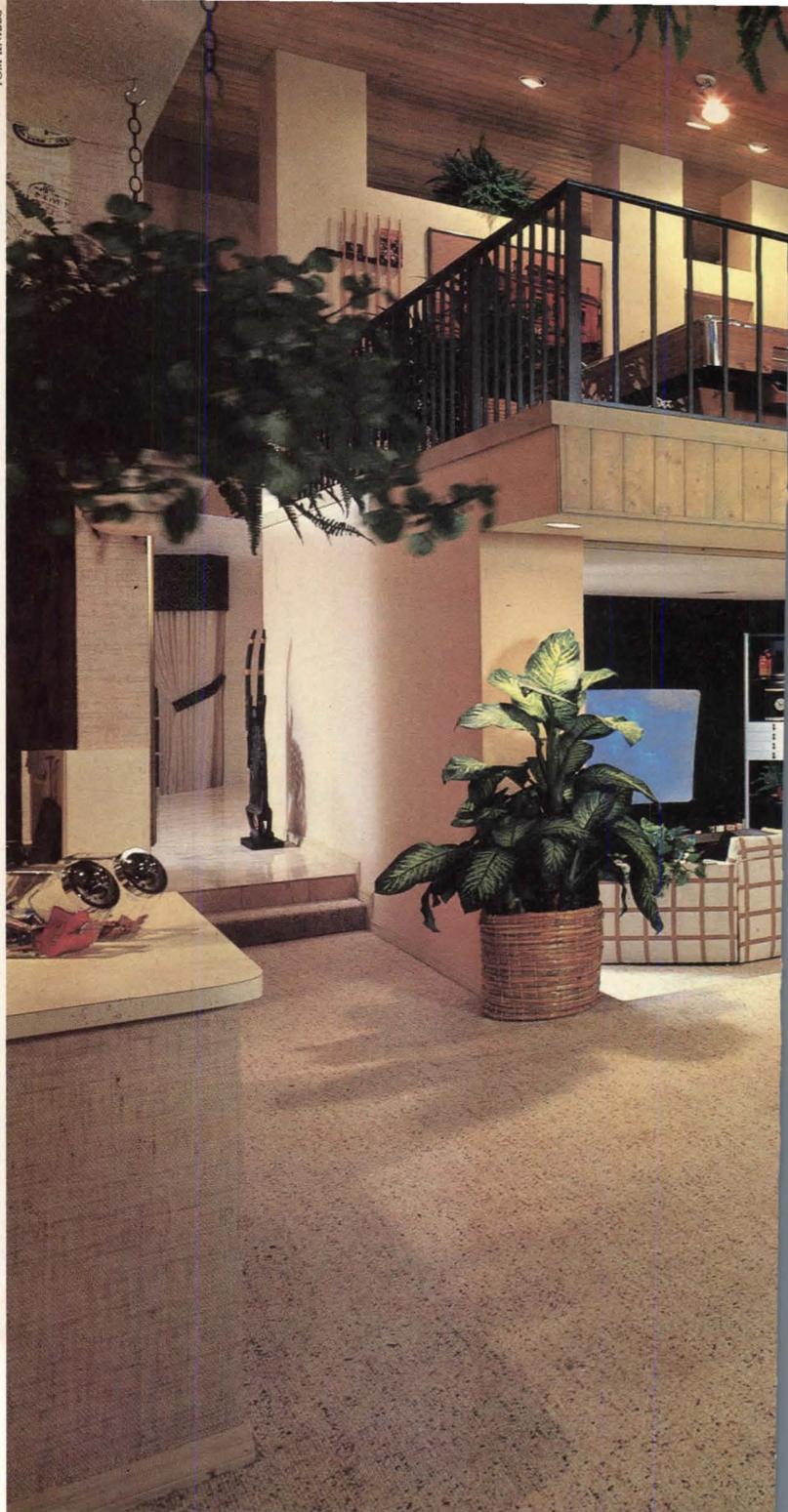
Chefan has no problem selling "ready-to-wear" houses at couture prices because he's developed a keen sense of how the super rich like to while away the winter months in the posh subdivisions that dot Florida's Gold Coast. And in the five years that he's been building "total concept" homes, the average time it takes to sell one after it opens has been less than 30 days.

A case in point is this \$1 million home at The Sanctuary in Boca Raton. It was snapped up while Chefan was installing the furnishings. The buyer: a builder/developer from the Northeast who expected to build a custom home (he had already bought land and had plans drawn), but decided the hassle of a custom job wasn't worth the effort.

Which is typical of Chefan's buyers: "They're people who don't want to go through the lengthy custom process—the aggravations, the changes," he says, "and then after the house is completed have to start all over with a decorator."

The beginning. Chefan, who categorizes himself as a merchandiser/designer, started building homes in Florida about 12 years ago. "I got into the bricks-and-mortar aspect so I could have better control of the end product," he says. And he started in the traditional way—working in a multibuilder community where he sold his semicustom homes from furnished models.

TOM KNIBBS



CHARLES WHITE





Custom-designed fountain is a highlight of the lavish landscaping at the entry. Lot owners (builders) at The Sanctuary must spend a minimum of \$7,500 on landscaping; they must also plant at least ten shade trees with a mature spread of at least 30'. Rear elevation (*not shown*) looks out on an irregularly shaped swimming pool, a whirlpool and a dock on the Intracoastal Waterway.

Architect: Richard Dodge of Pompano Beach.

A home for people who entertain a lot is the way builder Chefan describes this \$1 million one-of-a-kind house. Hence the tri-level space shown above. The main level—a family room—is designed for lounging and features a sit-down wet bar. The recreation room—furnished with wide-screen projection television, video tape recorder and stereo system—is located two steps down from the main level. And the balcony above the recreation room is equipped with a pool table and pinball machine. Note the door in the niche to the right of the circular stairs; it leads to a wine room which builder Chefan delivered fully stocked with vintage wines. Burgundy and black accents in furnishings and accessories reflect the Oriental influence in the overall design scheme.

'We won't build from someone else's plans'

That's when he discovered a market for total-concept homes. "A lot of people wanted our decorated models—albeit with a few changes," he says. "So we decided that instead of building models for duplication, we'd switch gears and try to anticipate what buyers would want in a total package."

The "we" Chefan refers to is himself and an associate, Judy Sipka. "Primarily I'm the g.c.," Chefan says. "But I'm also an interior designer. Judy is the same. We both plan the layout of each house, handle all the interior design and supervise the building."

There's a third team member on each Chefan job—an architect who, Chefan says, plays an important, but atypical, role. "Instead of designing the house as most architects do, our architect has to put all the concepts that Judy and I develop into workable form." Where do Chefan and Sipka find enough diverse ideas for 10 to 15 such houses a year? "We study and shop as much as we build," Chefan says.

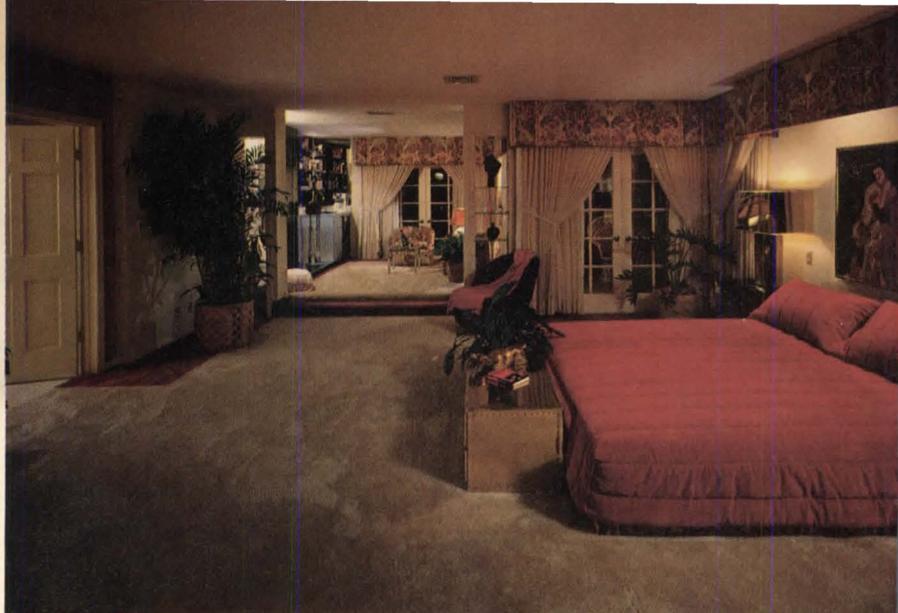
For example, they take annual trips to the California housing market, to the Texas market and to all major furniture shows, including the one in Milan. They're also always on the prowl for striking accessories—at antique shops, art dealers, etc.—to keep up an inventory of between \$200,000 and \$300,000 in such items. "They're vitally important to our concept," Chefan says.

The buyers. Chefan gets customers pretty much the same way all builders do—through word-of-mouth, through brokers, through small ads and, when working in communities like The Sanctuary, through the developer's sales office.

For the most part his buyers hail from the Northeast, although Chefan sees an increase in the number of foreign prospects. In one week recently, he had two from London, one from South America and a woman from Italy who liked a house so much she had her husband fly over to see it.

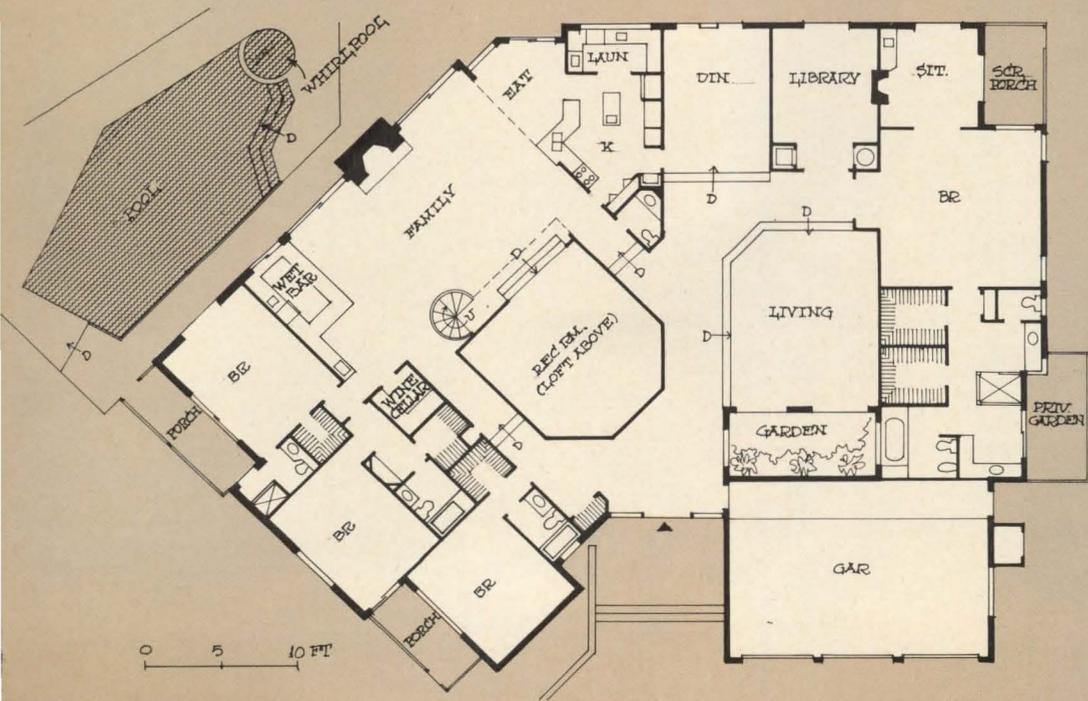
"They didn't buy," Chefan says, "but one of the Londoners did. He didn't know where to buy linens and pots and pans. So he asked if we'd do it for him. Now we've decided to add that service to our total package."

Chefan takes his normal builder profit on the furnishings. "We treat them like lumber or any other building material," he says. "If we were to charge normal decorator markups, our prices would have to be a lot higher."—J.R.V.



PHOTOS: TOM KNIBBS

Formal/informal separation—a must when designing houses for the super-rich market—is evident in the plan at right. The formal area includes the living room, dining room, library and master suite shown above. The informal space includes the massive entertainment center shown on the previous page, plus an island kitchen and three secondary bedrooms, each with its own bath. Despite the number of bedrooms, this is not intended as a home for a large family. "It's for two people who have a lot of guests," Chefan says, "and the bedrooms are not meant for everyday use." Note how much entry impact is designed into the foyer (photo, facing page). This end of the balcony has been designed as a place for the owners to display collectibles. Both the furnishings and art convey the Oriental motif planned by the builder.



INFILL MAKING THE

JOSHUA FREIWALD

High-density infill housing
in San Francisco.
For more on this project,
turn the page.



MOST OF TINY URBAN SITES



Infilling is “in” these days—especially with developers who want to capitalize on the rebirth of the cities.

Some of those developers are building on virgin infill sites—land that was passed by when “a home in the suburbs” became almost everyone’s dream.

Still others are discovering profits in born-again infill sites—small lots in urban renewal or transitional neighborhoods where old houses have been razed.

The latter is what these and the next eight pages are about—four projects built on “reuse” sites of an acre or less. Each project is quite different from the others, and all have made it in the marketplace.

— JUNE R. VOLLMAN

AND THEY'RE ALSO AWARD WINNERS

...in the 1980 Homes for Better Living program, sponsored by the American Institute of Architects in cooperation with HOUSING. Each of the projects shown captured an Award of Merit. A full list of this year’s winners appeared in the May issue. More award-winning projects will be featured in future issues.



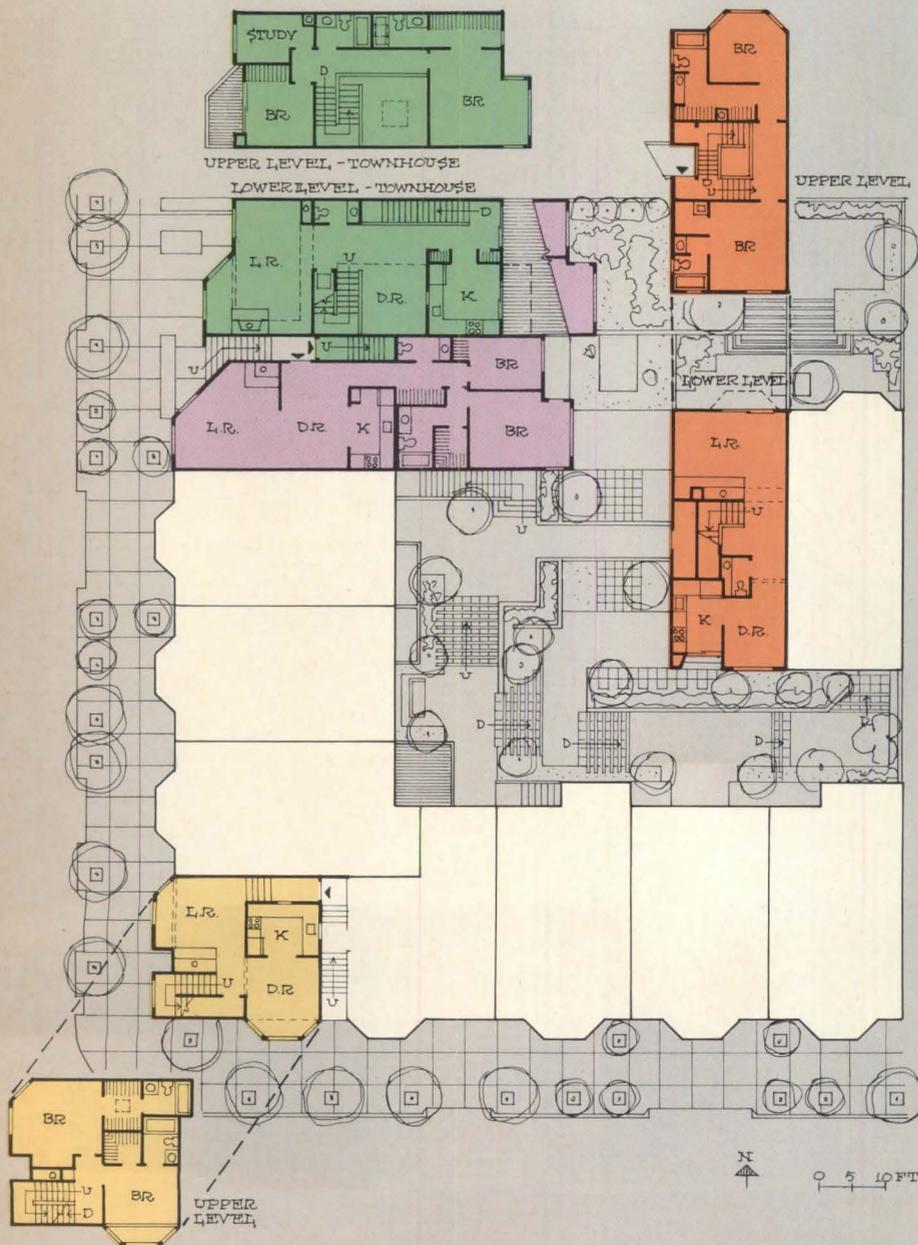
DUPLEXES AND FLATS ON A 112' x 127' CORNER SITE

Given cosmetic changes to suit local architectural preferences, this San Francisco project would fit in almost anywhere in urban America.

Yet a few years ago it couldn't be built on this site. The problem: In an effort to curb a spate of "out-of-scale" housing, the city enacted zoning that severely limited land coverage, building height and density. So only an "uneconomic" mix (*small plan below*) was possible.

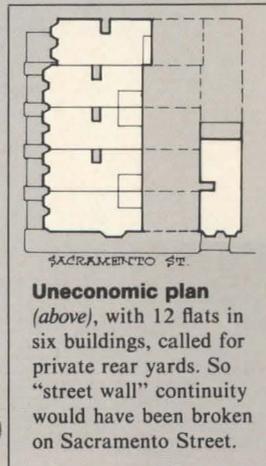
This 14-unit project—Pacific Heights Townhouses—was designed by Daniel Solomon & Associates to demonstrate design standards that would make high-density, low-rise housing compatible with existing units. Of particular importance:

The scheme replaces mandated individual rear yards with common open space. This provides space for the two townhouses shown below to be built off-street (*see site plan*), increasing the



As-built plan (*left*) is both economically feasible and visually compatible with neighboring housing. It specifies 10 two-level townhouses and two buildings with townhouses piggybacked over flats (*plans far left*).

The corner townhouse plan (*bottom left*) is especially noteworthy. It solves the problem of privacy at a busy corner by cornering the stairs, thus assuring an opaque wall at street level.



Uneconomic plan (*above*), with 12 flats in six buildings, called for private rear yards. So "street wall" continuity would have been broken on Sacramento Street.



project's density without increasing the scale of the buildings built on the street.

Also important: The scheme replaces individual off-street parking with a series of combined below-grade parking areas (not shown in plan), reducing the number of necessary curb cuts. Thus there is more room for both public curbside parking and trees (see photo, previous page).

The condo units sold out at \$120 per

sq. ft. to young professionals (average age, 35) plus a few speculators. Units contain from 1,020 to 1,658 sq. ft.

The developer, NAPELCO Associates, is a partnership of architect Solomon, C.M. Peletz Co. (which built the project) and Alex Najjar, managing partner. Landscape architect: Max Schardt of San Francisco.

Two-story bays, like the one in dining area at right, help the new units capture the Victorian flavor of adjacent housing.

PHOTOS: JOSHUA FREIWALD





PHOTOS: SADIN/KARANT PHOTOGRAPHY

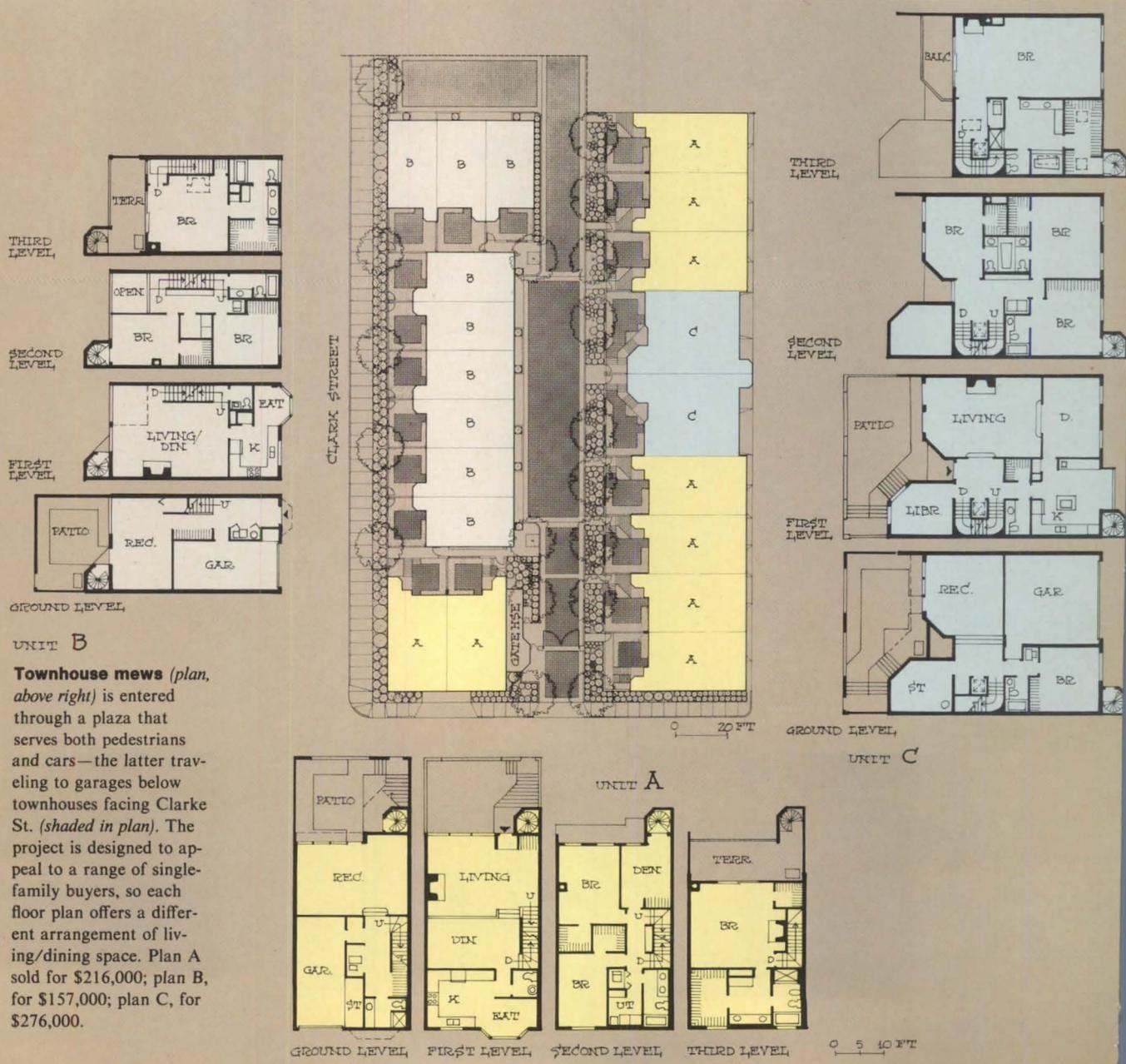
TOWNHOUSES FOR A 38,000-SQ.-FT. BLOCK

The block is part of a larger site where the developer plans to build a high-rise as well as more townhouses. But the plan for this 20-unit enclave would be just as suitable for a self-contained community.

By building what is essentially a contemporary version of an English "mews" (photo, facing page), the developer intended to tempt the luxu-

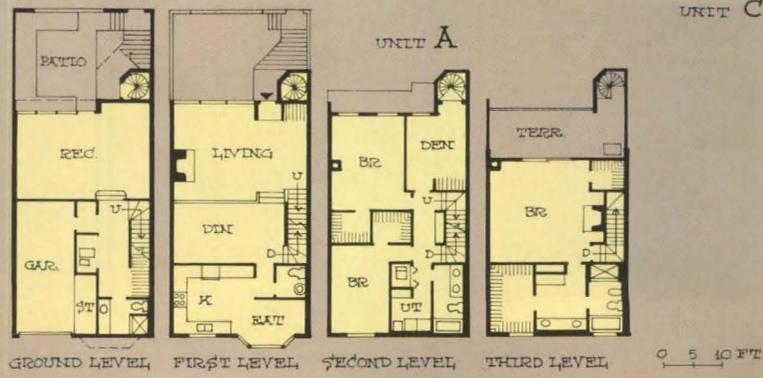
ry single-family market back to the city—specifically to an urban renewal area.

The location is the well-known "gold coast" on Chicago's north side. It has been enjoying a renaissance for the past few years. But, as the photo shows, much of the renewal work has been high-rise and mid-rise buildings. So this neighborhood-with-



UNIT B

Townhouse mews (plan, above right) is entered through a plaza that serves both pedestrians and cars—the latter traveling to garages below townhouses facing Clarke St. (shaded in plan). The project is designed to appeal to a range of single-family buyers, so each floor plan offers a different arrangement of living/dining space. Plan A sold for \$216,000; plan B, for \$157,000; plan C, for \$276,000.



in-a-neighborhood (called Sutton Place) is a welcome change of pace for the area; so much so that the townhouses sold out without any advertising at prices averaging \$195,000 a unit.

Buyers are empty nesters and young professionals, some with children. Both markets like the privacy afforded by the "private street" con-

cept (*see site plan*) and the spaciousness of the units. (There are three plans, offering 2,800, 3,600 and 5,100 sq. ft., including garages.)

But the most popular feature may well be the highly private outdoor living spaces. All units have both walled-in patio/gardens and terraces off the master suites (*see floor plans*). So much outdoor privacy is hard to

come by in urban housing, and is especially welcomed by markets that are accustomed to suburban homes.

The developer is The Rubloff Corp., which has just completed a second mews of 30 similar townhouses on an adjacent block. Architect: Paul Stevens Associates Ltd. of Chicago. Landscape architect: B. Jacobs & Associates, Chicago.





FLATS ON A 112' x 125' MID-BLOCK SITE

The location: downtown Palo Alto, Calif., a section of town where old single-family homes are rapidly giving way to multifamily and mixed-use buildings.

Which means that like similar neighborhoods in countless cities around the country, the area is becoming a popular haven for upwardly mobile young couples and empty nesters who are willing to pay top dollar to

live near jobs and shopping.

In planning this 10-unit building, developer H.C.C. Inc. offered a fairly standard mix of apartments—1 three-bedroom, 7 two-bedroom and 2 one-bedroom—that would attract both childless couples and those with possibly an older child living at home.

But the developer broke with tradition in the type of community facilities he specified.

PHOTOS: THE ARCHITECTURAL DESIGN GROUP



In place of the usual pool and recreation room, there is a two-story "quiet center" (see site plan) equipped with sauna, hot tub, social center, library and meditation rooms.

The offbeat amenities have proven so popular with younger buyers that the developer plans to include similar facilities in other buildings.

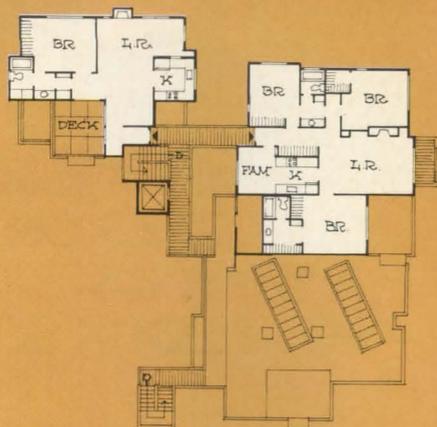
Another feature buyers have responded to: a solar-assisted heat/hot-

water system, which architect Kenneth J. Abler of The Architecture Design Group (Palo Alto) estimates will reduce the use of natural gas by 35%. The system is responsible, in part, for the project's name—Hizashi—a Japanese expression that means "reaching for the warming rays of the sun."

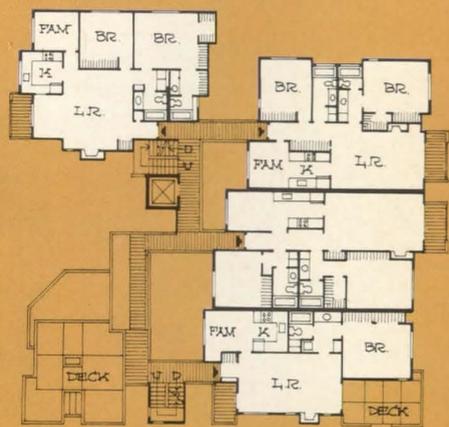
Prices for the apartments ranged from \$100,000 to \$150,000.



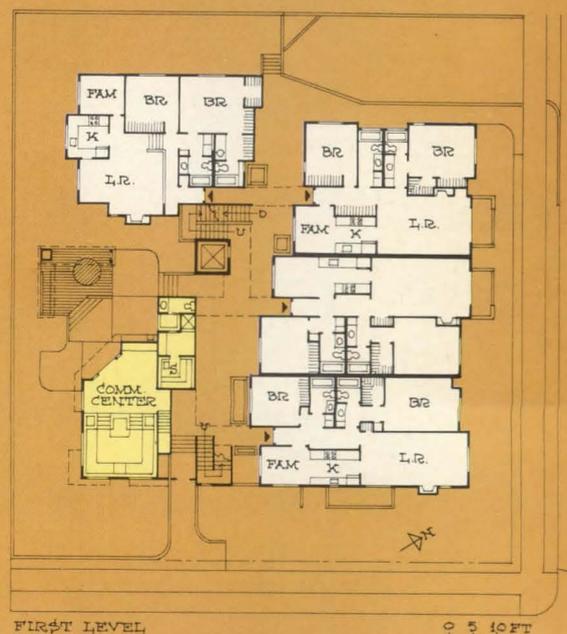
Shake siding covers decks and chimneys as well as walls, helping to tie the flats and the community building together (photo left). Shakes are even used on the small planters that are scattered about the entry court (photo above). Upper-floor flats and the deck on the roof of the community building are reached via bridges like the ones shown above.



THIRD LEVEL

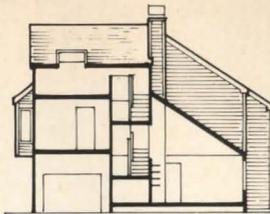
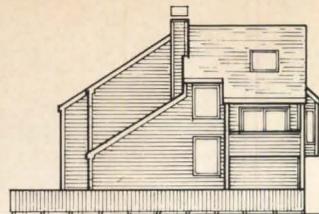


SECOND LEVEL



FIRST LEVEL

Ten-unit complex (plan above) is separated into what are essentially three wings—two with apartments, the other a community building. The wings are connected on the upper levels by bridges like those shown in the photo at right. Note the solar panels in the top-level plan. Not shown: underground parking, which is reached from a ramp at rear of the site.



STREET ELEVATION/SECTION

DUPLEXES ON A 120' x 165' MID-BLOCK SITE

What seem to be two detached houses occupy the former site of a large old home in Annapolis, Md. (see top photo). But appearances are deceiving.

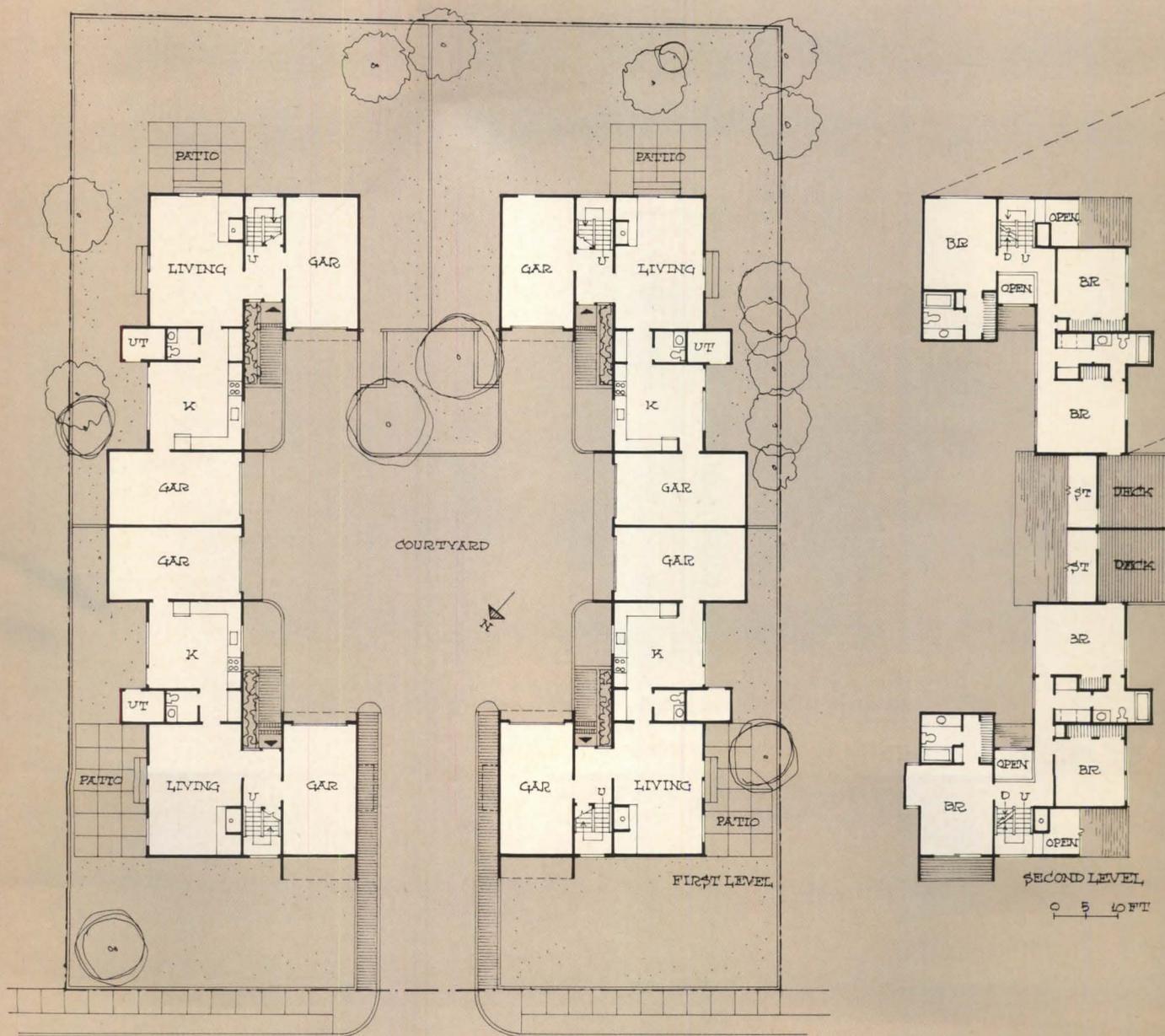
Actually the site now holds four homes—a pair of duplexes that are joined fore-and-aft, rather than in the more conventional side-by-side arrangement.

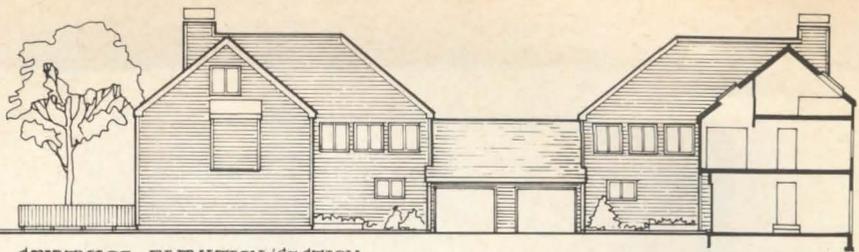
What makes this possible is the way the lot was subdivided: Developer

Scott H. Allan broke it into two 60' x 165' parcels with cross easements that allow some of the land to be allocated to a common entrance/auto courtyard.

Besides creating a single-family look, this plan helps minimize several problems common to urban development. Specifically:

- Housing can be better isolated from traffic noise—an especially im-





COURTYARD ELEVATION/SECTION

portant element when, as here, the site is opposite a rapidly expanding commercial area.

- Outdoor living areas can be made truly private from both pedestrians and traffic.

- Mandated requirements for off-street parking facilities can be satisfied without going to expensive underground construction.

Besides looking like single-family

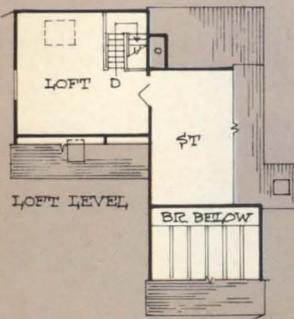
homes, these duplexes live like them. There is great privacy between master and secondary bedrooms. Public and private spaces are on different levels. And there is more than average storage space.

One of the most interesting features: the way garage space for each unit is split up (*see plans*). This was done so that any buyer would be able to convert the space that links units into a

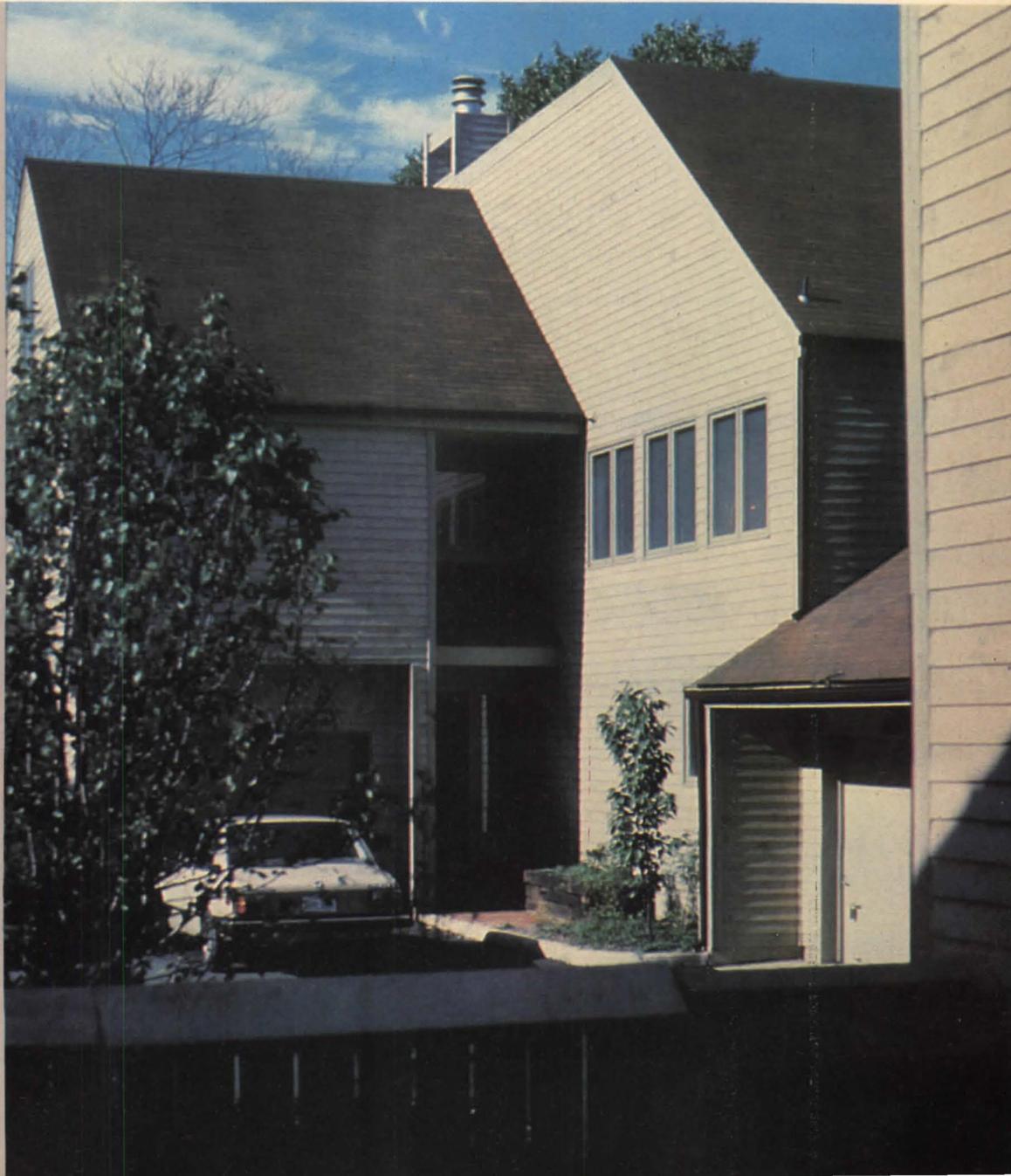
family room.

None of the four owners has done so—probably because there are no young children. Of the four owners, two are professional couples, two are near-retirees.

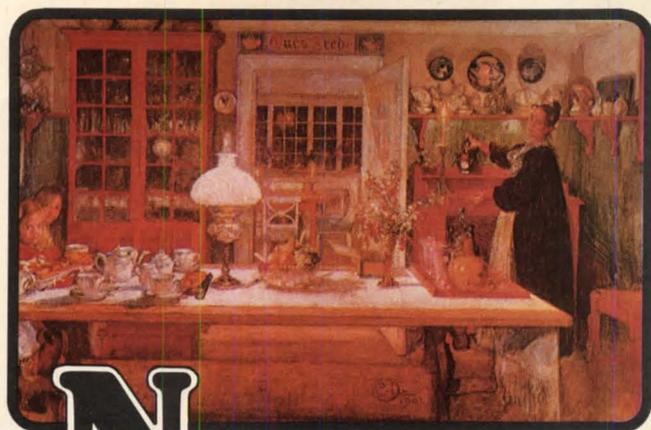
The project is known as 111 Severn Avenue Condominium. Architect: Robert G. Hammond Associates, Annapolis. Landscape architect: Urban & Associates, Annapolis.



Fore-and-aft siting (*plan far left, facing page*) provides space for an entry/auto courtyard, hence allows the front units to have full privacy from passersby. For example, except for a stairwell window, the ground-level wall on the street elevation is opaque. Architecturally, the duplexes complement neighboring 19th century houses, many of which have shed-roof additions. Each unit contains 2,000 sq. ft. and sold for \$140,000.



PHOTOS: ROBERT G. HAMMOND



NOSTALGIA WITHOUT CLUTTER

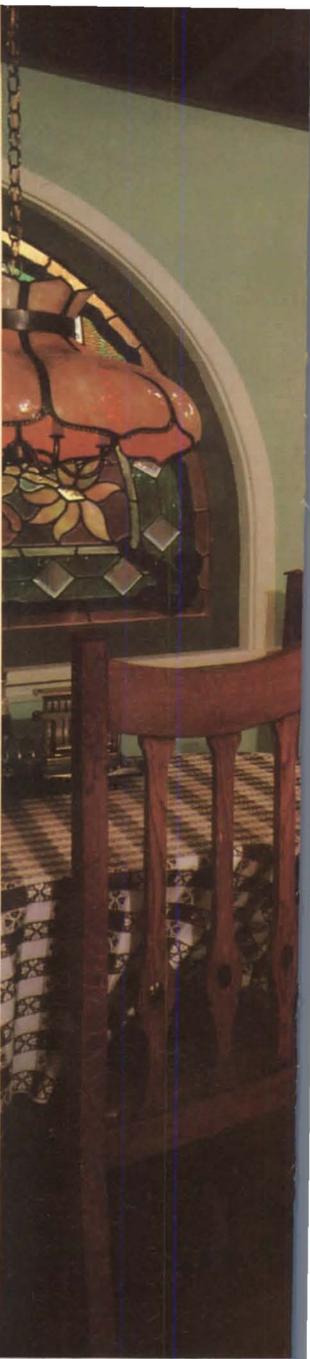
It's hard to believe that this turn-of-the-century kitchen is in a ten-year-old tract house, and that the cabinets, floors, ceilings, windows, faucets, hardware and most light fixtures are brand new.

It's also hard to believe that this kitchen boasts plenty of refrigerator and freezer space, a built-in oven, microwave, dishwasher, trash compactor and even an icemaker. The only appliance that shows, a 1904 wood-burning stove, is not merely decorative: The burners were converted to gas and the ovens are used for storage.

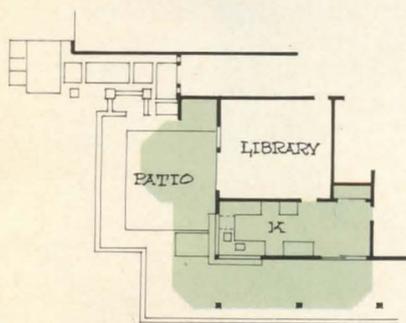
"We wanted nostalgia without clutter, function without coldness and warmth without design gimmickry," says Don Miller. So Miller and his wife, both designers, studied their small standard kitchen (*see plan, facing page*) and determined that by adding some space—a total of about 30 sq. ft.—and raising the roof, they could achieve their goal.

They were inspired by the paintings of Swedish artist Carl Larsson (*see above*) although, as Miller says, "We didn't try to copy any of his spaces; we just wanted the feeling he had."

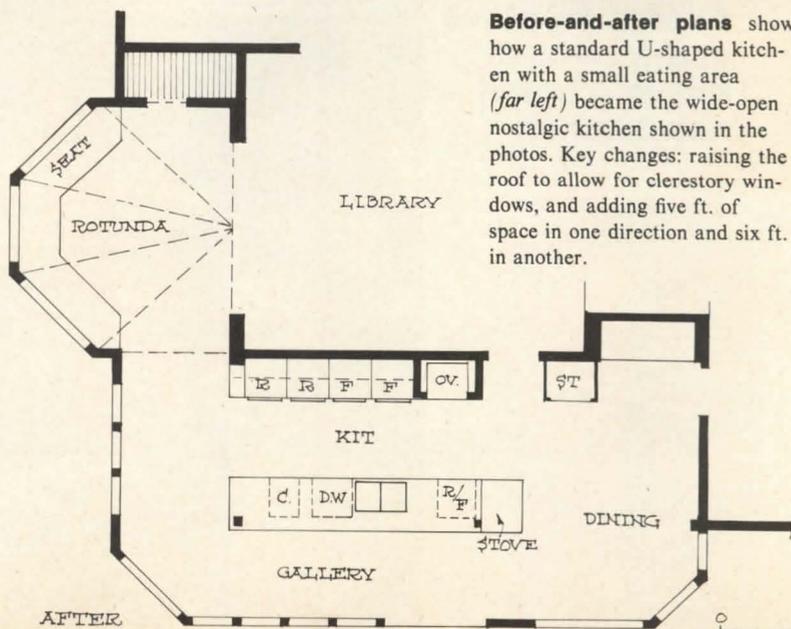
There were delivery delays and problems in finding the right materials, so the remodeling took about four months. The total cost was about \$40,000.—N.G.



Wide-open work area (*photos above and at left*) has large windows and French doors on three sides, and skylights and clerestory windows above. These bring in light from all directions, making the space seem much larger than it is. Work was done by General Contractor Kenneth Rouse of Corona del Mar.



BEFORE



AFTER

Before-and-after plans show how a standard U-shaped kitchen with a small eating area (*far left*) became the wide-open nostalgic kitchen shown in the photos. Key changes: raising the roof to allow for clerestory windows, and adding five ft. of space in one direction and six ft. in another.

0 5 FT



Rotunda (top left), an intimate seating area that opens to the library (see plan, page 61), was added as part of kitchen remodeling. It too was inspired by Larsson's paintings. Building it meant adding a semi-octagonal turret to the front of the house, but this addition blended well with the house's steeply pitched roof-lines.



Cabinets (center left) were custom-built, including some with roll-top compartments where small appliances, tableware and accessories are kept out of sight. Notice the rose pattern in the glass doors. It was copied from the old hutch shown in the photo at right.

Dining area (bottom left) occupies one end of the kitchen, and unlike the rest of the remodeled space it has a dropped ceiling with a loft above (see photo, facing page). This creates a sense of warmth and intimacy.

Compact work area (right) shows how close at hand all of the kitchen essentials are. Base cabinets on the left hide two undercounter refrigerators and two freezers. Beyond them is a brick-faced cabinet containing an oven and, hidden by a brick-faced door, a microwave. Base cabinets on the right contain a trash compactor, dishwasher and a refrigerator/freezer with an ice-maker.

Note the narrow-slatted ceiling. It is actually composed of six-in.-wide tongue-and-groove boards grooved to look like narrow strips.

The ceiling light fixture is from the Millers' collection of old light fixtures; the wall lamps are reproductions which they designed.

Except for stove and furniture, this is a brand new kitchen



PHOTOS: KEN SHEARER





BEFORE



BEFORE

FRAYED- AT-THE-EDGES MOTEL CHECKS OUT...



...LUXURY TIME

The design review board of Laguna Beach, Calif. was so glad to see Watt Industries turn the Laguna Shores Motor Hotel into a new time-share that the board okayed the rehab plans in less than ten minutes.

Not that the old beach motel had a bad reputation. It had an excellent

one—even though it had acquired a bit of a “down-at-the-heels” look because of maintenance deferrals over the past ten years. But what the design board really didn’t like about the motel was its aesthetics, a potpourri of four decades of architectural styles brought about by a succession of partial rehabs



Interior courtyard (left) of timeshare rehab features patterned-brick paving and meticulous landscaping—a far cry from the asphalt parking area which stood there in the time of the Laguna Shores Motor Hotel (lower photo, facing page). The front elevation has undergone a drastic change, too. Cement filigree and plywood siding (upper photo, facing page) were removed to expose a brick planter with recessed seat (photo below). The motel's tower and sign were razed and the new project's name—Laguna Shores—posted with simple brass letters on the brick facade.



AFTER AFTER

SHARE CHECKS IN

over its 42-year life. One design board member summed up the motor hotel's image this way: "It reminds me of an X-rated movie house of the '40s."

Watt's timeshare director William Friery and consultant R.J. Thorman saw beyond the hodgepodge of period styles. They saw a prime location in a

booming resort market. And that translated to timeshare.

The rehab plans called for the 37-unit motel to be stripped down and resurrected as a 34-unit timeshare—4 suites and 12 studios sleeping 4, and 18 studios sleeping 2. The units are compact, averaging only 242 sq. ft. A total

of 1,700 shares—34 units times 50 weeks—was offered for sale, each entitling the buyer to one week's use of a particular unit during a specific season. A share could cost as much as \$15,000 for a summer suite or as little as \$6,000 for a studio in the fall or spring. A maintenance fee of \$16 per

Rear view of timeshare illustrates just how lushly this project is landscaped—to the tune of \$40,000 on a ¼-acre site. Units opening onto rear of the project have a clear view up and down the southern California coast. Amenities such as the pool and spa (below) are owned in common by shareholders under the Laguna Shores timeshare plan.



month generates over \$300,000 per year to insure proper upkeep of units and such amenities as a pool, jacuzzi and clubhouse.

Rehab work began in April 1979. Six months and 4,000 cu. yds. of debris later, it was complete. "We took every interior wall down to the bare studs and replaced every door and window, 146 in all," said Thorman. The exterior too was overhauled—cement filigree siding removed to expose brick

and the plywood tower and corrugated-plastic sign eliminated. Kahls Interiors of Beverly Hills, Calif. furnished the units with top-of-the-line items like glove leather chairs and woven cane bed sets at a cost of \$9,000 per unit.

Marketing—always a challenge in timeshares because of the great number of buyers needed—went smoothly at Laguna Shores. A number of sales came via "drive-bys," North Pacific

Coast Highway motorists who daily watched the progress of the rehab. Watt's "hot list"—8,000 names of previous registrants at the motel—also produced some sales. So did a full page ad in the *Los Angeles Times* real estate section.

Sales, which began last August, have been more than brisk. Some buyers took as many as four shares; the average was 1.7 per buyer. The first to go were spring and fall shares, which



PHOTOS: DAVID ROSS

may be used in two-day, rather than full week, blocks. With less than 100 of the original shares unsold to date, Laguna Shores is not just one of the most successful timeshares, it's one of the fastest selling.

— WALTER L. UPDEGRAVE

Developer: Watt Industries, Santa Monica, Calif.
Timeshare consultant: R. J. Thorman, Ramona, Calif.

Architect: Craig Coombs, Newport Beach, Calif.
Interiors: Kahls Interiors, Beverly Hills, Calif.

How it pencils out

Purchase of existing motel		\$3,000,000
Physical rehab		
Interior	\$625,000	
Exterior	225,000	
Common areas	120,000	
Demolition	30,000	1,000,000
Total		\$4,000,000*

Sales To Date: \$10,940,000

*Figure does not include interior furnishing cost of approximately \$9,000 per unit and marketing costs of between 30 and 35% of gross revenues.

DEPENDABLE

You and your buyers can count on gas. America's deposits underground, plus new technologies, could supply gas for centuries. With the future so positive, gas utilities across the country are now accepting new gas customers.

ECONOMICAL

Gas is the least expensive energy for your buyers to have. New gas heating systems and appliances can save them even more. With Energy Savings Payback. That's the money they'll save in lifetime operating costs with efficient new gas units, compared to less efficient models. It really adds up!

SALEABLE

By providing a home that will cost the least to operate, you're in tune with the times and greatly increase your chances of selling. And with less money required to meet utility expenses, homebuyers will have a greater amount of disposable income to help them qualify for home mortgages.

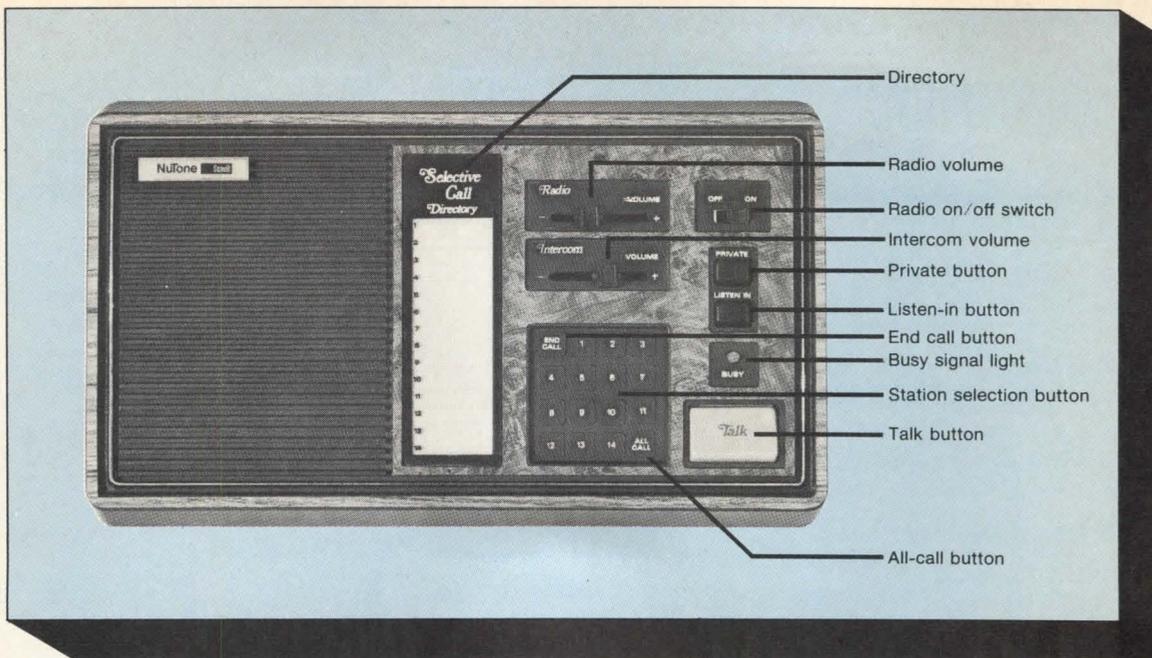


The Gas Advantage.

Gas: The future belongs to the efficient.

AMERICAN GAS ASSOCIATION

- Bathrooms 70
- Doors/windows 74
- Exteriors 83
- Flooring 72
- Interior environment 80
- Piping/plumbing 77
- Tools/equipment 78



Versatile intercom system offers many options

The NuTone "I-600 Selective Call" system allows both one-on-one conversations and multiperson conferences; it can monitor an entrance door or be hooked up to a paging speaker; it can be freestanding or built-in.

And since it provides for up to 14 master stations, the intercom system is suitable for both residential and non-res installations.

"Selective Call" has several convenience features. Among them:

- Direct dialing: Each master station is assigned a number. And a touch of a button will contact any one of them. Only the desired station is contacted, and only that one can answer.

- Full service: Anyone connected to the system can initiate a call because each has his own station. But when there's an announcement for everyone, an "all-call" button will open up the lines to the entire system.

- Simplified installation: The system utilizes standard wiring. (Power runs from a central power supply to all master stations, extension speakers and radio units.) But the stations can be loop-wired with eight-wire cable, rather than with 14 or more separate wires.

And barrel connectors on the terminal blocks (*see photo below*) eliminate the need for stripping, splicing and wrapping wires. (According to the manufacturer, installation time may be cut in half.)

- Entertainment: Optional radio units are offered, with jacks for record and tape players. The coordinated radio and master station are finished in a burl walnut pattern. Each unit measures 7½" x 12½".

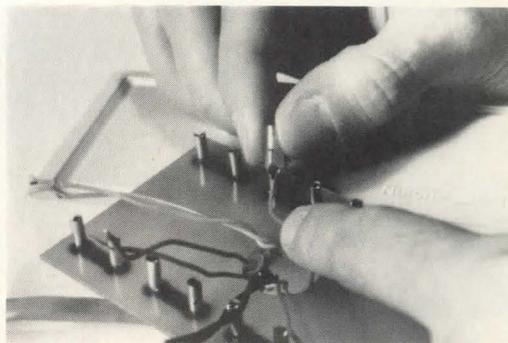
- Monitoring: A "listen-in" button opens up the line between any two stations—a good feature for nursery or hospital use.

- Extra privacy: A "private" button shuts out all intercom communication. A short buzz tells the station it's being contacted.

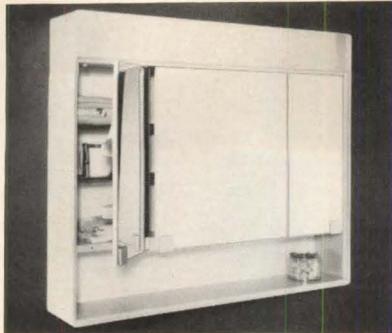
- And convenience: Extension speakers, which can be installed up to 50 ft. away, tie adjoining rooms into the system.

For more information, circle 200 on reader service card

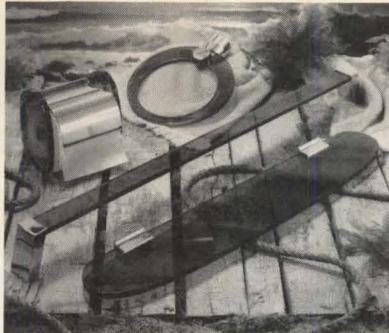
—JENNIFER A. WAGNER



Installation time-savers: barrel connectors and wiring terminal blocks (*above*). Each block accommodates 4 eight-wire cables.



"Panoramic" medicine cabinet (above), with three swinging mirrored doors, also has a magnifying mirror on the inside. Laminate exterior comes in white or beige. Allibert. *Circle 201 on reader service card*



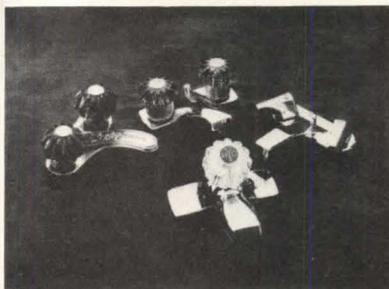
Belgian crystal bath accessories (above) are trimmed in chrome. Crystal colors are natural, bronze, smoke, blue and creole. Europa Bath Boutique. *Circle 202 on reader service card*



Prewired magnifying mirror (above) incorporates a spotlight (black circle). Wall-mount unit has a 9½" diameter. Trim is chrome plate. Distributors Supply. *Circle 203 on reader service card*



Vitreous china water closet (above) is now offered in classic bone—as well as cascade blue, desert sand, royal gold, royal parchment and white. Matching fixtures include two-piece toilets and drop-in or wall-hung sinks. Mansfield Sanitary. *Circle 204 on reader service card*



"Mermaid" faucet collection includes over 50 models. Shown above: top-of-the-line, single-lever model with integral cartridge and three lower-priced, two-handle models. Universal-Rundle. *Circle 205 on reader service card*



Self-rimming, drop-in lavatory, "le Gran" (above), has contoured corners. The vitreous china fixture is 38"x22"; the basin is 24"x13". The prepunched faucet openings are 12" o.c. Kohler. *Circle 206 on reader service card*



Matching medicine chest and vanity (above) are part of the "Country Styled" series. Also available: "Soft Seat" toilet and complementary lid. General Bathroom Products. *Circle 207 on reader service card*



"Hearthside Hickory" cabinetry (above), finished in vintage brown, has a random plank look. Drawers are dovetailed, and frame joints are of mortise-and-tenon construction. Hardware is optional. Brammer. *Circle 208 on reader service card*



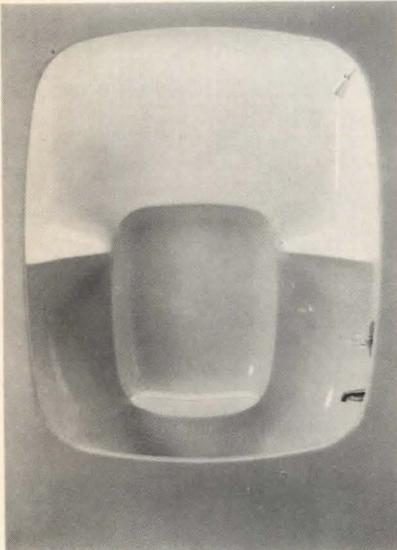
Oval "Windflower" mirror (above), in plate glass, has a high-impact polystyrene frame. Gold or white/gold finishes are offered. Dimensions: 17"×23". Miami-Carey. Circle 209 on reader service card



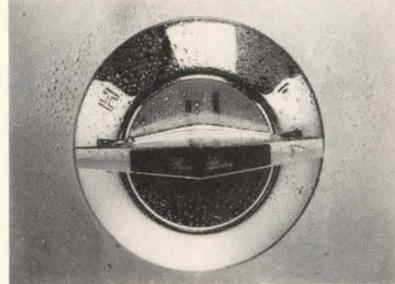
"Statesman" medicine cabinet (above), part of the "Collection Series," features solid-oak framed doors with cane center panels. Chemcraft. Circle 210 on reader service card



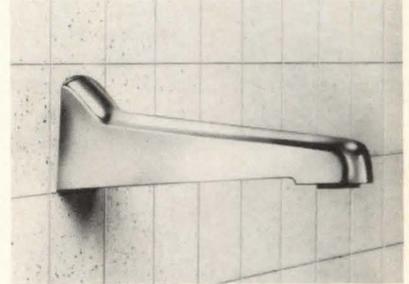
Oak-finished cabinet (above) comes with theatrical-style lighting. Plate glass mirror is offered with a ten-year warranty against silver spoilage. Triangle Home. Circle 211 on reader service card



Acrylic tub/shower unit (above) has a bold, oval design. Integral unit, of one-piece construction, features an inset seat. Available in 15 colors. Acrylic Tubs. Circle 212 on reader service card



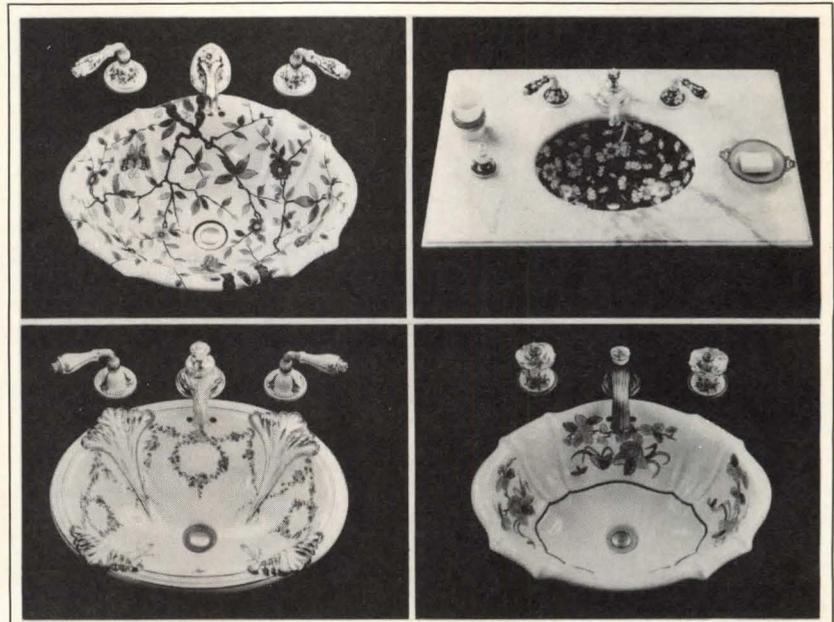
Single-lever Bodyguard™ control (above) features an automatic pressure-balancer mixing valve. This specially designed valve maintains water at preselected temperatures. Price Pfister. Circle 213 on reader service card



Roman tub spout (above) is a wall-mount unit that has a 3½" × 3" base, a ¼" supply tap and is 9⅝" long. Oversized spout, which is made of chrome, has a straightforward design. Central Brass Manufacturing. Circle 214 on reader service card



Elongated pedestal lavatory, "Ellisse Grande" (above), comes with a "Dualux" fitting. Fixture measures 39⅜" × 22½" × 31". American-Standard. Circle 215 on reader service card



Hand-decorated washbasins, with designs based on 18th- and 19th-century porcelain patterns, include (clockwise from top left): "Summer Garden," "Blue Ming Blossoms," "Garlands" and "Mums." Sherle Wagner. Circle 216 on reader service card

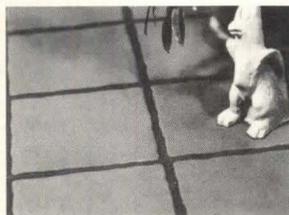


"Custom Stone VI" vinyl floorcovering (above), part of the "Diamond Glow" collection, simulates glazed tile. Offered in white and four colors: terra-cotta, green, gold and orange. Biscayne Decorative Products. Circle 221 on reader service card



Pegged "Sherwood Plank" floor (above) features alternating planks in 3" and 5" widths. Solid oak flooring, offered in gunstock brown, features a stained wax finish. Bruce Hardwood Floors. Circle 224 on reader service card

"Cobblestone" tile (right) features straight edges and an irregular surface. Unglazed tiles are available in two earth-tone colors; glazed tiles come in five shades of beige and brown. Quarry Tile. Circle 222 on reader service card



Hi-tech style flooring (right) is a resilient sheet vinyl that comes in 6' x 60' rolls. Called "Lonplate," the floorcovering is offered in metallic grey, black, startling white and dark brown. Lonseal. Circle 225 on reader service card



"Ximinez" sheet vinyl flooring (above) features an Aquabar® moisture barrier and a no-wax wear layer. Mannington Mills. Circle 223 on reader service card



No-wax floor tiles, "Versailles" (above), simulate wood parquet. Two colors are offered: walnut or teak. A self-stick style is available. Flintkote. Circle 226 on reader service card



“Cut-and-loop broadloom” (above) is woven in a checkerboard design. “Monte Carlo” looks like wool, but is made of acrylic, nylon and Zfstat® antistatic fiber. Couristan. Circle 227 on reader service card



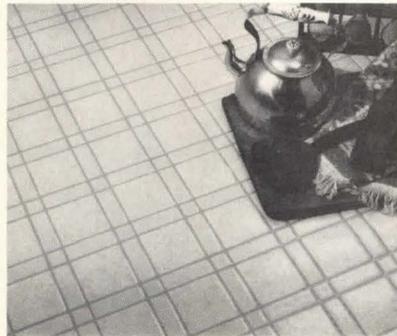
“Hexameter” carpet (above), in a tile motif, is tufted of Anso® NaturaLuster™ nylon. Cut-pile carpet is backed by a five-year commercial wear warranty. Milliken. Circle 228 on reader service card



“Rapallo” sheet vinyl flooring (above) has the look of hand-fired Italian tile. The design is offered in seven color combinations. Widths: 6’ and 12’. GAF. Circle 229 on reader service card



“Moorsgate” contract carpet (above) is treated with Scotchgard® protector. Textured loop pile is constructed of 55% wool, 45% acrylic. Stratton. Circle 230 on reader service card



Sheet vinyl flooring (above), in a “Garden Tile” design, is part of the Tredway™ line. Colors: white, beige, yellow or toast. Armstrong World Industries. Circle 231 on reader service card



Textured loop floorcovering, “Berwood” (above), is suitable for commercial applications. Polypropylene primary and jute secondary backings are offered. Raleigh. Circle 232 on reader service card



Random-length plank flooring (above) features three-ply, solid-oak construction. “Country Estate Plank” is available smooth or with wire brushing. Factory-installed walnut pegs are optional. Sykes. Circle 233 on reader service card



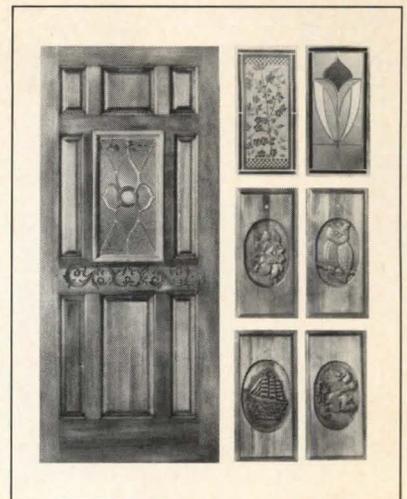
“Oak Bordeaux” flooring (above) is offered in a wide range of domestic as well as imported wood species. Custom-designed modules are available prefinished or unfinished. Kentucky Wood Floors. Circle 234 on reader service card



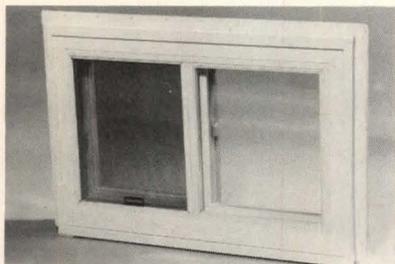
Easy-to-maintain folding doors (above) have PVC panels that are offered in a variety of colors and woodgrain patterns. Unit comes in standard heights. An 8'8"-high model is offered with oak design panels. Grosfillex. Circle 261 on reader service card



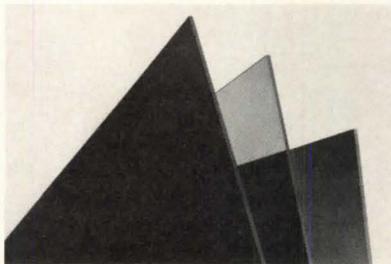
"Chateau Bordeaux" entry door (above) is offered with Tiffany-style glass set in Douglas fir or hemlock. Sidelights shown are optional. Standard heights and widths are available. Simpson Timber. Circle 264 on reader service card



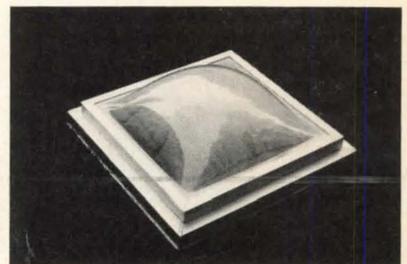
Traditional-style door (above left) is also offered with one of the six glass or carved wood inserts shown at right. Door, from the "Foxwood" series, is constructed of vertical-grain Douglas fir or western hemlock. Nicolai. Circle 267 on reader service card



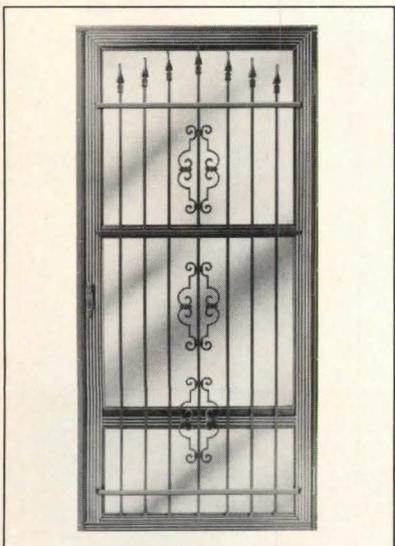
Aluminum-clad, slide-by window, the Pewertone™ (above), comes with 5/8" Crestopane® insulating glass. Interior sash and frame are stained with a nutmeg toner. Crestline. Circle 262 on reader service card



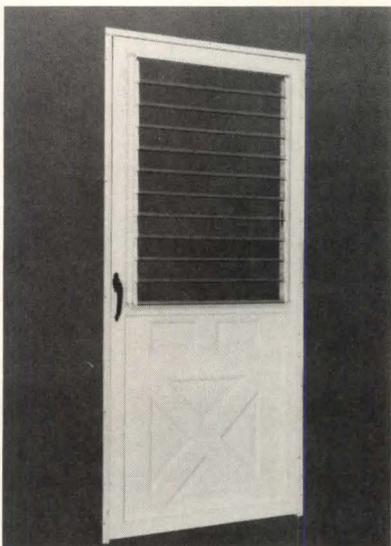
Acrylite® sheets (above) can be used in place of tinted glass for sidelights. The sheets come in twelve tints and a wide range of color densities. CY/RO. Circle 265 on reader service card



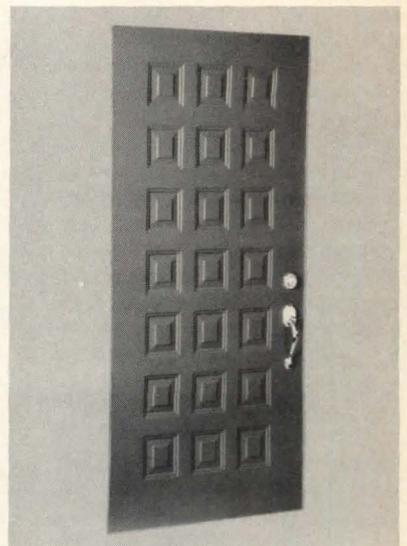
The Bubblelite® (above) consists of two acrylic domes separated by insulating material. Frame is extruded aluminum. A skylight model is also available. O'Keefe's. Circle 268 on reader service card



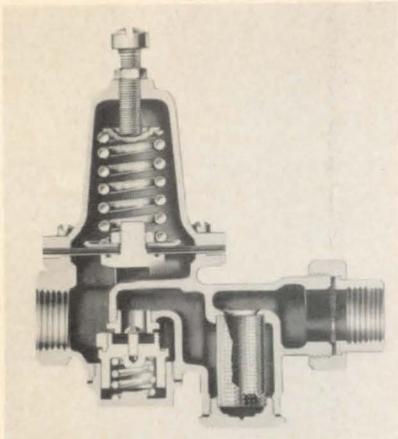
Decorative insulating door (above) has three tempered glass panels set into an aluminum frame. Grille, with a wrought-iron look, comes in black only. Center glass panel slides up for ventilation. Feather-Lite. Circle 269 on reader service card



Awning-louver aluminum door (above) has vents that open 75°. Pressure-seal weather stripping on frames minimizes heat loss when vents are closed. Door is available in bronze, white or mill finish. Continental Aluminum. Circle 266 on reader service card



Prehung insulated steel entry door is embossed, as shown above, on both interior and exterior faces. Unit is part of a door system that includes magnetic weather stripping. Stanley Door. Circle 263 on reader service card



Water pressure reducing valve (above) functions in systems up to 300 psi. The unit maintains a 50-psi supply pressure, reducing both water usage and heating costs. Unit measures 6½"×7½". Watts Regulator. Circle 271 on reader service card



"SI-4" water filter (above) prevents scale buildup of calcium and magnesium carbonate in hot water heaters and humidifiers. Filter cartridges can be removed without interruption of water service. Filterite. Circle 274 on reader service card



Econ-O-Mate™ heat reclaimer (above) transfers heated exhaust from refrigerator or air conditioning system to hot water heating system. Double-wall, vented unit measures 11"×11"×8". Sun-Econ. Circle 277 on reader service card



"Mini-trol" water hammer arresters (above) have a rubber diaphragm that absorbs pressure surge when a faucet is turned off quickly. Baseball-sized units are installed at or near valve. Threaded adapter is available. Amtrol. Circle 272 on reader service card



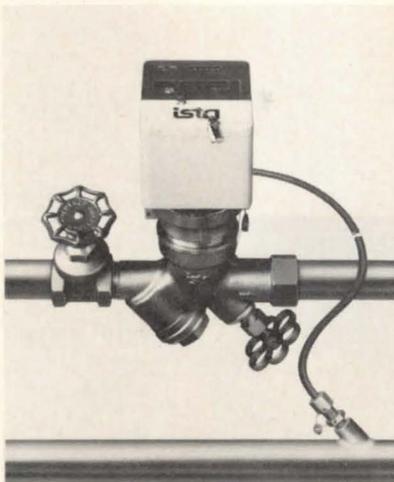
Electric water heater, the Conservationist® (above), includes a timer limiting operation to off-peak-demand hours. However, a manually controlled thermostat allows 30 gals. of water to be heated whenever necessary. A.O. Smith. Circle 275 on reader service card



Low-maintenance chlorinator (above) uses solid chlorine tablets to treat up to 1,500 gals. a day. The unit is suitable for in-line field installations with any home sewage treatment system. Self-contained unit body, made of heavy-duty PVC, has lockable cover. Jet®. Circle 278 on reader service card



Solid-state MicroProcessor (above), used with the manufacturer's Aqua-Sensor® monitoring device, provides automatic water treatment control. LED display signals reprogramming requirements. Culligan. Circle 273 on reader service card



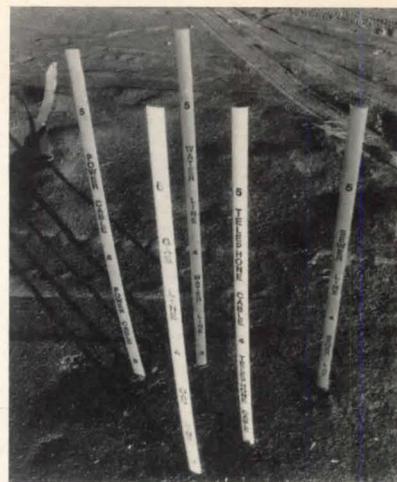
Solid-state BTU meter (above), installed into the hot water heating system of an apartment, records heat consumption of each tenant. No external wiring or special plumbing supplies are needed for hookup. Ista. Circle 276 on reader service card



"Freeze-Gard" drain valve system (above) shuts off incoming water supply and drains water lines when indoor temperature nears freezing. Unit is self-powered by pressure already in the system. Sheltech. Circle 279 on reader service card



Truck-mounted articulating crane, "Model N-85" (above), can reach 34' above and 20' below the truck frame. Lifting capacity is 14,400 lbs. Accessories include a pallet fork, clam bucket and grapples, a winch and a hydraulic auger. National Crane. Circle 254 on reader service card



Color-coded plastic markers (above) signal location of buried utility lines on construction sites. As shown, numbers can be printed on markers to indicate depth of cables or pipes. Radar Engineers. Circle 258 on reader service card



Quick-charge "Power Pak" (above left), which powers the Boar Gun™ line of cordless drill/screwdrivers, recharges in an hour. Three-pouch holster (above right) holds one drill/screwdriver, a spare "Power Pak" and extra bits. Skil. Circle 255 on reader service card



Low-velocity power hammer (above center) is suitable for fastening metal brackets or conduit hooks into concrete. The "Boss-65K1" powder tool kit includes (counterclockwise): earplugs, wrench, stabilizer and safety goggles. Bostitch. Circle 256 on reader service card



Electro-pneumatic rotary hammer, "Model PH 240 D" (above), is designed for high-speed drilling into concrete. The tool can handle solid bits up to 1", core cutters up to 2½" and self-drilling anchors up to ½". UL-listed tool weighs 11½ lbs. AEG. Circle 259 on reader service card



Elevating scraper (above) features an automatic transmission that is controlled by a microprocessor. A digital readout display (see inset) tells the operator what gear he is in, when the torque converter lockup clutch is engaged, or if any electrical problems exist. John Deere. Circle 257 on reader service card



Pneumatic nailer (above)—designed for use in manufactured-housing production plants—is suitable for trussing, framing and sheathing. Compact tool is 16½" long × 12½" high. Duo-Fast. Circle 260 on reader service card



Hydraulic backhoe (above), powered by a 300-hp engine, has a weight of 316 lbs per hp. Standard digging depth is 304¹³/₁₆"', but can be extended to 352¹³/₁₆"' with a longer, optional arm. American Hoist & Derrick. Circle 244 on reader service card

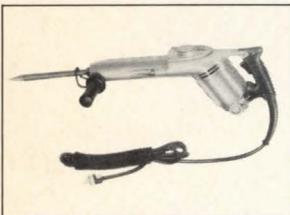


"Modularmatic" vehicle (above) is a basic unit that can be equipped with modules for trenching, plowing, backhoe work or restoration. Machine is powered by a 30-hp engine. Ditch Witch. Circle 248 on reader service card

Pneumatic stapler (right) measures 13" long × 4¹/₂" wide × 12¹/₄" high. "Model HL-7616-P" weighs 5 lbs, 9 oz. The high-performance stapler is designed to drive 16 gauge, ⁷/₁₆" crown staples in lengths from ¹/₂" to 2". Spotnails. Circle 245 on reader service card



Electric spray gun (right) features interchangeable jet nozzles for heavy or thin liquids. Gun body is made of cast aluminum, and a hardened steel cylinder and chromium-plated piston assure smooth operating efficiency. C.O.M.B. Circle 249 on reader service card



High-impact breaker, "Model EHU 8Y/110" (left), is suitable for breaking concrete, brick, asphalt and hard or frozen ground. Pistol-grip handle has an on/off switch. Tool weighs 21 lbs. Wacker. Circle 246 on reader service card



Gasoline-powered "Pionjar" (above) operates in a drill or impact mode. Versatile tool, which drills to a depth of approximately 20 ft., delivers compressed air to blow out the particles. Abema. Circle 247 on reader service card



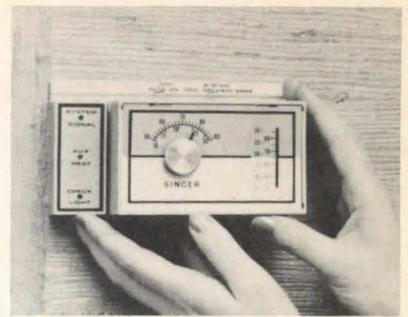
Hydraulic crane (above) is 10'5" high × 8' wide and has a 197-hp diesel engine. Stabilizing outriggers are beam type, out and down. Four-section power boom features a 75° elevation and a 360° swing. Galion. Circle 250 on reader service card



Solid-state thermostat (above)—compatible with all hot water heating systems—is designed for multifamily units. Setback feature lowers temperature at night and restores it in the morning. American Stabilis. Circle 280 on reader service card



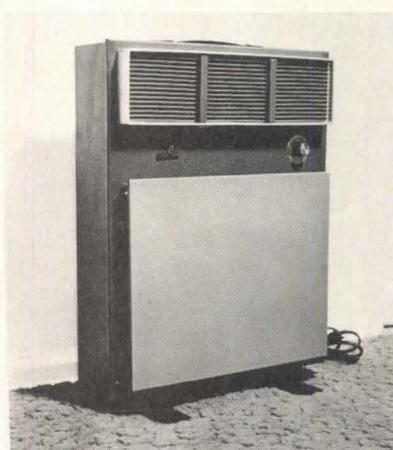
Underduct humidifier (above), designed for heat pump and electric furnace systems, includes stainless steel reservoir with mineral-resistant coating, and an immersion-type heating element. Humid-Aire Corp. Circle 283 on reader service card



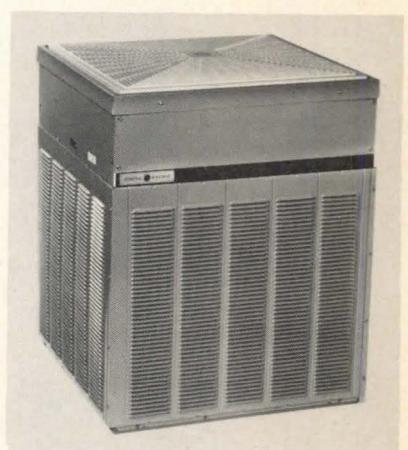
Thermostat (above), designed for use with the manufacturer's heat pump, features: a system signal light to show pump compressor is on; an auxiliary heat light to indicate second stage of heating; and a check light. Singer. Circle 286 on reader service card



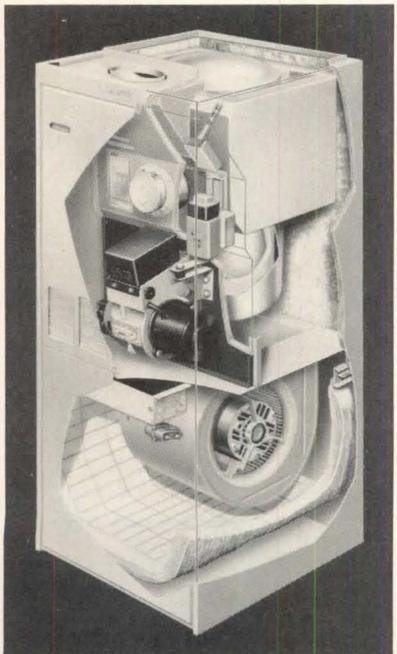
MINIVECTOR® setback thermostat (above) switches automatically from a day to a separate night thermostat. The unit can be used in single or double setback systems, permitting two to four temperature changes per day. Chatham Brass. Circle 281 on reader service card



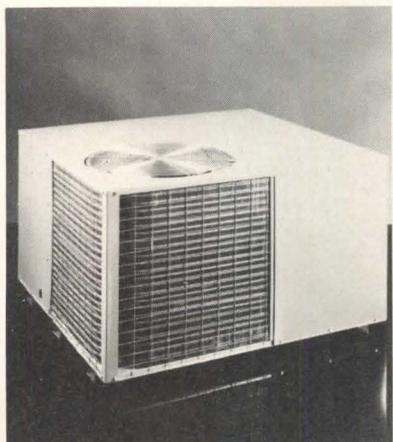
Portable electric hot water heating unit (above) is suitable for add-on rooms (not heated by central furnace) or for hard-to-heat areas. Compact, vertical-standing unit includes lifetime-lubricated circulating fan. The UL-listed unit plugs into any 110v to 120v outlet. Intertherm. Circle 284 on reader service card



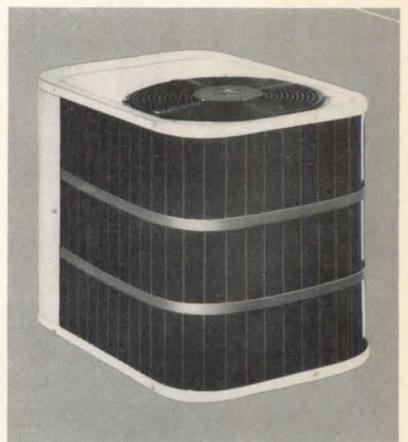
Executive II Weathertron® heat pump (above) has a two-speed Climatuff® compressor that runs the pump at low speed, but can automatically shift the system to high during peak demand periods. The unit has a programmable, digital monitoring control. G.E. Circle 288 on reader service card



Expanded line of oil furnaces (one is shown above) offers models with heating capacities of 70,000, 105,000, 150,000 and 168,000 BTUH. All units feature multispeed, direct drive blowers. Oil and electrical connections can be made on either side of unit. Lennox. Circle 282 on reader service card



Split-system heat pump (above) comes in seven models, providing from 18,000 to 60,000 BTUH cooling and from 18,000 to 58,000 BTUH heating capacities. Vertical air discharge system directs outlet air away from building. Westinghouse. Circle 285 on reader service card



Split-system heat pump (above) is available in seven sizes, from 1½ to 5 tons or 19,000 through 57,000 BTUH. Unit, with one panel access, is easy to service. Unit also has an automatic defrost system and vertical air discharge. BDP. Circle 287 on reader service card

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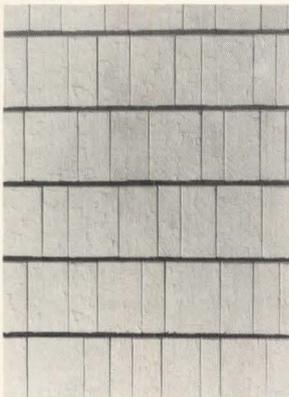
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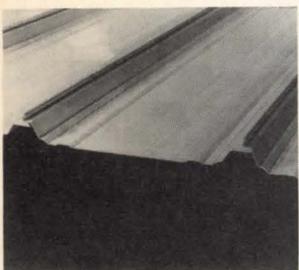
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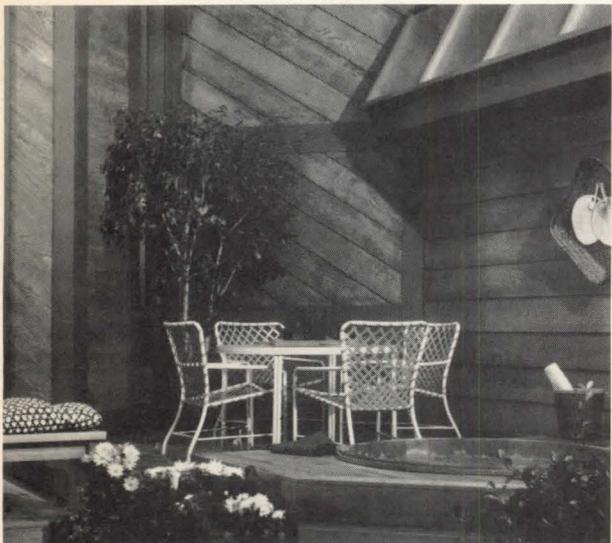
Hardboard siding (above), called "Adobe," simulates the color and texture of stucco. The preprimed panels come in two sizes: 4' x 8' and 4' x 9'. Weyerhaeuser. Circle 241 on reader service card



"Cladwood" siding (right) is made of a medium-density particleboard with wood fiber overlay. Surface is embossed with a hand-split shake design. Publishers Forest Products. Circle 242 on reader service card



Roofing system (left) has clips that attach steel panels directly to purlins. Standing seams and elimination of screw holes insure watertight system. Panels, which measure 20' wide by up to 32' long, may be coated with aluminum or aluminum zinc. National Steel Products. Circle 243 on reader service card



"Teton" hardboard siding (above) looks like wood. Panels come as lap siding, shown installed horizontally and diagonally, or as 4'-wide panels available in 7', 8', 9' and 10' lengths. Georgia-Pacific. Circle 240 on reader service card

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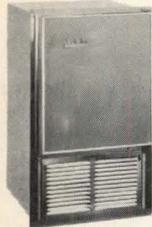
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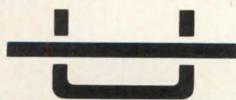
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LITERATURE

Finishing touches for the outdoors

Ideas and plans for outdoor schemes constructed with **pressure-treated lumber** (see photo below) are the subjects of two pamphlets. "Outdoor Projects" features instructions for building a playhouse, storage and planter unit, and play center. The second publication details plans for five decks, including one with two tiers. The advantages of using the manufacturer's treated lumber are also discussed. Georgia-Pacific. *Circle 301 on reader service card*

Building residential fences using **Wolmanized® pressure-treated lumber** is the subject of a 20-page brochure. The illustrated publication contains step-by-step instructions for building ten different fence designs. Tips for building on hilly terrains are also included. Copies are available for \$1 from the Koppers Co., Forest Products Group, 1900 Koppers Bldg., Pittsburgh, Penn. 15219

A 24-page catalog of **decorative steel products** is available. Items included: porch/patio columns, aluminum castings, brackets, mailbox stands and a variety of railings. Comanche Steel Products. *Circle 302 on reader service card*

A ten-page booklet describes how a team of designers, landscape architects and contractors work together to create an **outdoor area with a classic Spanish-American look**. Shown are handcrafted products from Mexico, including stonework, fountains, arches and door surrounds, ironware and accent pieces. Flyers on particular items may also be obtained by contacting the company. International Architecture. *Circle 303 on reader service card*

Handcrafted **brass and copper lanterns** are highlighted in a six-page brochure. Eight lantern models are described and illustrated with color photographs and dimensional drawings. Four lantern post styles are also featured. Metalcraft. *Circle 304 on reader service card*

The Brick Master System™, used as an alternative to paneling, paint, wallpaper and tile, is described in a four-page brochure. Included in the publication are product descriptions, installation instructions and tips, specs and color guide. Brick/Master. *Circle 305 on reader service card*

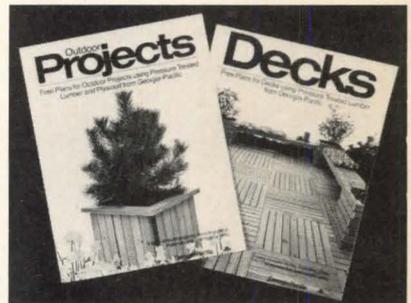
A 176-page catalog of **lighting fixtures** for residential and commercial use is available. A full line of recessed lighting is featured.

Shown, too, are decorative fluorescent fixtures plus a wide range of other interior and exterior lighting styles. General suggestions for various applications are given in the introductory pages. Four-color photos display each fixture style, from traditional to hi-tech. For a copy of the 1980 catalog, send \$2.50 to Progress Lighting, Subs. of Walter Kidde & Co. Inc., Erie Ave. and "G" St., Philadelphia, Penn. 19134

A 16-page booklet suggests how to **accent a home with brick**. The publication gives construction tips for 16 outdoor structures, including a patio, barbecue, retaining wall, steps and mailbox stand. General facts of working with brick are included. The back cover shows sample brick paving patterns. The Brick Institute of America. *Circle 306 on reader service card*

A line of **outdoor shelters** is presented in a 16-page booklet. Products described and illustrated are awnings and canopies, patio covers, screen enclosures, carports and utility ports. The publication is illustrated with four-color artwork. Kinkead. *Circle 307 on reader service card*

A line of **brick products** is presented in an eight-page booklet. Featured is the lightweight Mini-Brick®, just $\frac{1}{16}$ " thick. The advantages of this "filet of brick" are discussed. The back cover features a four-color photo showing each Mini-Brick® finish. Technical sheets on how to lay Mini-Brick® may be obtained. Pacific Clay. *Circle 308 on reader service card*



Weldstone epoxy adhesive, a clear, durable resin for use with any stone aggregate, is the subject of a four-page brochure. Short form specifications and technical data describing the properties of the adhesive are included. General Polymers. *Circle 309 on reader service card*

Ideas for the installation of **brick paving** are highlighted in a four-page brochure. Suggestions for nine patterns are illustrated with black-and-white photos and line drawings. Installation instructions and tips are included. The advantages of brick paving over other hardscaping are also discussed. The Brick Assn. of North Carolina. *Circle 310 on reader service card*

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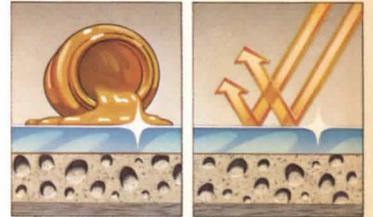
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