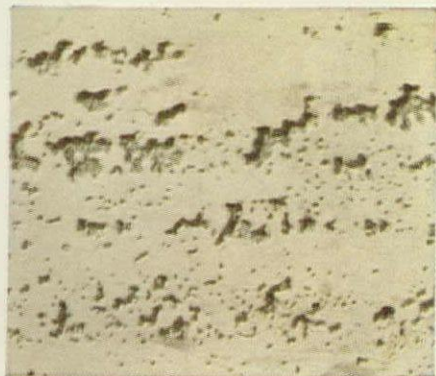




Floors and walls of this dramatic lobby in new Kentile Vinyl Travertine. Colors: Off White, Forum Grey, and Natural Beige, with contrasting Hot Canary feature strips. Black Wall Base is KenCove® Vinyl.



Section of Kentile Vinyl Travertine—actual size.

New! Kentile® Vinyl Travertine is greaseproof, easy to clean, need not be waxed. Its pitted texture and distinctive veining require minimum maintenance. Six colors. Installed cost in jobs of 1,000 sq. ft. or more: about \$1.00 per sq. ft. over suspended concrete floors. Standard sizes, 9" x 9" and 12" x 12". Thickness, .080". Slightly higher for special sizes and 1/8" thickness.

VINYL **KENTILE FLOORS**

NAHB CONVENTION REPORT

Late-closing supplement to HOUSE & HOME, January 1963

New problems, new potentials—but no flap

Photos: H&H staff



PANELISTS Neal Hardy (l.), FHA commissioner; and Jack T. Conway (r.), deputy HHF Administrator are quizzed on enforcement of anti-bias rules after convention session. Moderator Edward W. Pratt, chairman of the National Housing Center, looks on.

Anti-bias order: Builders show unmuffled resentment but keep their words mild

The convention was only hours old when Topic A arose at the outgoing NAHB president's traditional press conference. Confessed Leonard Frank: "Our builders really don't know what to do. They're very confused about it [President Kennedy's Executive Order prohibiting race bias in federally-aided housing]."

"We will try to keep builders producing FHA and VA houses," Frank continued. "There will be some cutback . . . but we don't know what the impact will be. We want to work with the Administration to get people to accept the idea of integration." Meantime, Frank opposed suggestions such as the Mortgage Bankers' Association's plea that the edict be broadened to cover conventionally-financed housing.

Three and a half days later as convention sessions tapered off, Newscaster David Brinkley was telling applauding delegates: It's not entirely fair for building to be put in the front line of a battle it did not want and did not start. Nobody else has been asked to lay his own capital on the line and risk that it will be tied up who knows how long in a racial dispute. But I don't know what you can do about it."

Sops scorned. In between, the President's action was predictably defended by Administration housing spokesmen, predictably attacked by Sen. John J. Sparkman (D., Ala.), and unpredictably made the subject of a behind-the-scenes struggle by NAHB over whether to seek new federal subsidies to soften the blow.

Frank asked a committee led by Past President R. G. Hughes to suggest how builders caught with crippled sales because of Negro homebuying in white neighborhoods can be helped by the government, which created this problem. Hughes offered three ideas.

1. Give Federal National Mortgage Association \$300 million to buy mortgages at par in FHA and VA open-occupancy subdivisions under special assistance.

2. Let FHA give firm instead of conditional commitments to builders putting up such tracts (which would have the effect of forcing FHA to bail out builders of unsaleable homes by taking them over in lieu of foreclosure).

3. Cut FHA and VA interest rates 1% (to 4¼%) to give buyers in open-occupancy tracts a

continued on p. 2

Builders are less worried about the economic outlook than they are about the anti-bias order, but their plans are hopeful anyway.

The President's anti-bias order was the chief concern at the 19th annual convention and exposition of the National Association of Home Builders, but there were less jitters this year than last year—apparently because builders were now dealing with a known rather than an unknown situation.

President Kennedy, unable to attend the convention in person, appeared on a 7½-minute film strip in which he acknowledged the problems confronting the housing industry in the wake of his Executive Order only by saying: "This will present you with special problems and special responsibilities."

Leading economists disagreed on the outlook for increased business in 1963, but two saw an opportunity for more starts (*see p. 4*). One S&L executive warned both builders and mortgage men to beware lest pressure to invest today's pile up of savings lead to overbuilding of apartments. Said Vice President Gregory Opelka of Fairfield S&L in Chicago: "Apartments are preceding single-family residential properties into some remote outlying suburban areas. It seems to be a move without sound economic support."

Profit-hungry builders thronged to panels covering new market opportunities (e.g. nursing homes, scattered-lot building). But a session on building under FHA's controversial limited-profit programs drew only a handful of convention-goers. NAHB directors decried the invasion of the housing industry by non-profit groups (*see p. 2*).

Directors also turned down—for the third time—a proposal for FHA loans to develop land. They voted general approval of commercial bankers' plans to ask Congress to authorize federal charters for private FHAs and a secondary mortgage trading facility.

Builders bombarded FHA Commissioner Neal Hardy with complaints about tightened credit analysis, won a few gains when he promised to take action against local FHA offices which have been downgrading appraisals in areas with high foreclosures.

A dominant mood of the convention was more work. Among other reasons this was because meetings were telescoped into one less day.

Many builders wanted to talk about better business management. Said Perry Willits, newly elected NAHB vice president and treasurer: "Business management will be one of your key programs for the next few years. If you need money to promote education in better business management, ask for the moon. This is the only way you'll get enough money for what the industry needs most today." Echoed Consultant William (Bill) R. Smolkin: "Management is the frontier of housing in 1963."

continued from p. 1

special inducement (and, of course, to give builders a fresh sales tool).

Directors turned all three ideas down—a subsidy-spurning decision that may have been influenced by cold water from housing officialdom. "I am very dubious of these developments," said HHFA Administrator Robert C. Weaver. "I don't think we would make any real progress toward the goals of the Executive Order if we bailed everybody out in the manner you suggest," said FHA Commissioner Neal Hardy.

Legal attack. Are state laws like New Jersey's which forbid racial bias in privately owned and financed housing unconstitutional?

Builder Blase A. Raviko of Moorestown, N.J. raised this question in a talk to the convention's jam-packed panel discussion of equal opportunity in housing. Delegates interrupted him three times with applause as he declared:

"The majority of legislation on integration is what is politically expedient. Legislators are interested in a bloc of votes, not in what will solve the problem. It is an undue burden on the builder. He is carrying the load. We must take every action we can to resist enforcement . . ."

New Jersey builders, said Raviko, contend that anti-bias legislation violates the 13th Amend-

Photos: H&H staff



BUILDER RAVIKO
Rx for legal counterattack

ment to the U.S. Constitution and anti-peonage laws enacted under it, which provide that no person shall be forced to labor against his own will.

"These [anti-bias] laws force a builder to labor against his will, force a Realtor to render service against his will," cried Raviko.

Delegates also applauded Builder Ernest Fritsche of Columbus, Ohio, who told the same panel: "The homebuilding industry doesn't hesitate to be part of the solution [to segregation in housing]. But it doesn't particularly want to be the whole solution. How does the problem get solved without us paying the total bill?"

Shade of difference. As directors worked over NAHB's annual policy statement, the debate grew boisterous as they struggled



SEN. SPARKMAN
Faded optimism

with a stand on race bias. Their problem: weighing the semantic nuances of every word against 1) whether it represented how they really felt and 2) what effect it might have on the public image of builders. In effect, they were striving to walk a thin line between an angry blast and an accommodating endorsement.

Sample: They adopted, by an overwhelming margin, the suggestion of Morgan Earnest of New Orleans to strike out a pledge to "cooperate on every level in promoting educational programs that might help to eliminate those prejudices affecting the housing market." Why so? Such a sweeping promise might put builders in the stance of cooperating with groups which differ with them. But the language adopted was not much different.

It read: "As in the past, the homebuilding industry will continue to cooperate in promoting educational programs which might help to eliminate prejudices affecting housing."

Sample: At the insistence of angered Georgia delegates, the directors dropped from the policy statement a clause pledging builders to "abide by its provisions."

At his press conference, Incoming President W. Evans (Bucky) Buchanan took a milder stand. "It's the law of the land," he said, "and we'll do our best to live with it." He added: "We are obviously telling our builders to be aware of their local situation. No builder wants to bankrupt himself."

Said Senator Sparkman, who up to now has been the Democrats' chief Congressional spokesman on housing: "I was optimistic about housing goals we would reach in 1963. However, with the so-called 'stroke of the pen' my optimism faded. I have felt that the adverse economic effects caused by this order will undo a large part of the accomplishment that has been made through the many housing programs I have sponsored . . . I did my best to dissuade the President from signing this order."

And he added: "I hope to see the day when we can do away with federal housing programs . . ."

Directors assail moves into housing by non-profit groups

"Over 95% of elderly housing units are under public or non-profit sponsorship."

This dramatic statement by Clement Hausman of Pueblo, Col. swung NAHB directors squarely on record for the first time against encroachment into housing by non-profit organizations. Only 29% of 107,069 housing units for the elderly now being processed under federal programs are open to private builders under FHA. HHFA direct loans account for 13% and public housing for 58%. Non-profit groups are getting 72% of the FHA business, too.

Last spring, Hausman's senior citizens committee began complaining about the takeover of Sec. 231 housing by non-profit groups (NEWS, July). Now Hausman says the situation is worse in a second elderly housing program, Sec. 202, which offers direct federal loans at 3½% interest to churches, labor unions, and similar non-profit groups to build apartments. He pressed directors to adopt this strong policy stand:

"The homebuilders of America are ready and willing to use all their ingenuity and skill to provide homes for senior citizens. They cannot if federal programs are administered in a way which discourages their participation . . ."

"The original program aims [of Sec. 202] have not been achieved. We are disturbed by the increasing encouragement of non-profit-enterprise solutions for housing senior citizens. We oppose using the Sec. 202 direct-loan program of public housing agencies."

Builder William James of Myrtle Beach, S.C., added: "If Sec. 202 continues it will make public housing look like a piker. I want everybody to realize how much business we are losing to do-gooders."

"I don't believe we should oppose the non-profit organizations because they are a substitute for public housing," argued 1948 NAHB President Milton Brock of Los Angeles. But Brock's stand drew little support.

What rankles private builders especially is that Sec. 202 sponsors are required to take public

bids on the construction work. Thus a builder can spend months helping a church group pick a building site, determine layout, room sizes, and number of units, only to lose the construction contract in the bidding.

Private FHAs supported.

NAHB joined Realtors (see p. 18) in backing the American Bankers' Association plan for federally-chartered companies to insure mortgages despite a fight against the idea by Southerners. A resolution saying "We favor generally the purpose of the proposal advanced by the ABA" sparked the controversy. "The ABA plan depends on federal charters and the word 'federal' is becoming synonymous with legal enforcement. I move we strike this sentence," cried James W. Walker of Decatur, Ga.

"The reason this uses federal charters is because otherwise you have to go through this bean by bean and change every state law," explained incoming NAHB President W. Evans (Bucky) Buchanan. "But it might be in-

terpreted as meaning federally insured, and therefore under the executive order [barring racial bias]" protested Walker.

Buchanan pointed out that the plan could let builders offer buyers 10%-down, 30-year mortgages and perhaps lead to 5%-down conventional lending, which so far is unaffected by President Kennedy's anti-bias order.

With this assurance, directors backed the ABA plan.

Loans for land. Chairman Leon Weiner of the Community facilities committee again tried—and again failed—to win NAHB support for insurance on land-development loans.

The executive order [barring racial bias] threatens to make financing of land improvements more difficult, pleaded Weiner in asking directors to reverse a narrow two-vote defeat on the issue last May.

"This is another step in inviting the federal government into our business—it's a lot like the farmers," argued N. V. (Bob) Bussmann of St. Louis.

"It is very obvious to me it will be inflationary to land prices," argued Dean Morrison of Oakland, Calif. Premature land development, with land costing \$10,000 to \$18,000 an acre, has been "a drag on the market."

Wallace (Bud) Arters of Philadelphia disagreed. Developed land in Philadelphia is in short supply and builders cannot finance the water and sewer lines and streets to make land usable. "An adequate supply would cut

raw land prices," he asserted.

"No one is obligated to use FHA if he doesn't want to. I'd like to see it passed so those who need it can use it," chipped in Edward Bolding of Tampa.

But directors did vote \$25,000 to begin a study of legal problems of planned unit developments (H&H, Sept.). "We hope we can give you model ordinances and briefs to take back to your local communities and get this idea adopted," said Weiner.

TAMAP shows way to new management concepts

"TAMAP has uncovered fundamental opportunities for management improvement," said NAHB's Ralph Johnson, director of research and technology.

"With better management, it's possible to reduce material waste, cut down-time and cut total man-hours. But it takes the kind of data and planning that industrial engineering brings out—and the attitude it develops—to take advantage of it."

This new insight into how TAMAP—the NAHB Research Institute's time-and-methods analysis program—can help builders manage their way to more profitable efficiency emerged from convention presentations of the two-year study of how Builder Robert Schmitt of Berea, Ohio, built two houses (H&H, Sept.).

Materials loom much bigger than labor costs in homebuilding, despite widely held notions to the contrary. TAMAP disclosed that 80% of the direct cost of Schmitt's houses is in the materials, only 20% in labor. So a 5% reduction in the material costs can save as much as a 20% reduction in labor. Specifically: By design changes and by reducing waste of concrete and sub-base

material in foundations, slabs, walks, and drives, TAMAP engineers showed Schmitt how to save \$162.77 (on a \$16,700 house) even though he used much more labor for spreading, filling, and grading.

Materials handling accounts for 40% of the in-place cost of materials—"and that is twice the average materials handling cost in U. S. industry," said NAHB Research Services Director John King. The TAMAP house, for example, contained over 45,000 separate pieces, parts, and fasteners of some 360 different kinds. All have to be delivered to the point of end use. Examples of materials-handling savings in the second house included: 1) A tower at the eaves of the house so a fork lift could put the roof sheathing up in the air and man-handling from ground to roof was no longer necessary. Savings: \$2.86. 2) Use of palletized foundation blocks, palletized heating duct tile, delivery and site storage boxes for small specialized materials like electrical and plumbing parts. Units like these can be forklifted to the site. And savings through this kind of delivery came to \$37.85.

Research house tests eleven major new ideas

A new all-weather foundation system—developed in cooperation with U.S. Steel—is the most revolutionary idea in the house. The foundation—essentially a steel frame—can be installed in less than a half a day, and it needs no special crews or tools since the parts interlock and require no welding.

The perimeter foundation is formed of 13"x3½", 12-gauge, cold-rolled, galvanized-steel "C" channels, supported on square steel tubes set in concrete pads. Holes for the pads (12" in diameter) are drilled with a post-hole digger (NAHB researchers found a special auger which will drill through frost). Steel bar-joists hang from the perimeter beams and support the first floor.

The 1962 research house, fifth

that NAHB has sponsored, is being built by NAHB President W. Evans (Bucky) Buchanan in his Colony North suburb in Rockville, Md. The site was chosen because: 1) it is close to NAHB headquarters in Washington, and 2) Rockville officials operate under the BOCA code and the National Plumbing Code, were anxious to cooperate on the house. FHA is insuring the house under its experimental Sec. 233.

Other innovations in the house: a prefinished floor and subfloor combination which is glued and nailed to steel joists, nail-on windows, 15-year siding, a new truss for 1½-story houses, a new roof system, plastic baseboard wiring, prefinished drywall with concealed nailing, and a new wood-and-steel header.



NAHB'S NEW LEADERS huddle after their election. From left are new vice president-secretary Larry Blackmon, 39, of Fort Worth; President W. Evans (Bucky) Buchanan, of Washington, D.C. (see p. 76.); vice president-treasurer Perry Willets, 49, of Miami; and first vice president William Blackfield, 48, of San Francisco who also builds in Hawaii. Blackmon, a friend of Vice President Lyndon Johnson, was unopposed in his bid to become the fourth ranking national officer, thus putting him on the ladder for the NAHB presidency. He began building in 1949, has developed land and built houses and commercial buildings in many parts of Texas. His homes range up to \$35,000 in price. He is a trustee of Texas Christian University. Inside NAHB he has headed the FHA-VA committee and served on the executive committee.



CORRIDOR CONFAB brings NAHB Economist Nat Rogg (left) to the side of newly elected President Buchanan who made fast rounds of the convention touring in a golf buggy.



Photos: Fred Schnell

DENSITY ZONING: One of the hits of the convention (over 2,000 people saw them at four different showings) were these two scale models showing alternate uses of a typical 50-acre tract. One shows the land used for 102 houses on 15,000 sq. ft. lots; the other shows a higher-density layout—with 425 units in high-rise, townhouses, and single-family houses—NAHB hopes to take this show on the road—to help builders convince local zoning boards that higher-density developments can be handsome—and can help keep local realty taxes from rising.



WINSOME MODELS won some extra attention for many a product display. Other gimmicks to attract builders combining some 550 exhibit booths ranged from a peek-a-boo game with a French model (fully clad) to giveaway clothes washers.

Economists predict gains in housing, remodeling

To predict for convention delegates what lies ahead for housing, NAHB put four highly regarded economists on the program: Saul B. Klamon of the National Association of Mutual Savings Banks, Gordon W. McKinley of E. W. Dodge Corp., A.C. Matamoros of Armstrong Cork Co., and Nat Rogg of Harvard, NAHB's own economist. But the most significant conclusion was drawn not from what the learned speakers said, but from the small size and disinterest of the audience: Builders are not particularly worried about the economic outlook.

For those builders who were not so confident about the future, the economists offered much encouragement:

The executive order on open occupancy will have little effect on housing production. Only Rogg dissented. Basing his opinion on NAHB's poll of its membership (NEWS, Aug. '62), he foresaw a marked cut-back in FHA and VA business, only about half of which will be offset by increased conventional financing.

The apartment boom will continue through 1963. Commented

Klamon: "The current large percentage of rental units being built (about 30% of total starts) is not out of line with normal pre-war relationships and does not in itself suggest speculative overbuilding." But apartment overbuilding may well develop with toxic effects, he warned.

Total housing starts, according to Klamon, will slightly exceed last year's 1.4 million. McKinley agreed, assuming a federal tax cut early in the year—an event he confidently predicted. Although Matamoros looked for a 3% to 5% drop in starts, he said completions would continue at the 1962 rate, producing some 1.5 billion feet of floor area.

Inflation will not be an important influence in 1963. On this point all panelists agreed.

A federal tax cut this year was anticipated only by McKinley, who saw it as "the only realistic way to accomplish a reduction in government spending . . . The lack of revenue will exercise a salutary curb on schemes for new and larger government activities." Given the tax cut, he predicted that "the recovery which will set in will be a lasting one, and 1963

will witness the beginning of a great surge in homebuilding, carrying through all the remaining years of the Sixties."

Mortgage funds, said Klamon, will be in ample supply, but only a very modest easing of interest rates may be expected. All four economists agreed that there was an alarming deterioration in the quality of mortgage credit, resulting from the scramble to invest the record flow of savings into financial institutions. Klamon cautioned against the "willingness of lenders to qualify marginal borrowers, wink at overly liberal property appraisals, extend contact maturities, and reduce down-payment requirements."

Remodeling of existing homes, according to Matamoros, will expand 2% to 4% in 1963 compared with the 5% gain of last year, and will involve expenditures for materials and outside (non-do-it-yourself) labor equal to about 80% of the cost of new-home construction.

Concluded Matamoros: "1963 will exhibit less thrust than did 1962, but it will be a year of opportunity for those builders who have quality to offer buyers."

Slemp, No. 2 staff man, leaves NAHB for lumber job



Fred Schnell

William H. Slemp, for the past year the No. 2 man on NAHB's staff, is leaving to become general manager of marketing and sales for the lumber divisions of Potlatch Forests Inc., Lewiston, Idaho, fourth largest publicly-owned lumber producer.

Slemp, 43, became assistant executive vice president of NAHB after three years as marketing manager of the building industry division of Kaiser Aluminum & Chemical Corp. in Oakland, Calif. Before that, he was sales director of NAHB's National Housing Center. Born in West Virginia, Slemp studied at Sinclair College, Dayton, Ohio, then spent 20 years with Frigidaire ending as manager of the building industry sales department. His post is likely to go unfilled at NAHB.

Lanky Frank W. Cortright, 64, who raised NAHB from a pup to a major trade group as its first executive vice president (1942-53), is taking a new job. He is quitting as vice president of Mason-McDuffie Investment Co., mortgage arm of the big Berkeley (Calif.) real estate company, to become senior vice president of **Raymond Lapin's** Bankers Mortgage Co. of California.

New Jersey-born, Cortright began his career as a salesman for his grandfather's Cortright Coal Co. in Philadelphia. He was a Philadelphia builder and realtor from 1927 to 1941. In his 11 years at the helm of NAHB, its membership grew from a start of 1,249 to more than 25,000—second largest association in the industry (parent NAREB remains first). "I promoted, finagled, created, begged money, sometimes even paid part of the payroll out of my own pocket," he recalls.

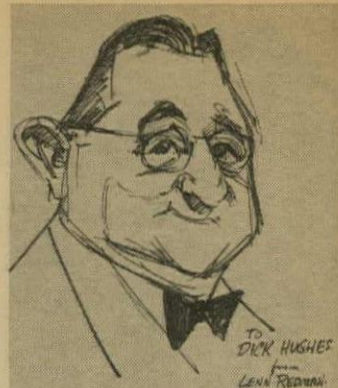
Since Cortright joined Mason-McDuffie in May 1958, its mortgage portfolio has grown from \$110 million to \$220 million.

G.F. (Pete) Ely, 32, director of creative services in the information division of NAHB is leaving to go into business for

himself in the same field in Washington.

RESIGNED: Richard (Dick) E. Doyle, 52, genial executive vice president of San Francisco's Associated Home Builders, Inc. since 1954; to become assistant director of Carpenters' Trust Fund of Northern California. The \$20 million pension fund, \$4 million health and welfare fund, and \$4 million vacation fund invest heavily in residential mortgages.

Builder **Philip M. Klutznick**, 55, is giving up his post at the United Nations Economic & Social Council to return to private business in Chicago. Famed as the developer of Park Forest, now grown to 30,000 population, Klutznick headed the U.S. Housing Authority (forerunner to the Public Housing Administration) from 1944 to 1946. When President Kennedy took office, he figured in speculation as a candidate for HHFA administrator, but took the U.N. job with rank of minister instead. While U.S. delegate, he resigned as general chairman of the United Jewish Appeal but retained his business connections with the Old Orchard shopping center and other companies in Chicago.



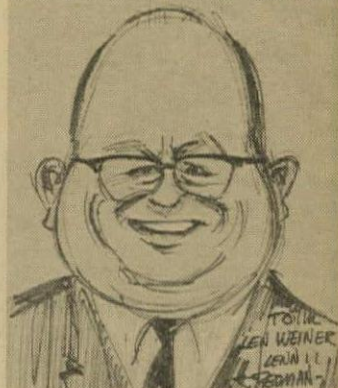
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From: LENN REDMAN



The Guest of Honor
LENN REDMAN



To: Jim Smith
From: LENN REDMAN



To: THE LEN WEINER
LENN REDMAN

CARICATURES of top NAHB figures were sketched by Artist Lenn Redman at a party for President and Mrs. Buchanan by Washington, D.C. builders.

NAHB builders' show drops at box office

Convention attendance reached the 30,000 mark NAHB was predicting on the eve of the meeting, down slightly from last year's 36,123. The total includes builders, manufacturers, wives, and other visitors.

The number of builders attending dropped 12.5%, and reports to directors showed that 7,226 builders (including non-NAHB members) had registered up until the final day compared to 8,264 for the full convention last year.

House & Home

January 1963

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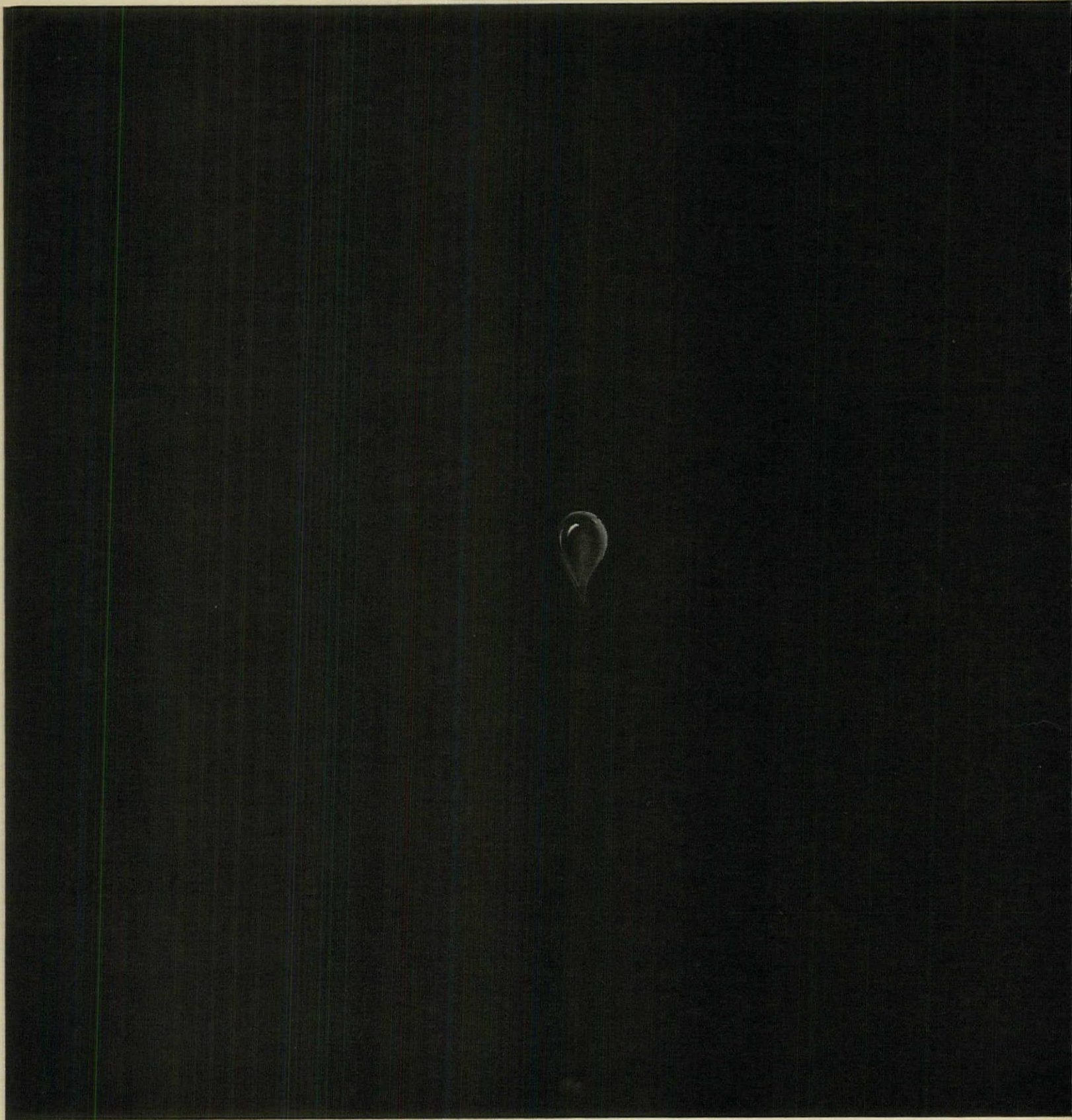
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Anti-bias rule jogs housing barometers up and down

Commerce Dept. analysts are standpatters among the quick second-takes coming from uneasy economists. Commerce predicts 1,425,000 private non-farm housing starts this year, a 2% gain over 1962's estimated 1,400,000 starts. The Commerce men were warned in advance the order was coming, but stuck to their original estimate. Snaps Cost Analyst E. H. Boeckh: "To cover up the politics involved, Commerce is doing a fine case of hard selling to delay any fears of a decline in housing construction."

Economist Miles Colean is slicing 50,000 units off his earlier forecast of 1,400,000 starts (H&H Nov.) "In view of the great uncertainty . . . all estimates must be considered extremely tentative" he cautions.

National Association of Home Builders economists follow Colean's lead and trim their 1,390,000 estimate to 1,350,000.

The Value Line survey looks for little gain this year, forecasts the anti-bias order "may also cause temporary postponement of some residential projects." There is "not much hope of awakening from the competitive nightmare which has characterized 1962."

Gloomiest prophets are the 209 economists surveyed by the F. W. Dodge Corp. before the Kennedy ukase. Their prediction: 1,325,000 starts, down 4%. They see a slump in the first quarter followed by progressively better business.

The Dodge economists cite "indications of overbuilding of apartments in some areas," but both NAHB and Commerce economists agree apartments will creep up from 30% to 32% of all starts this year. That means about 425,000 to 456,000 units. Commerce notes that an 8.1% vacancy rate in apartments in mid-1961 was cut to 7.3% in the third quarter of 1962.

Housing insiders also point to some new growth areas. The Cuban war scare and continuing tension in the Caribbean may boost retirement housing in Florida rivals like Arizona and California, says Consultant James C. Downs Jr. of Chicago. California has just passed New York as the largest state and the Census Bureau reports the Golden State is growing twice as fast as New York. But the biggest gainer, percentagewise, is a surprise: Nevada.

Defense Dept. incubates new housing ideas

White House advisers on science and technology are bypassing regular housing agencies in favor of the Defense Dept. to improve technology in housing. Reason: Defense has a \$50 billion budget, and can test new ideas overseas to avoid static from building code and pressure groups. So far:

- Defense has drawn plans for a new relocatable house, 10' wide and 44' long, with a floor and roof that fold inside the house for shipment. It has a central bath-and-kitchen core. Last month National Homes was the only bidder who offered to build a prototype. The bid: \$1. Perhaps 2,000 units may be sent to remote areas overseas if the plan works.

- Architect Karl Koch of Boston is developing designs and standards for pre-fabricated homes for military families in developed countries like West Germany.

- With Pratt Institute help, the Defense Dept. will build a 10-story high-rise apartment to pioneer new construction methods.

WASHINGTON INSIDE: Proposals for an independent FHA could bring even more startling changes than their backers (including Realtors, see p. 18) imagine. Capitol Hill insiders are talking about a free FHA interest rate, more co-insurance of homes like the successful Title One formula.

The House will do away with its housing subcommittee this session. Rep. Wright Patman (D, Tex.), chairman of the banking & currency committee, said as much at the NAREB convention. The move would ease Rep. Albert Rains (D, Ala.) off an embarrassing hook with his Southern supporters now that the government is committed to end integration in housing.

MARKET MURMURS: Mobile home makers are enjoying a hefty 26% sales increase

in the face of a sharply competitive housing market. Shipments through August totaled 7.7% of all housing starts. And the mobile home makers are busily shining the image where they hope it counts; full page ads in *Editor & Publisher* are praising the benefits of community planning to newsmen and editors.

Trading stamps are here: the Clinton Lumber Co. in Clinton, Iowa is offering stamps to buyers of houses it builds, and Niles, Ill. S&L is giving one stamp for each dollar saved.

Builders of Foothill Knolls in Upland, Calif. and Harthaway Homes in St. Louis are promoting price cuts to buyers. And Builder Ralph Staggs of Phoenix gives buyers a choice: a 5% discount or eight extras, including fenced back yard, refrigerator, washing machine, garbage disposer, built-in range, clothes line pole, and evaporative cooler.

Race bias ban: half of a controversial loaf

When President Kennedy finally issued his much advertised Executive Order against race bias in housing in mid-November, what the industry had feared and fought to postpone began to look, if not less troublesome, at least more definite.

In private housing, the order covers only FHA and VA, which account for only 24% of private non-farm starts. It leaves undisturbed about 70% of new housing (financed by S&Ls, banks, insurance companies, and individuals except when they make FHA or VA loans). It *does* apply to renewal and public housing, and may well cripple new building under these programs in the South.

The order leaves lots of question marks over the housing scene—notably how sternly it will be enforced—but these effects and prospects seem clear:

- It will be a shot-in-the-arm, perhaps only temporarily, for S&L conventional loans and especially for private mortgage insurance plans like that of Mortgage Guaranty Insurance Corp. Few S&Ls make the 90% loans the law allows and fewer still go this high without MGIC.
- Construction loans should be harder to get for almost everybody because so many lenders want FHA subdivision approval—and this will now require an anti-bias pledge. Some subdividers already are making builders agree *not* to use FHA before they will sell lots.
- Mortgage bankers will be hit first and worst because the bulk of their business is in FHA and VA loans. The Mortgage Bankers Assn. is demanding that the bias ban be widened to include conventional loans, too.
- Builders feel they were hoodwinked because Attorney General Robert Kennedy assured them the day before the order was issued that it was three weeks away and promised them a peek at the final draft to point out bugs. But NAHB President Leonard Frank clenched his teeth and, in effect, promised builders would try to make the best of it.
- Chances are the order may trim 50,000 starts from this year's housing output—mostly from FHA and VA. This is a HOUSE & HOME estimate by Economist Miles L. Colean. It would cut FHA and VA to about 20% of starts (*see p. 15*).
- The order may be expanded if there is too much evasion or too much running away from FHA and VA. Not only do Administration insiders predict this, but HHFA Administrator Weaver says so bluntly. He told newsmen the edict may be "revised, changed, or expanded." When? That is up to the President, says Weaver.

Why JFK gave housing men the jitters for 22 months

To Candidate John Kennedy, civil rights in housing seemed just the spot to needle the Eisenhower administration and court Negro voters at the same time. On August 8, 1960 he said an executive order could ban race bias in housing "by the stroke of a Presidential pen. . . ."

"A new Democratic administration will carry it out. But there is no need to wait another six months. I urge the President to act now."

But President John Kennedy found the pen was covered with political prickles. Months elapsed. The housing industry came alive with an undertone of speculation about the order, and jittery professionals made it Topic A a year ago (NEWS, Dec. '61).

The forces seeking an order turned the pen into a needle. Pens (even pencils) were mailed to the White House. Los Angeles' militant congress of Racial Equality greeted the President's visit last August with a placard: "Pick up the pen, Mr. President."

Two days before Thanksgiving the Presidential pen finally stroked, exactly 22 months after President Kennedy's inauguration.

The President created a cabinet-level committee on equal opportunity in housing. For housing exempt from the order (principally, existing homes sold by private owners), he

six versions of it," said one HHFA aide—this seemed the least important reason.

First the President held off signing the order a year ago, just after the Civil Rights Commission demanded an order for the second time (NEWS, Oct. '61) because he thought he had a chance to win Congressional approval for his Department of Urban Affairs & Housing. But this failed, and Kennedy strategists then felt it would be unwise to arouse the Southerners in Congress. But Congress did not adjourn until October. Almost immediately the Cuban crisis and the election caused new postponements.

A second reason was the question of what impact the order would have upon the economy. Word leaked from the White House that the President's Council of Economic Advisors had specifically examined the economic effects, particularly studying NAHB's survey asserting that housing starts might drop as much as 30%.

"There may be some adverse reaction, but I think that we will be able to proceed in the development of our housing industry, which is important to our economy," the President explained to newsmen.

There are indications that builders have used the year's delay to cut inventory of merchant built homes and otherwise make sure they are not caught with over-extended plans. In Baltimore, for example, the unsold backlog of new homes has fallen from about 600 a year ago to 75 now.

Where the order hits first: the suburbs and the South

Now that the order is out, HOUSE & HOME correspondents in 21 cities find very few builders saying they are planning to curtail 1963 building as a result, in contrast to NAHB's survey last year predicting up to a 33% drop in residential starts (NEWS, Aug.)

Most builders are adopting a wait-and-see attitude, although they are surprised by the narrow scope of the order after so many predictions that it would cover all conventional lenders except insurance companies and banks. The order is "almost emasculated," volunteers a Chicago builder. "It's a dishonest treatment of the problem," cries an economist. "It's political as hell. It will clobber FHA and VA in the South, but it won't clobber public housing."

In the suburbs. Merchant builders operating in large subdivisions around the major metropolitan areas of the North and West feel the order can hit them hardest. "If they [Negroes] took one subdivision as a place to start, chances are the builder would have to close up," says one of Chicago's largest builders. "The brunt will be on a few builders."

Suburbs, of course are where merchant builders operate—and the areas where backers of anti-bias laws say discrimination is most evident. "Suburban housing is really frozen," assert Profs. Albert J. Mayer and Thomas F. Hoult of Wayne State University after studying Detroit's suburbs where only one of 88 census tracts has changed racial mix in 20 years. "This isn't just true in Detroit suburbs; it is the character of suburbs elsewhere in this country."

But Real Estate Analyst Sanford Godkin

J. Mahan-LIFE



PRESIDENT KENNEDY
After 22 months, a pledge kept

asked federal officers to use persuasion to end bias. Came the inevitable press query: "Could you explain first why you have taken so long to sign the order?" "Well, I said I would issue it at the time when I thought it was in the public interest and now is the time," Kennedy replied.

Why now? The timing is a blend of politics, the facts of life in Congress, and the serious question of what impact the order would have upon the economy. Although White House insiders consistently played up the practical problems in deciding legal language of the order—"I've seen at least

of Los Angeles doubts there will be a flood of Negro buyers to suburban model homes. "Negroes want to be treated equally and with dignity," he says. "But only a very small number are willing to be pioneers, to move into a white neighborhood and be spat on or be subject to any other abuses which sometimes follow. And Negroes are not nearly so well organized as some people think."

Godkin's view is echoed by a recent survey in Manhattan's Harlem, where city and state anti-bias laws are stricter than the Kennedy order. The findings: four of five Negroes don't know the law exists, and the rest are skeptical of using it.

Many builders see the order's main effect as psychological in giving Negroes a feeling of freedom of housing choice. "It will depress home building in direct proportion to the publicity it receives," says one mortgage lender.

But if the order has its intended effect of taking the pressure off burgeoning Negro population in the center cities* some builders see this as a boost to urban renewal. All new apartment and commercial building in renewal areas will now be subject to permanent land covenants banning race bias, regardless of the type of financing used.

In the South. Here is where the order should hit hardest. Some builders say they are cutting back their 1963 plans. Builder Morgan Earnest of New Orleans suspended planning for a 500-home white subdivision and past NAHB President James Burke of San Antonio says he will avoid FHA or VA financing (which accounted for all but three of his sales in 1962).

But other builders challenge this generalization. "There will be a whole lot less impact [in the South] than in the North," predicts Builder J. S. (Mickey) Norman of Houston.

* Biggest concentrations of non-whites are in these ten cities, seven of them in the North: New York City, 1,141,000 non-whites; Chicago, 878,000; Philadelphia, 535,000; Detroit, 487,000; Washington, 419,000; Los Angeles, 417,000; Baltimore, 328,000; Cleveland, 253,000; New Orleans, 235,000; Houston, 218,000. Washington's 55% Negro population makes it the only U.S. city with a Negro majority.

Mortgage bankers ask JFK to expand order's coverage

Mortgage bankers, who fear they will be hurt most by the anti-bias edict, are expectably urging President Kennedy to bring conventional lenders under its coverage.

With only FHA and VA loans, which account for about 24% of new house starts, covered, conventional loans offer a convenient escape hatch. And an estimated 75% of mortgage bankers' business comes from FHA-VA loans.

President Dale M. Thompson of the Mortgage Bankers Assn. pleads for broader coverage of the order in a letter to President Kennedy. The order "promises to do widespread harm to all home borrowers, including those for whose special benefit the order has been issued," argues Thompson. It "can only lead to a farther move away from this medium, again not because of a lack of available funds, but because of the exposure of builders and other sellers to vague requirements and severe penalties. . . . If all forms of mortgage lending cannot be reached, then the result will be the withdrawal from those forms that are

Oscar of Detroit



HHFA'S WEAVER
After a long wait, an order

"I say this because the North has a really acute problem in the general absence of all-Negro subdivisions of quality. Here there are quite a few Negro subdivisions and generally speaking the Negroes prefer living in Negro developments. They have adequate housing." And Builder Ray Ellison of San Antonio plans to increase his 300-home production of 1962 (all FHA-VA).

How strictly FHA and VA enforce the edict is the key to its impact on Southern builders—and officers of these agencies say candidly they will take a passive role in enforcement, acting only when complaints arise. This live-and-let-live attitude makes little practical difference to established segregation patterns. A gentlemen's agreement among brokers appears to have kept the segregation pattern intact in resale of FHA and VA foreclosed homes in Miami and Atlanta, for example, with a notable exception in Miami (see below).

One VA director predicts no Negro applications for homes in white neighborhoods unless a neighborhood group sponsors the Negro. Another VA director sees "absolutely no effect" because subdivisions with deed restrictions on race have not been approved since 1950. And Houston FHA Director C. Neal Pickett predicts continued growth of FHA programs, especially for apartments and retirement housing.

Predicts Mortgage Banker Lon Worth Crow of Miami: "The order could very well depress speculative land prices. Land prices

went up because of builders buying wholesale and retailing through FHA and VA tracts."

In Washington. Southerners in Congress are denouncing the order in scathing terms "Absolutely unconstitutional" says Sen. A. Willis Robertson (D, Va.), "A grave disservice to the economic welfare of the United States," says Sen. Herman E. Talmadge (D, Ga.).

Several Southerners say they will seek legislation to nullify the order, and one Senatorial staffer began drafting such a resolution. Although chances for its passage are slim, Capitol Hill observers say the bias order may make Congress more receptive to oft-heard proposals for divorcing FHA from HHFA. The National Association of Real Estate Boards repeated this plan last month (see p. 18). Southerners may be more willing to go along with the idea—although FHA under an independent Presidential board would have to conform to the new policy.

In the future. The political timing which President Kennedy showed in issuing the order persuades many analysts that it is just the first step. They foresee a ban on bias in most conventional lending in a year or two.

This judgment springs from the nature of the intramural conflict among Administration officials over broad vs. narrow coverage for the order. A broad order for most conventional lenders would have needed the cooperation of two agencies: the Federal Deposit Insurance Corp. for commercial banks and the Federal Savings & Loan Insurance Corp. for S&Ls and a few savings banks. The Home Loan Bank Board, which runs FSLIC, has already banned bias for federally-chartered S&Ls. But the three-man board which leads the FDIC remained uncooperative, and indeed Chairman Erle Cocke of FDIC objected to the Civil Rights Commission's urging that federal deposit insurance be used to enforce discrimination bans. Cocke's term expires next August and insiders freely predict his replacement with someone of the President's integration views.

This in turn could pave the way to banning bias in conventional lending sometime after autumn, 1963, when the impact of the FHA-VA order can be assessed.

H&H staff



NAHB'S FRANK
Are the assumptions correct?

reached. The present order cannot be considered a 'first step,' since in this situation the move cannot effectively be made in stages."

Since lenders and approved mortgagees, like builders, may be found guilty of discrimination under FHA's rules (see box), many mortgage bankers say they just won't discriminate

and run the risk of blacklisting. Thompson believes banks and insurance companies will take Negro loans—but the big question is whether there will be enough volume of them. Exempting existing homes from the anti-bias rule leaves business in spot loans in this category untouched.

Housing trade associations accord the order a mixed reaction. "We shall do our best to fulfill our responsibilities and duties as citizens," says outgoing President Leonard Frank of NAHB. "The order now places the burden of acceptance squarely up to the people in our communities across the nation.

"We do not believe the blemishes of our society can be erased by the Executive Order. The government cannot forego its responsibilities in the tremendous social problem. Its full resources must be used to lessen the impact on our nation's economy."

Frank notes that Presidential advisers had inspected the NAHB survey of last summer (News, Aug) and "The White House apparently arrived at conclusions other than those

found in the survey. We fear the health of the homebuilding industry may be sapped by the order. For the economic and social welfare of the country, we would hope that the President's assumptions prove correct."

Says President John W. Kress of the National Association of Mutual Savings Banks: "The savings bank industry pledges its full support to the President's order. Savings banks hold over 25% of all FHA and VA mortgages."

Says outgoing President Arthur Wilcox of the National Association of Real Estate Boards: "As far as the brokers are concerned, it will

be difficult for some time to determine whether it will affect us. The only reservation we have is whether it will result in a shortage of homes being built."

Says Executive Vice President Eugene Conser of NAREB: "Realtors know that behind the slow and quiet exodus of people from a changing neighborhood is an often undisclosed — and sometimes vociferously disclaimed — prejudice. Whether this attribute of human personality will change under the pressures of federal law can be only the subject of continuing debate and speculation."

FHA, VA take soft enforcement line

The detailed regulations by which builders doing business with FHA and VA will live make it clear the agencies will go slow in clamping the anti-bias order on new housing.

The key phrase in the rules directs enforcing officers to have as their "primary objective the elimination of the discriminatory practice." If the violation persists, FHA may blacklist the offender.

Commissioner Neal Hardy of FHA and Chief Benefits Director Philip Brownstein of VA agree that publicity—which integrationists call one of their most powerful weapons—will be used sparingly. Builders and mortgage lenders will not have their problems aired publicly just because someone complains.

Instead, each FHA district director will handle complaints like this: 1) builders will be invited to discuss the complaint at a private and informal hearing; 2) FHA will gather more evidence and hold any necessary hearings, again in private; 3) if FHA decides a violation did indeed take place, then and only then will the case become public and accessible to the press and public.

Even after the district director has decided there is a violation, he will not automatically blacklist a builder or mortgagee. Instead a second conference is to be held to eliminate the discrimination.

If this is fruitless, the director may invoke these sanctions: for lenders, withdrawing approval as one of FHA's 14,000 approved mortgagees; for builders, blacklisting.

At this stage the builder may appeal to the FHA commissioner for a rehearing. The commissioner will then designate a hearing officer to hold another hearing on the case. Finally, the commissioner will reverse or affirm the district director's action.

Hardy admits the detailed rules may have to be changed as situations demand. Some answers to other vexing questions about the new rules:

Anti-bias pledge. VA will require builders of proposed dwellings to sign this pledge for each home:

"To induce the Veterans Administration to establish a reasonable value for the property or properties included in this request, the undersigned builder, sponsor, or other seller hereby agrees that: (A) neither it or anyone authorized to act for it will decline to sell any such property to a prospective purchaser because of his race, creed, color, or national origin, and (B) non-compliance with paragraph A shall be a proper basis for the rejection of requests for appraisal of properties with which the undersigned is identified."

FHA will not require a separate pledge, but a clause prohibiting discrimination will be inserted in application documents and forms.

Some persons are concerned that violating the anti-bias clauses could lead to criminal prosecution of builders as well as blacklisting. In one recent case FHA won a conviction against a builder who falsified a buyer warranty on grounds it is a criminal offense to falsify such federal forms.

But housing lawyers in and out of government oppose such harsh procedures. They say it would be virtually impossible to apply the same penalty to a builder failing to live up to anti-bias intentions as to one who failed to follow specific engineering plans.

Outstanding commitments. Both FHA and VA say they will not cancel commitments or certificates of reasonable value outstanding when a builder or lender is found guilty of violating the rules. The sanctions would apply only to new applications filed afterward.

Housing lawyers point out any other course would have impaired the value of commitments and made it almost impossible for a builder to find construction financing.

Rental housing. FHA's Hardy admits he has not yet come up with a solution to a special problem facing apartment owners. Some owners fear that buildings already built and partially occupied (and therefore exempt from the bias ban) could come under the edict if they had to return to FHA for additional help—such as the granting of a forbearance on repaying the loan because of rent-up problems. Hardy says he is still studying whether reopening a case in this fashion will put the building under the ban.

Lever on lenders. The rules make it clear that the owner of an existing home can discriminate legally. But the lender handling the case is not exempt if the transaction involves an FHA mortgage. For example, a person selling his home may accept a Negro buyer. But if the lender refuses to make an FHA loan because of the buyer's race, the lender could be called in on bias charges and possibly dropped as an FHA mortgagee.

Presidential committee. Both Hardy and Brownstein say their rules are subject to review by the new cabinet-level committee on equal opportunity on housing.

President Kennedy named these cabinet officers to the committee: Treasury Secretary Douglas Dillon; Attorney General Robert Kennedy; Defense Secretary Robert McNamara; Agriculture Secretary Orville Freeman; HHF Administrator Robert Weaver; Administrator of Veterans Affairs John S. Gleason Jr.; Chairman Joseph McMurray of the Home Loan Bank Board; a White House staffer who will be Assistant Special Counsel, Lee White. Other members from the general public are still to be appointed by the President.

Builders in 17 states now live with anti-bias laws

This fact was the major reason why the Kennedy Administration felt the Executive Order would not seriously cut housing starts. The claim: in states with laws against race discrimination dire predictions of housing cutbacks have not come to pass.

Like all generalizations, this one has exceptions. It is true that Colorado has had its biggest housing boom after an anti-bias law applying to private housing was passed in 1959. But in Pennsylvania statistics show a mixed picture. State Homebuilder President Herbert Packer says housing is 32% behind last year (a state law went into effect Sept. 1, 1961). In Philadelphia, one-family house permits through October are 6% below a year ago, while apartment units are 19% ahead of 1961.

In the five-county area around Pittsburgh, one and two family homes are 5% behind a year ago, but this is blamed as much on the low employment levels in the steel mills as anything else. There are about 700 unsold merchant-built homes in Allegheny county.

Other states with anti-bias laws applying to private housing are Alaska, Connecticut, Massachusetts, Minnesota, New Hampshire, New Jersey, New York, and Oregon. In addition California, Idaho, Indiana, Michigan, Montana, Rhode Island, and Wisconsin have laws applying either to public housing or to publicly-assisted housing.

New York City, because it was the first city to ban bias by ordinance in 1957, shows how builders operate under strict rules. There a Human Relations Commission has investigated 437 complaints—but only 127 complainants received the apartment or house they sought.

Realty men have turned from attacking the law directly to practicing subtle ways of skirting the ordinance. Apartments are commonly advertised by area or building, because it is much more difficult to prove discrimination if no specific apartment is involved. Real estate men post fewer "for sale" signs on homes, instead carefully scrutinize prospects before setting up a showing.

Public housing and renewal get softened rules, too

HHF Administrator Weaver says federal officers will use "conference, conciliation, and persuasion" to enforce the President's anti-bias order for the Public Housing Administration and Urban Renewal Administration.

Only about 70,000 public housing units will be caught in the new rule. This is the bulk of the 100,000 units PHA got in 1961 but is only 8.6% of the 810,000 units PHA will have when the present authorization runs out.

Southern housing authorities who have started planning 128 projects with 10,075 units will be the first to be asked to insert an anti-bias clause in their contracts. If they refuse, PHA officials will cancel preliminary loan contracts.

If an agency signs the anti-bias pledge and PHA later finds the agency is violating it, PHA will step in and run the project itself while repaying the project's long-term bonds.

The new rules thus do little to disturb the pattern of segregation, especially in Southern cities, in existing public housing. Latest figures, as of last March, show 80% of the 2,858 public housing projects are segregated. HOUSE & HOME correspondents find no movement in the South to sell existing public housing units as had been freely predicted (NEWS, Dec. '61). But Gov. Ross Barnett is calling for repeal of Mississippi's renewal laws.



HOW BUILDERS REACT: WARY WAITING

President Kennedy's stroke of the pen is only half the story. The other half is the management decisions his edict against race bias in housing thrusts on builders and mortgage lenders. HOUSE & HOME correspondents in 21 big building areas* found builders making these decisions:

1. They will wait and watch how toughly FHA enforces the order, how militantly Negro groups seize their new rights, how their competitors react.
2. They are not yet ordering wholesale cutbacks in starts.
3. They fear Negro tract-busters will hit large subdivisions first and with maximum publicity. Result: most builders will do more selling from model homes and cut unsold vacant houses to bare-cupboard levels.
4. They plan to borrow a whole new bag of selling methods from builders in states which already bar race bias.
5. They say the predicted swing to conventional loans (and second mortgages) may fizzle out quickly because many of them cannot keep up their high volume without FHA and VA low down payments.

* Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Detroit, Houston, Indianapolis, Kansas City, Los Angeles, Louisville, Miami, Milwaukee, New Orleans, Portland, San Antonio, San Diego, San Francisco, St. Louis.

Builders' dilemma: what if Negroes buy first from me?

The question dominates speculation over the impact of the President's Executive Order.

Builders are warily watching each other. With a few exceptions no one wants to be the first to sell to a Negro. Most are thinking along the lines of Builder Alex Bruscano of Cleveland:

"This is not a matter of prejudice. It's just that no businessman knowingly will jeopardize his investment. It's a question of how other people will take to it if some Negro families move into your subdivision. I own quite a bit of land. But if I start a subdivision I won't go FHA or VA. We've worked hard 25 years and accumulated a little. All we need is one bad subdivision and it's all down the drain."

Snaps one St. Louis builder: "The federal government seems to be demanding builders do what homebuyers have forbidden them to do for 100 years."

NAHB began talking with HHFA aides about 12 different suggested ways to help the guinea-pig victims of "forced integration," as one industry leader describes them. One possibility: a law letting FNMA bail out builders whose homes are unsaleable as a result of the Executive Order. But Congressional staffers insist such a bill has virtually no chance of passing.

One man's story. Builder William D'Annolfo of Stoneham, Mass., says he has moved three Negroes into his 500 homes in the past three years but under one strict rule: abutting property owners must be informed first.

D'Annolfo reports about three-fourths of his buyers won't accept a Negro next door. Once he had to sell a house four times before he got a buyer who stuck. But he notes that the Negro move-ins have created no panic and some people in suburban Boston seem to be easing their opposition to integration.

Quite the opposite has happened in Kansas City, where one builder says two rumors of Negro sales in his subdivisions evoked "mass hysteria—before anybody even bothered to check on the facts." The builder put down the panic, but he notes: "There aren't enough whites who will stand still for Negroes in a

subdivision right now, and there aren't enough Negroes who can qualify for a \$17,000 or \$18,000 house to keep you going."

A Miami builder is bitter: a white real estate broker picked up the equity on a foreclosed home in his subdivision and moved a Negro family in, apparently breaking a gentlemen's agreement on segregation there. It cost the builder 15 sales. The builder has offered to buy the house back, but the Negro family wants another house free and clear. He refuses.

Swing to conventionals. HOUSE & HOME's 21-city survey of builders found many planning to do more conventional financing. Private insurance plans such as that of Mortgage Guaranty Insurance Corp. of Milwaukee are being eyed more and more by builders, and President Max Karl predicts the executive order will "step up the rebellion against government encroachment in housing."

But a significant number of builders indicate they will stick with FHA. "You just can't shift to conventional when you consider the high down payments, higher interest, and shorter notes," says past NAHB President James Burke. Other builders who are heavily in the FHA-VA market point out that to a buyer of limited income, the difference between a 3% down payment FHA and 10% down for the highest conventional loan available is crucial.

State FHAs? Builders in the South—notably in Georgia, Alabama, Louisiana, and Texas—are kicking around an idea for a state housing insurance agency (like a deposit insurance agency just set up by Maryland for S&Ls).

Georgia builders are the most serious, and talked up the idea a year ago when FHA processing delays mounted. A Birmingham state legislator is talking about such an agency in Alabama.

Second mortgages? A few builders say they may switch to second mortgages for part of the down payment. But one builder warns this would put him in the financing business, not in the building business. Another notes this device is double trouble: If the second

mortgage extends for a long term, capital will be tied up; if it is for a short term, monthly payments will be so high the buyer might default.

Private clubs? Builders say they will meet the anti-bias order in a variety of other ways. But one—the private club—is gaining particularly wide favor.

In Connecticut, where there is a stiff anti-bias law, one builder tells model home visitors, "I'm not selling homes, I'm taking applications for a club." Only the club members will get to buy houses. Builders in other areas are also using this device, offering a golf course or swimming pool with their homes. Other steps builders may take to cut the risks of open occupancy:

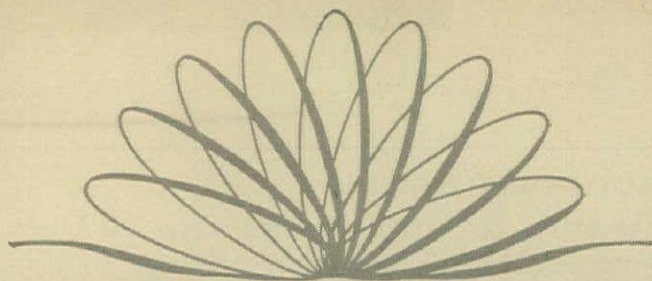
- *Quit using FHA and VA in ads as a sales attraction.* "Those abbreviations used to mean stability but they could become dirty words," says one Kansas City builder.

- *Break up large subdivisions to spread the risk.* "Instead of one builder taking the risk of 500 houses, why not let him split them up in 25-house units?" suggests a VA man.

- *Use long application forms.* Some apartment managers are already using long questionnaires which ask all manner of embarrassing questions to minority families. "By the time they get half-way through, they quit—they don't want to live here," chortled one manager at the recent NAREB convention.

Treat all buyers alike. Instead of trying to dodge the issue, some builders welcome Negro visitors at their model homes. "We've always had a few Negroes come out and we've treated them just like everyone else," says Builder Gene Glick of Indianapolis, who sold 471 houses in 1962. "We have yet to have a Negro family actually buy in the area."

In San Diego, Builder John Morgan sold the first homes in a 75-home tract (prices: \$13,500 to \$14,000) to whites. Then came three Negro buyers. Morgan found his original buyers still wanted their homes, and whites continued to buy. He has now sold 24 houses, mostly to whites. NEWS continued on p. 14



WHAT'S NEW IN THE EMERSON ELECTRIC HEAT-LIGHT AIR - SOUND PACKAGE?

The hood that thinks for itself!

The all-new Emerson-Pryne Thermomatic Range Hood, that is! A real smart operator.

Turns itself on when needed (after you turn the range on). Then—when you turn the range off it runs until “the air is cleared” and turns itself off!

Two colored lights tell you (1) when it's set for automatic operation and (2) when the fan is actually running. These signals are essential because this hood is so quiet it's next door to silence.

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... is even more exclusive than “the hood with brains!” It gives you a prestige promotional program you can really use! Every item is designed to sell homes for the builder— not products for a manufacturer. And it won't cost you a penny more than you plan to spend next year!



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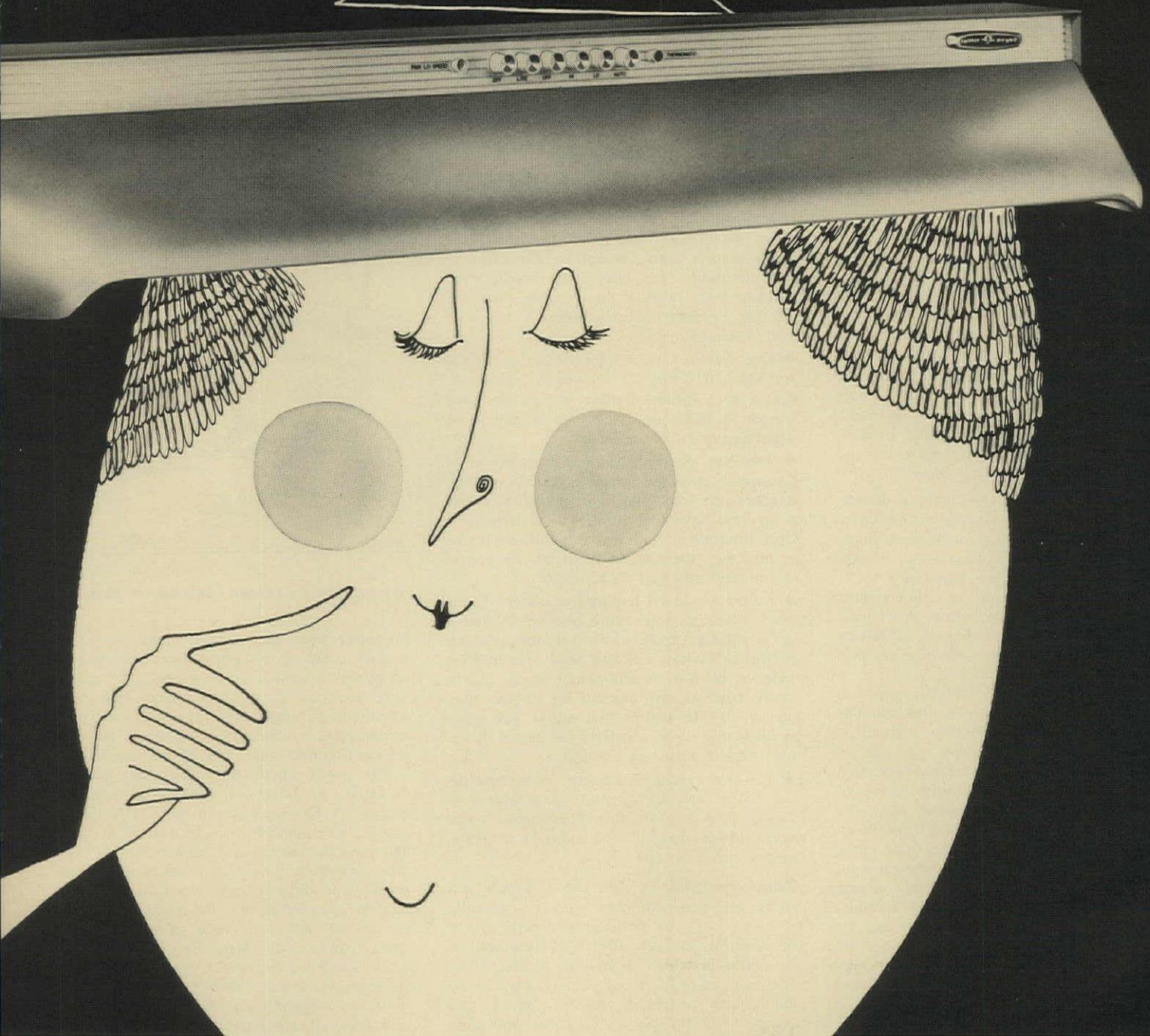
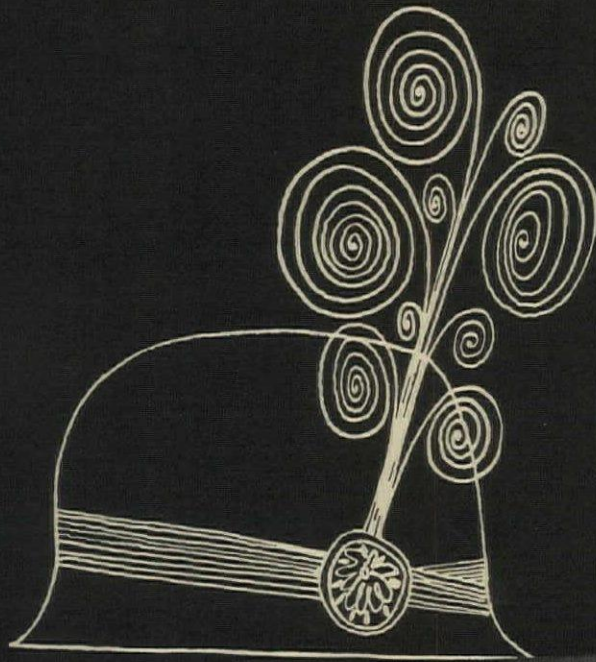
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Editors and columnists measure order's import

In all but a few cities the President's anti-discrimination order was front page news and a hot topic for editors and columnists. Most of them supported it. Excerpts:

"... A long overdue extension of the principles of equal rights and equal opportunity. Even though its provisions are more limited than his campaign pledges led many to expect, the order represents an important complement to the historic steps already taken... Politics obviously played a controlling part in the wait of nearly two years before Mr. Kennedy exercised the 'stroke of the Presidential pen'... The fact that the order falls short of the recommendations of the Civil Rights Commission... strengthens the impression that the President sought to give as little affront as possible to Southern Democrats."—**The New York Times.**

"The real point is that once again we are offered a reminder that the Federal Government does not launch large, costly programs without, at one time or another, assuming

a large role in control of those programs... Some of those who worry about Washington's deepening intrusion in our daily lives forget that there first had to be an invitation. And once anyone invites the Government to start paying his bills, he shouldn't be too surprised by the shadow over his shoulder."—**Wall Street Journal.**

"We doubt this order of President Kennedy will have any revolutionary effect on living patterns or will measurably handicap the home-building business."—**Pittsburgh Press.**

"America today has a virtual dictatorship in the White House... For, 'by one stroke of the pen,' President Kennedy has just put into effect a 'law' of his own to ban discrimination in housing... Congress six times has refused to pass such a law... The President's action is not authorized under any previous law of Congress or by any provision in the Constitution... The new executive order doesn't cite a single federal statute as legal authority for the action taken... If the latest order is not withdrawn, it could mean that America has a government which is no longer based on the words of the Constitution but on the political whims of the man who hap-

pens to occupy the White House."—**Columnist David Lawrence.**

"President Kennedy's order will be praised in some quarters as an act in a good cause, but to us, and we imagine many others, it is an alarming action, marking the disposition in Washington to govern by extra-legal methods... It represents the will of the President, to be enforced purely through the overwhelming money power of the central government... All this, it seems to us, smacks of the supreme confidence of Administrationists that the country can be put into goose step by Executive Order."—**New Orleans Times-Picayune.**

"The principle behind the order is, of course, clear and indisputable. But none of this makes the uprooting of prejudices or the overturning of social systems easy and automatic... We look to the educational program as the heart of the order during its first years of application."—**Miami Herald.**

"Each new federal aid program brings fresh inhibitions on individuals' freedom of action and on local initiative and preferences... How many times does the lesson have to be presented to us before we learn it?"—**Columbus (Ohio) Dispatch.**

LAND

1963 issue: more rules for land sales

The model law which the National Association of Real Estate Boards drafted last spring to cripple land frauds (NEWS, June) is turning into the hottest single issue facing state legislatures in 1963.

State and local homebuilder associations say the proposed law clamps down hard on local land developers in its efforts to curb the operations of shady promoters peddling worthless land in far-away states by mail. The National Association of Home Builders calls the proposed law "highly restrictive and harmful to home builder operations."

Sowing the wind? NAHB national staffers protested the law's wording to NAREB. Instead of changing the wording to meet some of the objections, NAREB's executive committee ordered the model law distributed to its state associations—with no recommendation. "It's like throwing feathers into the wind," moans one NAHB staffer. "Instead of talking to one national committee, we have to deal with 50 state associations."

Already local and state builder and real estate groups are jockeying over the law. The Minneapolis Home Builders Assn. warned its members that the proposed law was too severe and too broad. "Much of our objection is concerned with the annoyance factor of another piece of legislation rather than the intended purpose," says Executive Vice President Lawrence Nelson. "It makes little sense to local developers that subdivisions must go through the grueling scrutiny of zoning boards, village engineers, planning commissioners, city and village councils, and then be forced to file the information with the state with the possibility that the state in turn may hold up the time of sale, require additional information and inspection."

NAHB lawyers say there are 20 specific instances of ambiguous language and conflicts

in the model law. "The model law, if enacted in its present form, would be construed as unconstitutional for failing to provide even an elementary form of due process under the law for builders and subdividers," they contend. Some samples:

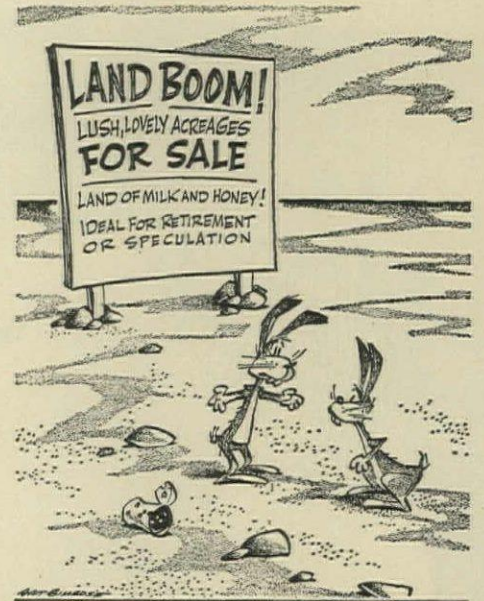
- One section says developers can offer land for sale after filing a "notice of intention" with a state agency; another section says sales cannot be made until the state agency issues a public report on the land.

- The law gives the state agency power to investigate proposed subdivisions but sets no standards on what may be investigated. There is no time limit for ending the investigation. Once the agency publishes a "public report of its findings," there is no provision for appeal or administrative or judicial review.

- Sellers would be required to either: 1) escrow down payments until title passes and a lot is released from a blanket encumbrance on the subdivision, 2) put land title in trust under a blanket encumbrance, or 3) post a surety bond in any amount set by the state agency. NAHB claims this would kill many small builders who regularly use partial down-payments to start construction.

- The state agency may issue cease and desist orders on its "opinion" a developer is "about to violate" the law. This "opens a vast new field for abuse of civil rights by a public agency," cries NAHB.

Other recipes. A different approach was taken by state attorney generals recently (NEWS, Nov) in pushing a permit system of licensing the sale of out-of-state land in the states in which it is sold. Maine, Ohio, Tennessee, and Vermont require out-of-state subdivisions to get a permit after a state agency finds the sale is "fair, just, and equitable." The attorney generals also looked



Bimrose—Portland Oregonian

WE'RE REALLY LIVING, AND DON'T KNOW IT

favorably upon the idea that land promoters should be forced to disclose facts that backers of public securities are now required to furnish, such as 1) pro rata acquisition cost, 2) amounts expended for improvements, promotion, and commissions, 3) current sales of adjacent similar land, and 4) tax assessment.

The public outcry over the shady activity of some sun slingers is sparking outraged rebuttals. A Florida Committee of 100 lashed out at "irresponsible shotgun blasts" at Florida land developers and homebuilders. "The time has come for a halt to charges by these people who, in seeking to weed out nefarious land developers across the country, blacken the names and reputations of some of the finest construction firms in Florida," said Chairman Fred Dickinson. Florida has passed stringent laws to protect land investors, he said, and organizations like Arvida and General Development have spent millions of dollars developing Florida land.

FHA ponders new ways to overhaul its welfare and rental programs

The Pandora's box of welfare programs which FHA now administers—under Congressional order—is becoming an albatross which hampers the agency's public relations and usefulness to private housing, in the view of some agency brass.

Part of the concern stems from fears that the President's anti-bias order will selectively clobber FHA programs. But the concern is deeply rooted in the mounting criticism by private builders and lenders that FHA takes so much time promoting and processing its welfare programs that it causes intolerable delays in serving the private market it was originally set up to promote.

As a result, FHA officials are discussing behind closed doors a number of schemes designed to let FHA "play the same vital role" in the 1960s that it did in the 1930s, says Commissioner Neal Hardy. So far, Hardy has announced publicly that one of FHA's founding fathers, William D. Flanders of New York City, is being hired as special assistant commissioner to "effect general improvement of the efficiency of FHA's operations and to recommend and see to organizational and procedural reforms."

Junk risk-rating? Hardy says explicitly that Flanders, who served as senior deputy commissioner until 1938, will try to improve FHA's time-honored grid system of mortgage-risk rating, the heart of its underwriting approach (NEWS, Oct.) Studies of rising foreclosure have convinced some agency veterans that the grid rating for today's housing market is not worth the paper it is written on.

As a first step Hardy has ordered two changes to speed processing: 1) FHA's step-

by-step processing for sales contracts for new homes built without prior FHA approval is ended and FHA will now appraise a house (or inspect architectural plans for houses unbuilt or in construction) and determine the maximum mortgage at the same time as the mortgagee is obtaining a credit report; and 2) for existing homes, FHA is testing in Greensboro, Chicago, and Washington a plan to give 48-hour service on applications by doing appraisals at the same time as credit reports are being made.

Dump welfare programs? Some agency leaders also want FHA to:

- Shift the do-good programs like the subsidized 3 1/8% Sec. 221d3 rental housing program, Sec. 232 nursing homes, and Sec. 231 elderly housing to HHFA. Backers argue that HHFA knows better how to handle these welfare-type programs. (In 1959, FHA brass tried but failed to persuade Congress to give the nursing home plan to the Dept. of Health, Education, & Welfare when it was enacted.)

Hardy opposes this plan, and has some solid legal backing. HHFA has no legal power to insure a mortgage, and the only way such a split could work would be for Congress to make FNMA a direct source of loans. Capitol Hill insiders say there is little chance Congress would go along.

- Separate all rental housing from one-family operations. The plan would add a second deputy commissioner for rental housing responsible only to Hardy. Hardy opposes this scheme on the ground that it would in effect create two FHAs (with dual processing and underwriting procedures) in place of one. With apartments at 30% of total starts, Hardy feels it is more important than ever to keep them from running off alone.

LOCAL MARKETS

Fred Sherman



MIAMI SORESPOT

In place of a lawn, a junior jungle

Walkaways leave an oversize community headache behind

Miami: Take the house pictured above, multiply it by 2,500, and you have a problem—even though unsold inventory of new homes is at last shrinking (from 2,275 in August 1961 to 1,514 last September).

This Mackel Co. three-bedroom, one-bath house, priced at \$11,945, was sold in 1958 for \$395 down and \$74 monthly payments.

In December 1961 the mortgage company was notified the house had been sold. Payments stopped coming in, and the vacant house stood untended, its lawn sprouting into a near-jungle, until FHA took possession last September.

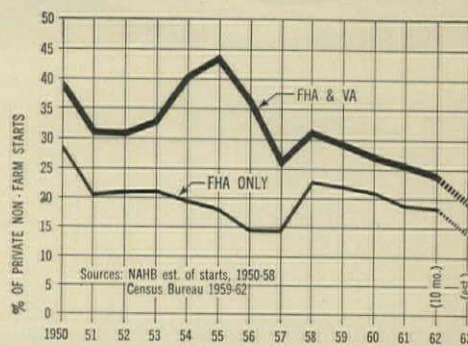
The story is all too common for the 2,500 homes FHA and VA have repossessed in Dade and Broward Counties. Swimming pools half-filled with rainwater are now hazards for children and breeding spots for mosquitoes. The homes are sitting targets for vandals; one house was stripped of gas furnace, sliding glass patio doors, sink, wall oven, counter range, all closet doors, and most light fixtures.

To deal with the mounting problem, Miami's Metro government has just passed an ordinance to clean up the abandoned homes in unincorporated parts of Dade County. After notice to property owners, county officers can cut weeds and clean up trash at abandoned homes, then impose a lien on the property for the cost.

Builders are heartened by Aerojet-General's decision to put in roads, fill, and canals for a projected rocket plant northwest of Homestead. But the company still lacks a government contract.

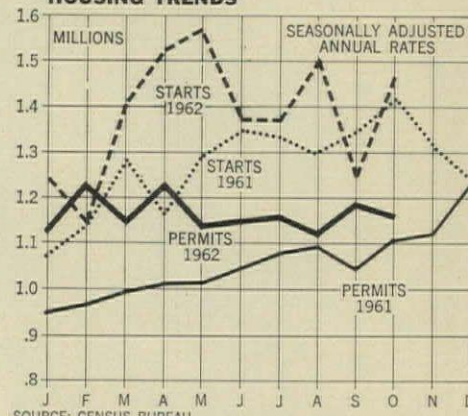
NEWS continued on p. 18

FHA-VA SHARE OF U.S. HOUSING



Even before the ban on race bias in homes financed under FHA and VA, the two agencies were handling a declining share of U.S. housing. FHA's peak was 28.3% of private starts in 1950; VA peaked in 1955 with 25.6% of all starts. Last year, their combined share was only 24% of private non-farm starts. This year, HOUSE & HOME expects FHA and VA's share to shrink to 20%.

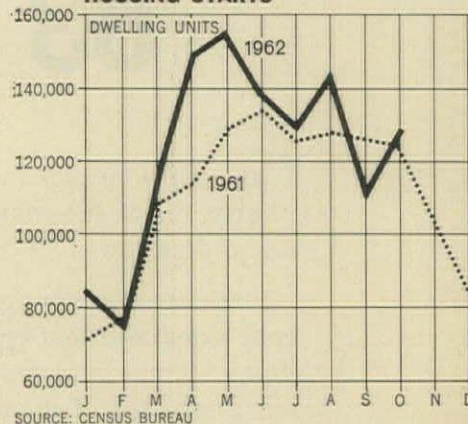
HOUSING TRENDS



Building permits are running 7% ahead of last year through October. They continue to be the best available government housing index. The October rate of 1,169,000 is 2% below September.

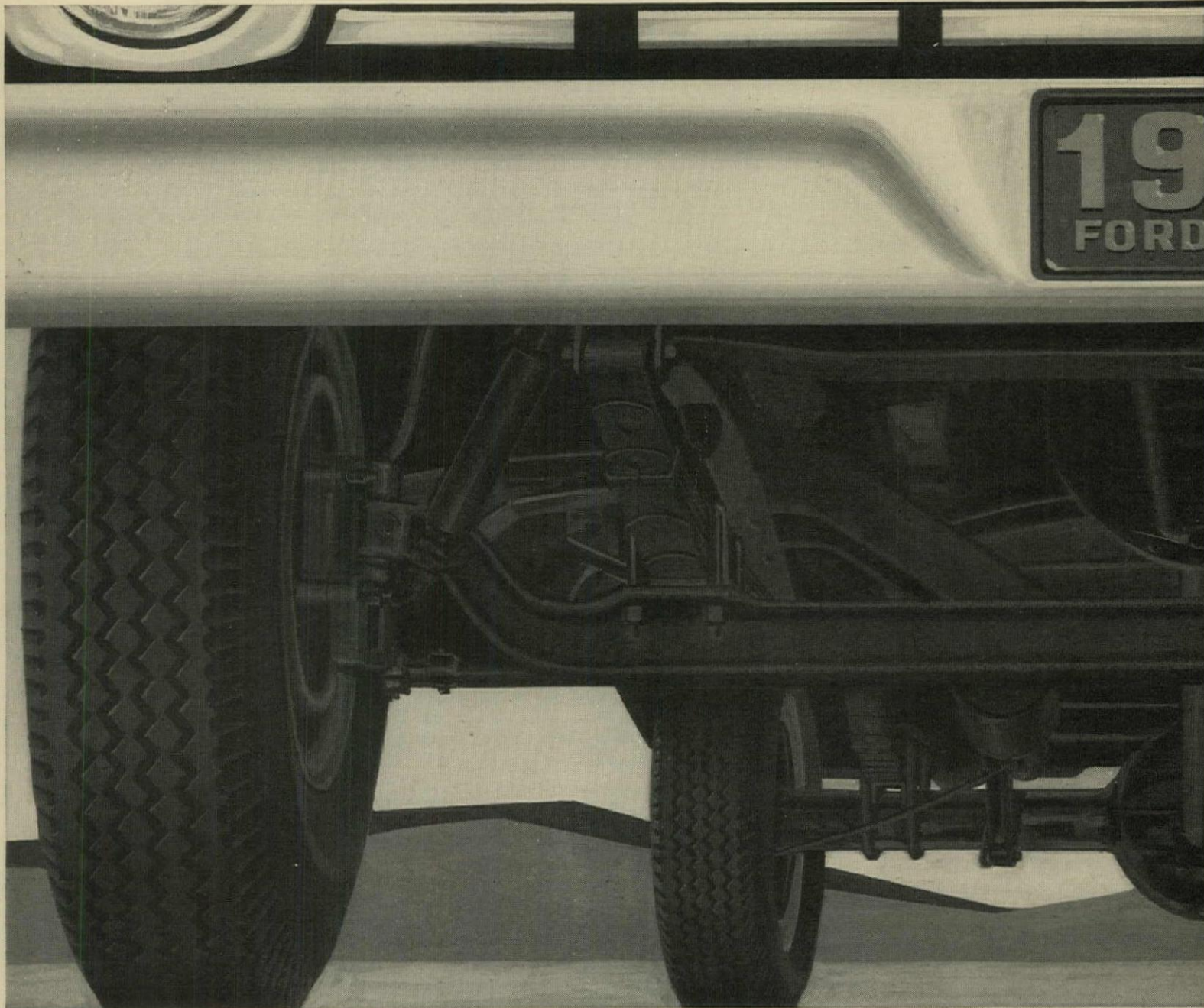
Housing's other trend indicator, the seasonally adjusted annual rate for private non-farm housing starts, is fluctuating erratically because the Census Bureau has not yet come up with a statistical adjustment for the variable number of working days in each month. This accounts for a 17% plunge in September followed by a 17% October recovery to a rate of 1,463,000 units.

HOUSING STARTS



For the first 10 months of 1962 private non-farm housing starts are 11% above the same period in 1961 (1,212,900). Public and farm starts are down, so total starts are 9% ahead of 1961.

Private builders started 126,200 non-farm dwelling units in October, 15% higher than a sluggish September and 4% better than October 1961. Public starts of 2,400 units were 60% higher than September but down 51% from last October. The total, 128,600 non-farm starts, is 15% ahead of September and 2% over 1961.



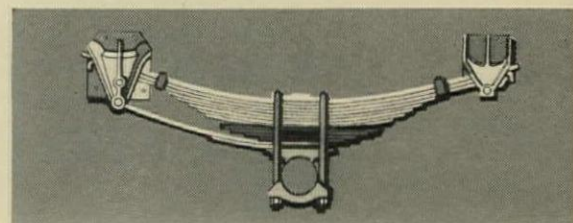
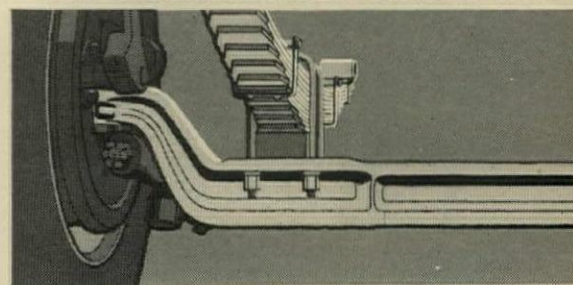
'63 FORD PICKUPS...BUILT

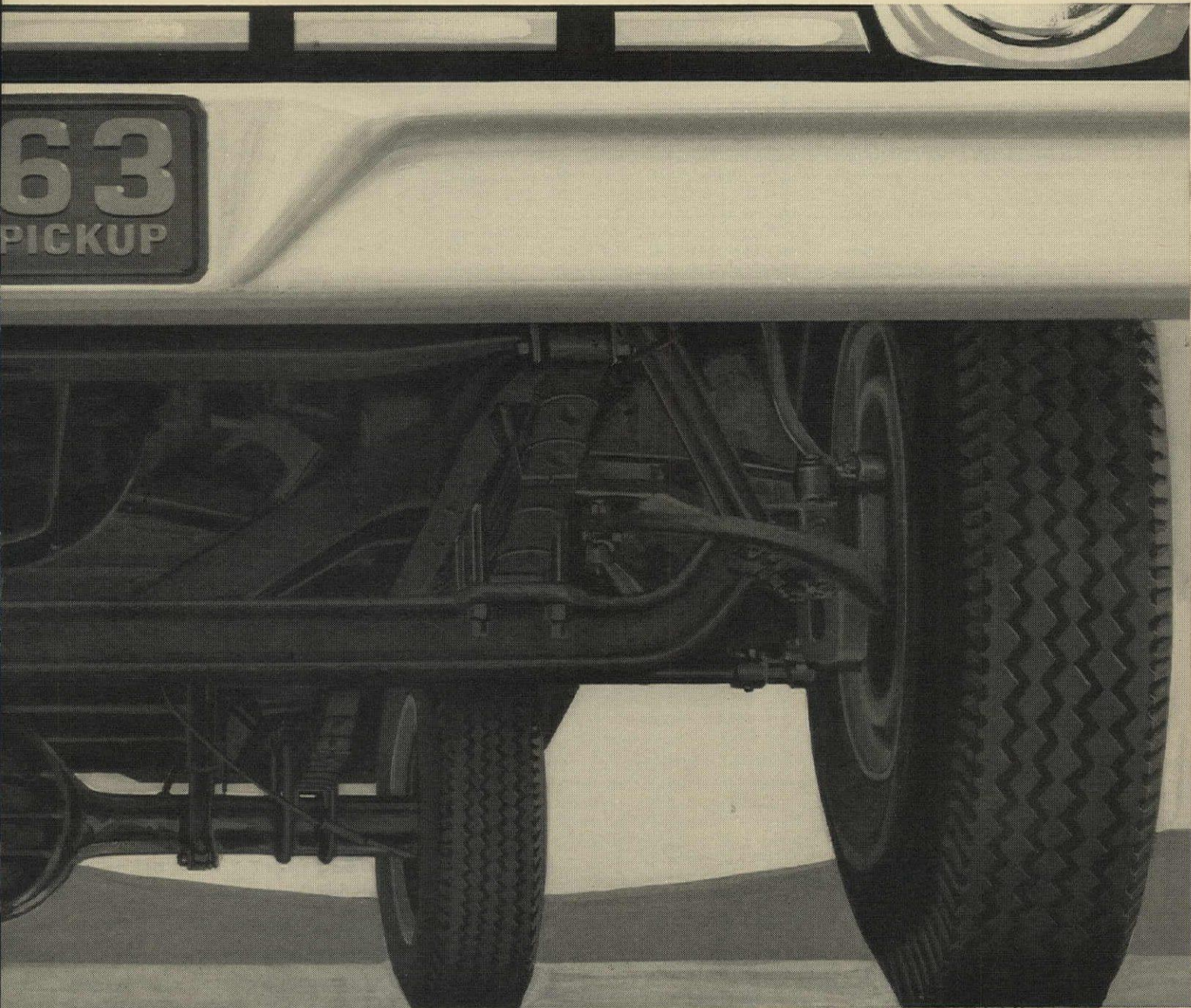
IN AXLES...SPRINGS...

If you put your pickups on jobs that make trucks old in a hurry, check the many big-truck features built into new '63 Ford pickups.

Consider axles, springs and frames! Big trucks use **I-beam front axles** and **leaf-type front springs** because they are strong, simple and more maintenance-free. Ford pickups use them, too. **Two-stage leaf-type rear springs** let big trucks handle light or heavy loads; Ford pickups are built the same. And like the big truck **frame** shown at the right, Ford pickup frames have sturdy parallel-rail design. Both depend on high-strength siderails and rigid crossmembers for extra durability.

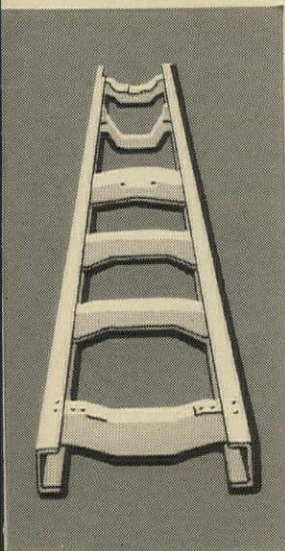
Yet for all their big-truck toughness where toughness counts, '63 Ford pickups give the ride, handling and comfort you'd expect only in a car! Try it at your Ford Dealer's!





LIKE THE BIG TRUCKS...

FRAMES!




Ford's new all-wheel-drive trucks provide rugged go-anywhere mobility and PTO versatility. F-100 4 x 4's are available as chassis-cab and with 8-ft. separate Styleside or Flareside pickup boxes; the F-250 Series as chassis-cab and with 8-ft. Styleside (shown right) or Flareside bodies and 7½-ft. stakes or platforms.



Ford's lowest-priced trucks with dual rear wheels! Dollar for dollar, you can't get better payload carrying ability! Ford's versatile F-350 with 9-ft. stake and dual rears (shown right) permits GVW's to 9,800 pounds—hauls over 2½ tons. Maximum GVW for pickups (single rears) is 7,800 pounds. And Ford's F-350 pickups offer a choice of 9-ft. Styleside or Flareside bodies.



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NAREB CONVENTION

Realtors back private FHAs, seek knockout for public housing

The 5,000 delegates to the National Association of Real Estate Boards' convention came away from Detroit last month as the first proud godfathers to a controversial plan that looked as though it might wind up a founding when it was first pressed upon Congress last summer.

This is the American Bankers Association's plan for the federal chartering of private mortgage insurance companies, and private companies to form a secondary market for such mortgages. A committee of industry experts put together by ABA fathered the plan (NEWS, Aug.) and ABA endorsed it in September.

At Detroit, NAREB became the first outside organization to back the plan. Realtors called for its operation "without direct or indirect federal subsidy." But the Realtors' policy statement remained silent upon the touchy point of how much control the federal government would have over such private insurers through rules and regulations.

The Realtors' stance drew strong encouragement from a source that counts heavily in Congress: Rep. Wright Patman (D, Tex.), who is due to become chairman of the House banking committee which molds housing legislation. FHA has revolutionized mortgage financing in its 27 years of life, explained Patman. But now "I believe time has come for private industry to use the experience of FHA toward the development of private mortgage insurance companies completely free of federal regulation and control. You have 27 years of FHA experience to draw upon to prove that private enterprise can do the job and do it well."

Rx for FHA: subsidies only. As Patman sees it, FHA should henceforth confine itself to "subsidy programs to assist people who are unable to afford adequate shelter." He indicates that New Frontiersmen hoping to promote new FHA aids for fuzzily defined middle-income housing will get no help from him. "The economically sound market—to provide housing for upper- and middle-income people—does not require the intervention of the federal government," he said.

Mortgage bankers, who still hope to restore FHA to its pre-Weaver mold, can take some comfort from the fact that Patman omitted this sentence from his prepared text: "Don't ever admit—as some mortgage bankers like to believe—that the world will come to an end if FHA were to go out of business tomorrow."

Private mortgage insurance has been increasing in popularity since Mortgage Guarantee Insurance Company of Milwaukee started operating in 1957. Volume has grown phenomenally and two other companies are now operating (NEWS, Sept.). In the wake of the President's executive order forbidding race bias in government-aided housing, conventional mortgages have been repeatedly cited as a promising loophole (see p 8). But the NAREB stand, adopted a week before President Kennedy's stroke of the pen, did not cite race as a reason for boosting private FHA's.

On the run. The Realtors plainly believe that public housing, for the first time in years, is politically vulnerable. So they are aiming what they hope will be a mortal blow at the 25-year-old program. "For the first time in 10 years the regular FHA general mortgage insurance authority and the urban

renewal capital grant authority—programs we have always supported—will not be hostages for the expansion of public housing," noted Chairman Henry E. Pogue of the Realtors' Washington committee. "In 1963, public housing will have to stand on its own merits."

Pogue's committee pointed out that Commissioner Marie C. McGuire of the Public Housing Administration predicts the 100,000 units PHA was allocated in June 1961 will be exhausted by next June. This means PHA is likely to seek new subsidy allocations this year. Pogue charged that new public housing is being "directed to small communities in the South in an almost frantic effort to build a base for further Congressional support."

Oscar of Detroit



TEXAS' PATMAN
Support for private FHAs

"We hope Congress . . . will bring the curtain down against its further expansion," shouted Pogue. Pogue predicted the Administration's most likely alternative for public housing is extending FHA's subsidized Sec 221d3 below-market mortgage program with interest rates varying from zero to the current minimum of 3 1/8% (vs. 5 1/4% for other FHA loans).

Outgoing President Arthur Wilcox of Boston called for "complete restudy" of public housing. But how to go about it proved the most troublesome spot in drafting the Realtors' policy statement. Directors rejected the resolution committee's plan for readopting two paragraphs from last year's statement (which called for an end to public housing and pointed to direct assistance through local welfare agencies as the best solution for housing low income families). After lengthy closed-door debate, directors called for ending new authorizations for public housing and suggested the new idea that existing units be sold to their occupants. For other low income families the Realtors now favor "direct local rent assistance to families of proven need."

Outspoken guest. HHFA Administrator Robert Weaver, who rejected invitations to address last year's NAREB convention, came and spoke this year—bitingly. He greeted his hosts as "my loyal opposition," and continued: "It seems to me that many of the spokesmen of your organization have been so vociferous in opposing what we have attempted to do that they have forgotten or ignored what has been done to achieve" a prosperous construction industry.

For low income families, "your executive vice president (Eugene Conser) has observed that some form of subsidy is necessary," said Weaver. "We are of course well aware of the shortcoming of public housing. We are equally cognizant of its many successes and

its unique contribution." He has already started experiments to find alternate ways of sheltering low income families and chided Realtors with the fact that "one experiment is sponsored by the National Assn. of Home Builders, which shares your antipathy to public housing (NEWS, July)."

Weaver, a Negro, ripped into race bias in housing, which was the hottest unscheduled topic of the convention. "It restricts the effective demand for housing," he cried. "I find it difficult to understand how proponents of free enterprise and those who champion the operation of a free market can oppose such a step [the executive order]."

At a press conference, Weaver labeled NAREB's repeated stand for FHA to operate independently under a Presidential board as "perfectly absurd."

Stronger states. Realtors contend that the Supreme Court decision last spring letting federal court oversee representation in state legislatures means the U. S. should avoid new federal aids for local ills.

The decision "pulled the rug out from under the case of the mayors for a cabinet rank department (of Urban Affairs & Housing)," chortled Pogue of the Washington Committee. "We are going to have more urban-oriented state legislatures," he adds. These new legislatures face a crucial decision: "Will they use their new power to revitalize state governments by assuming responsibility which the states have abdicated to the federal government . . . or will they pervert this new power by demanding more federal assistance?" —KENNETH D. CAMPBELL.

Trade-in plans that work draw SRO crowds

There is pressing reason: Realtors are looking for closer sales ties with builders. "The builder today must trade. And to trade successfully the builder must have some expert guidance or he is liable to get taken," says one Realtor-trader.

"You must establish yourself as a trader," advised Thomas Bateman of Pontiac, Michigan. Bateman says he has pushed slogans like "Use your equity" or "Ask about our trade-in plan" so hard people ask him if he is still in the business of selling houses.

"The most important thing in trades is to have a realistic fair market price on any listing," said Bateman. "The second thing is getting the owner to accept the price on his house." Bateman manages this by using a sliding-scale method of listing his properties. He cited this example: he guarantees a price of \$14,000 to the owner of the house and then takes listings as follows: \$15,950 for the first 30 days; \$14,900 for the next 30 days; \$14,500 for the next 30 days.

To convince owners to accept this arrangement, Bateman offers two sweeteners:

1. He will hold a minimum of two open houses during the first 30 days and at least one open house in the second 30 days.

2. "We offer to sell the house back to the original owner at 2% less than we pay him as our guaranteed price." This "proves 100% that we want the top dollar," says Bateman. He is able to make the 2% offer because he charges the owner of the home he is selling to the trader an extra 2% for using the trade-in route. NEWS continued on p. 23

URBAN RENEWAL

Tips on coping with the red tape

Some insights into bidding and sales strategies which have untangled some of urban renewal's fabled snarls have emerged from an NAHB regional conference in Chicago. Samples:

● "In order to find the value of this land [14 acres on Chicago's near-north side], we had to determine the type of unit that would best serve the demands of the area, the rent that would be safely expected for those units, the development costs, operating costs, the type of financing and service requirements, and the developer's objective for a return on the investment," related Developer Lou Solomon of the 1,160 unit Sandburg Village. "The only real unknown was the rent, and of course, the price of the land . . . We just developed a straight line graph so far as rents and price of land is concerned, and there we found the proper level, and that was our bid . . . One of the things we found was that the price of the land did not materially affect the rental structure." Solomon's bid was \$6,296,625, or \$5,400 a unit, with an initial target rent of \$36.03 per room.

● "If you go into urban renewal in even a relatively small project, the cost of market analysis is very incidental to the total cost, and the best thing that might happen to you is to find that you ought not to bid it. In retrospect, it is a nice thing to have wasted several thousand dollars instead of building a million dollar project and find you have no market," said Developer Leonard Styche of Milwaukee's Plymouth Hill project.

● "My ultimate decision was to bid \$1,500 per residential unit," recalled Developer Marvin Gilman of his bid for three acres in Baltimore's Mount Royal project. "Imagine my surprise to find that our closest competitor had bid barely half that amount. I believe this was the fastest quarter of a million dollars I have ever spent. But looking back now, I feel our original analysis was correct. We did not bid too high. Our competition bid too low. [The price brought] a completely new standard of values which we have forced

Baltimore to apply to its downtown real estate market . . . I chose the name 'Sutton Place' [after a posh New York City apartment neighborhood] on much the same philosophy as I decided on the price we bid for the land—to give Sutton Place distinction, snob appeal and class. I felt very strongly that the only way the Mount Royal Plaza area could be renewed successfully was to change its character—literally to take the stench of the former slums out of the noses of Baltimoreans . . . Our entire theme is that we present 'elegant in-town living.' We do not discuss urban renewal or municipal revitalization or anything of the sort. We are renting luxury apartments in a luxury area with a 'new concept of total living.'"

● "Before you tie up with a project, take a good look at the agency," advised Gilman. "This is most important. Take a look at the commission— . . . are they polorical hacks? Will they be tossed out at the first opportunity? . . . Is it a good staff: What does the staff know about the problems of the redeveloper? Is the staff made up of competent professionals?" If the renewal organization is not of high quality, "Go to the next town. Don't waste your time. If the commission is no good, if the agency is no good, don't stay around to educate them. It will break you."

Auditors attack 'excessive' credits granted to cities

A stinging report by the General Accounting Office, Congress' watchdog over government spending, attacks the method of letting cities pay their required one-third share of renewal subsidies by building schools, parks, and similar public facilities instead of paying cash.

Nearly 60% of all the money cities must provide comes from such non-cash credits. In 631 projects the total reaches \$480 million. Most city officials have a practical reason for favoring non-cash payments: a bond issue for schools or parks is easier to get past voters than renewal bonds.

But the Urban Renewal Administration is letting cities get by with "ineligible and excessive" credits, cries GAO. Auditors studied five public schools in New York City and New Haven and urged URA to cancel \$4,246,000 of the \$4,733,800 credits it had granted. The new apartments in renewal areas contained so few children that three schools were completely ineligible, said GAO, and the number of pupils was 50% under estimates at a fourth. A fifth school had never been built.

URA Commissioner William Slayton replies that non-cash credits are never final until the books are closed on a project. He has told GAO he will notify the cities of "the likelihood of substantial reduction or elimination." GAO retorts that this may only delay the day of financial reckoning and fears that cities "may find it difficult to obtain on short notice the funds for their share."

GAO also attacks URA for letting New York City claim \$2,719,000 for a public plaza in Lincoln Center and \$41,800 for street widening in the Seward Park project. GAO contends the plaza is ineligible because it serves the entire community. It calls the street costs excessive because streets are 100' wide while city standards call for only 80'.

URA plans second edition of renewal land for sale

The 10,000 copies of the first-ever listing of former slum land to be sold to private developers through June (NEWS, Oct) vanished "like snow in July," report Urban Renewal Administration officials.

As a result, URA is getting out a second and larger edition, which can be ordered from URA in Washington. The new book will contain a subscription card so prospective developers may have future listings mailed directly to them.

Sales of renewal land are speeding up but the backlog of acquired-but-unsold former slum property is still rising. In the first six months of 1962 renewal agencies sold a record 693 acres while buying 1,651 acres. Renewal's big backlog of land (NEWS, Aug.) thus grew by 958 acres to 10,478 acres.

PUBLIC HOUSING

Can massive social work aid public housing families?

The Public Housing Administration and Dept of Health, Education, & Welfare, two sprawling federal agencies which have had little contact in the past, are seeking an answer.

In the 2,870-unit Pruitt-Igoe public housing complex in St. Louis they are starting the first "concerted service project" to see if concentrated efforts by public and private social agencies will help public housing families upgrade themselves. The two projects have a combined 15% vacancy ratio, compared to 0.6% vacancy in other city projects. Executive Director Charles Farris blames it on the projects' early reputation as trouble-spots. The crime rate there now has been cut to 40% below the city average, he says.

At Pruitt-Igoe, government agencies have: 1) set up a special branch office of the Missouri welfare division, 2) created a city com-

munity services division, 3) assigned an HEW staffer to work with local officers. HEW already has helped local schools get \$25,000 of surplus machine tools for vocational training.

The experiment, and the sign of the new welfare bent in public housing (NEWS, Dec.), is the brainchild of a joint HEW-HHFA task force which found 39 specific HEW programs (from accident prevention to venereal disease control) which could do more good if aimed especially at public housing families. A pilot program in Chicago found that extra caseworkers put three times as many families on their financial feet as average.

New public housing ally gives Omaha first units since 1951

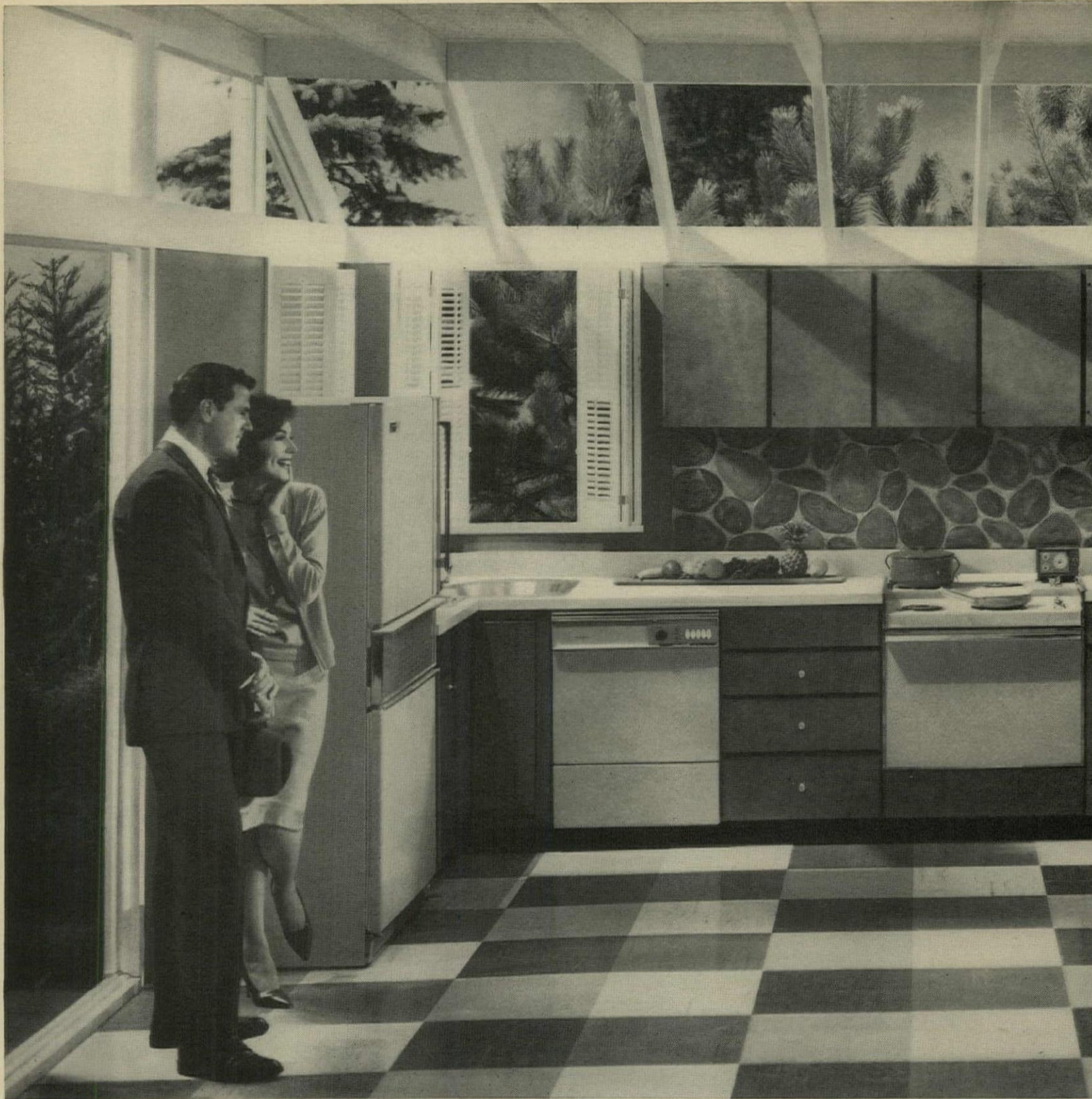
The active role of the Omaha-Douglas County Medical Society in a fall election battle points to the new support public housing is drawing as houser of low-income elderly persons.

The Medical Society first asked the United Community Services to survey housing available for aged persons in Omaha. The survey found 30,965 persons over 65 with average incomes of \$1,900 in Omaha, including 488 now paying an average \$28.67 monthly rent for public housing units.

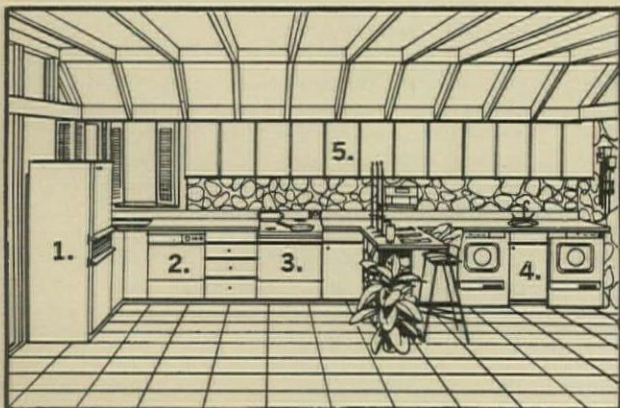
The society then said the figures showed the need for 580 new public units "for our elderly needy" and joined with the Nebraska AFL-CIO in sponsoring a city-wide vote on building 580 new units. A 1951 Nebraska law requires that proposed public housing be submitted to a referendum and Omaha had approved no new units since then.

In contrast to previous years, the campaign generated little heat. The Small Property Owners' Assn. provided the only organized opposition by arguing against giving a "blank check" to public housing. Omaha voted 44,793 to 41,749 in favor of the new units.

NEWS continued on p. 26



Offer her a kitchen



- 1.** Save her extra shopping trips with the exclusive 14 cu. ft. Center Drawer Refrigerator. Convenient waist-high center drawer keeps meat fresh 7 days. Available in confection colors. Choose from a wide selection of other Frost-Free and non-Frost-Free refrigerators.
- 2.** Offer her a top-loading dishwasher or the new front-loading model shown above. Choose from standard or deluxe versions with exclusive Sanitizer that assures 145° water for cleaner dishes and Clear Rinse Dispenser for spotless drying. Door panels come in a variety of confection colors.
- 3.** Add excitement to your kitchens with the Terrace Top Electric Range. Built below standard counter height, its unique split-level

- design makes all cooking chores easier. Available with or without automatic timing center. Adjustable base assures perfect flange fit with counter top.
- 4.** Get complete flexibility in designing the laundry area—with the Westinghouse Space-Mates Laundromat® Automatic Washer and Dryer. As a Vanity Pair (shown above), they're out of the way under a counter. Or you can stack them in 4 square feet of space to save costly floor area.
- 5.** Give her plenty of storage space with easy-to-install Heirloom maple wood cabinets. They're made to custom fit and color blend with every Westinghouse appliance. Adjustable shelves provide complete flexibility.



A step ahead



she can't help loving...

Sell her on the kitchen and you'll sell her husband on the home. No one is better equipped to help you do just that than Westinghouse. Because only Westinghouse offers builders such an exciting line of appliances . . . guaranteed to tug at the heart-strings of every prospective female homeowner. And only Westinghouse offers such a wide variety of built-in and free standing appliances—in models to fit the needs of your individual markets — for homes and apartments of all prices.

You can be sure...if it's **Westinghouse**

Westinghouse Electric Corporation
W. E. Slabaugh, Manager,
Contract Sales Dept., Mansfield, Ohio



Please send me catalogue and complete details on the dynamic new line of Westinghouse major appliances.

Name _____ H&H-1

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These appliances plus Heirloom maple wood cabinets, Micarta® Counter Tops, Heating & Air Conditioning, Lighting, Wiring Devices, and Apartment Elevators are all available through one point of contact. See your Westinghouse residential sales manager, or write to the address above.

NAREB elects Dan Sheehan

The election of **Daniel Francis Sheehan**, 59, to lead the conservative National Association of Real Estate Boards in 1963 drew private chortles from Kennedy Administration officials attending the NAREB convention (see p. 18). He is a Democrat.

But the joy may be somewhat illusory. Sheehan refuses to discuss his political leanings and in accepting, he brought his largest burst of applause by pledging to "maintain the free enterprise every one of us believes in." Sheehan is presi-

Oscar of Detroit



NAREB'S SHEEHAN
The compleat Realtor

dent of the Dolan Company in St. Louis (1962 volume: \$19 million on 1,000 residential and commercial sales). But he has branched into so many allied activities that he presents a picture of the compleat Realtor. He is executive vice president of the Dolan Mortgage Co. (\$23 million servicing) and board chairman for the Dolan Co., a general insurance agency. He is a director of the Lafayette Federal S&L (assets: \$20 million), the Manchester Bank of St. Louis (assets: \$60 million), and Title Insurance Corp. of St. Louis.

Sheehan has taken an energetic part in St. Louis' urban renewal program. He is an executive committee member of Urban Redevelopment Corp. of St. Louis, a private company formed under Missouri law to buy slums, clear them and build new housing. Urban Redevelopment has put up six 13-story apartments containing 1,090 units and Sheehan's company is handling the rentals (\$95 for efficiencies to \$200 for a two-bedroom unit). He is a stockholder in the St. Louis Redevelopment Corp., which St. Louis businessmen formed to buy 435 acres in the federally assisted Mill Valley renewal project.

Still his real estate is his "bread and butter" and gives most of his time to overseeing his company's operation. He is a strong believer in having professionals manage all parts of his operation and has three veteran staffers managing the three offices and their

75 sales associates. At his central office he maintains a management department, mortgage loan specialists and one of St. Louis' leading appraisers. He is constantly looking for new talent and tries to train newcomers by teaming them with older men. He does not, however, give advances to his new salesmen or, for that matter, to any of his salesmen.

St. Louis-born, Sheehan started to work for real estate agent **John P. Dolan** in 1920 while he was studying law at St. Louis University. Dolan died three months later and young Sheehan and his employer's son, **Roy R. Dolan Sr.**, became the partners who have built the company into one of the largest realty agencies in the city. Sheehan is a past president (1947) of the National Institute of Real Estate Brokers. He has been NAREB treasurer for the past two years. In 1959 he was chosen Missouri's Realtor of the year.

LENDERS: Mortgage Banker **T. C. McMillan** of Los Angeles last month called off the marriage of his McMillan Mortgage Co. (servicing: \$352 million) to Financial Corp. of America (NEWS, Feb.). Financial is the holding company Chairman **William Breliant** built around Security Title Insurance Co., fourth largest in the nation.

Reason: "Although the terms of the proposed acquisition were agreeable to the management of both companies (McMillan would have received nearly \$7 million of Financial stock), unforeseen personal problems on the part of Mr. McMillan made it impossible for him to conclude the deal," said a two paragraph announcement.

State suspends Miami's largest mortgage firm

But suspension of the state license of **J. I. Kislak Corp.** (servicing volume: \$200 million) turned into a comedy of errors that points up the folly of automatic suspensions.

Last July, six Kislak officials (but not Kislak himself) were indicted on charges of falsifying papers in selling mortgages to Federal National Mortgage Assn. On Nov. 7, State Mortgage Commissioner **Ray Green** suspended Kislak's license, effective in 30 days, under a state law calling for automatic suspension after an indictment and before a trial.

But before the 30 days ran their course, all six indictments were dismissed because they did not specify that alleged falsifications were a material fact in a federal crime. Federal attorneys called this a technicality and sought new indictments. The suspension order was then vacated.



FHA'S WILSON
New booster for fixup



FHA'S NIBLACK
Bigger job for press chief

FHA promotes two to new posts

M. Ray Niblack, veteran newspaper and radio newsman, has a new post as assistant commissioner for Congressional liaison and public information. He has been the agency's public information head since March, 1961. Previously he was with a Charlottesville, Va. radio station and had worked on newspapers in Norfolk and Detroit. **Thomas A. Wilson**, FHA staffer for 22 years, will boost all of the agency's home improvement programs (Sec 203k, Sec 220h, and

Title I) as a new special assistant for home improvement.

Commissioner **William Slayton** of the Urban Renewal Administration has reorganized his staff into this new lineup: Planner **Tracy B. Augur**, a past president of the American Institute of Planners, becomes special assistant to the commissioner; **Frederick O'R. Hayes**, 39, takes Augur's job as head of urban planning; **Gordon Howard**, 50, shifts from the District of Columbia Redevelopment Land Agency to Hayes' slot as head of program planning; **Richard Ives**, 52, becomes Hayes' assistant.

U.S. cites four in Alabama FHA mess

Indicted for conspiracy to defraud the U.S. government are: ex-State FHAdministrator **Charles B. Holliman**, former State Republican Chairman **Claude O. Vardaman**, his wife, **Sue**, and Huntsville Real Estate Man **Carl B. Thomas**. The charge: that Vardaman used his GOPolitical influence to get Holliman, a onetime Montgomery Ward store manager, named to the FHA post; that thereafter the Vardamans and Thomas bought land and resold it at handsome profits to builders with a guarantee of FHA commitments—which Holliman issued "in consideration of his appointment." The result, according to the indictment: the U.S. was deprived of the "loyal and faithful service" of Holliman.

Named as co-conspirators but not indicted are eight others, including Builders **James Folmar** and **Henry Flinn Jr.**, whose market woes three years ago led HOUSE & HOME to ask questions that set local newshounds on the trail of the scandal (NEWS, Oct. 1959 *et seq.*). Single-handed, the firm seemingly had created a major glut in low- and middle-priced houses in some of the state's most active markets, was stuck with 1,438 units in Mobile, Birmingham, Gadsden, and Huntsville. More curiously, some 900 of these were FHA Sec. 221 low-cost units, eligible for Fanny May purchase at subsidized prices, and supposedly authorized only according to need. Cutting

through a welter of explanations, including bad market estimates by FHA and labor troubles for the builders, H&H correspondents uncovered a web of land deals in which prominent GOPolitical figures, including the Vardamans and Thomas, turned over tracts bought for \$850,000 for a profit of well over \$1 million in a two-year period. Six of the eight sales involved were to subsidiaries of Folmar & Flinn, who also received better than half of the Sec. 221 commitments issued in Alabama in 1958.

Despite the billowing smoke, FHA probes from Washington were, even after six months and with the help of the FBI and HHFA, unable to find fire. Said then-FHAdministrator **Julian Zimmerman**: "It must be stated that no evidence has been developed to support a conclusion of wrong doing. . . . Many actions taken, now subject to review . . . may or may not be proved sound as time passes." Holliman requested, and was granted, a transfer from the state post to Washington, and subsequently resigned. Vardaman declined to seek reelection as state chairman in June of this year. With their co-defendants, they are free on bond, face trial sometime next spring. Possible penalties if convicted: up to five years in prison, fines of up to \$10,000 apiece. Meanwhile, builders are still stuck with 1,160 units of their three-year-old unsold hang-over.



ALABAMA'S BOYKIN
Multi-million dollar land deal?



MARYLAND'S JOHNSON
Pay for a Congressional speech?

Maryland S&L scandal tangles Congressmen

The mop-up of scandals that have plunged 27 state-chartered savings and loan associations in Maryland into some form of official custody (NEWS, Aug. '60 et seq) last month hit its two biggest names yet: Democratic Reps. **Thomas F. Johnson**, 53, from Maryland's eastern shore, and **Frank William Boykin**, 77, of Mobile, Ala.

It was the first time in history two congressmen have been indicted at the same time on similar charges, although 19 other congressmen have faced criminal charges since 1900.

Johnson and Boykin face charges of conspiring to defraud the government by attempting to obstruct the impartial operation of the Justice Dept. and violating the conflict-of-interest law by receiving seven payments from Maryland S&L Promoter **J. Kenneth Edlin**, 64, and his associate, **William L. Robinson**, 37. All four could get 19 years in jail and up to \$80,000 in fines; the congressmen could also be permanently banned from government jobs of trust.

A Federal grand jury charged that when Edlin, of Miami Beach, was indicted in November, 1959, for mail fraud in the operation of First Continental and First Colony S&Ls in Maryland, Edlin tried to induce Boykin to use his influence to seek dismissal of the charges. The jury charged that these events then followed:

- "For compensation" Johnson defended Maryland's "independent" S&Ls and the "commercial insurance" (by a now-defunct firm) which protected depositors in a speech on the House floor June 30, 1960. Johnson, Edlin, and Robinson had 50,000 copies reprinted and sent to Maryland legislators and depositors.

- Johnson received 15 separate payments totaling \$24,918 from the conspirators between June, 1960 and October, 1961.

- Between March and November, 1961, the two congressmen contacted the Justice Dept. 36 times on Edlin's behalf.

- A company controlled by Boykin, Tensaw Land & Timber Co., sold 4,568 acres in Stafford County, Va. and a second large tract in Charles County, Md. to two Edlin-controlled companies after Edlin gave Boykin checks for \$250,000. The indictment says Edlin paid \$3 million for the Virginia tract but does not specify the price of the Maryland property. (A state audit of Edlin's two S&Ls disclosed payments totaling \$822,081 to the two companies buying the land. The S&Ls are in receivership and conservatorship to protect \$4.7 million in savings.)

Both congressmen express shock at the indictment. "I am positive that I will be completely vindicated [at a trial beginning Feb. 18]," says Johnson. He notes the "curious timing" of the indictment just three weeks before he came up for reelection. Boykin, a flamboyant fixture in Washington for 28 years who emblazoned the slogan "Everything is made for love" on his hat and on banners at \$16,000 dinners, snapped: "I have never had a nickel's worth of business with the savings and loans." Boykin failed to win renomination to Congress in last May's primary.

So far, the Maryland investigations have brought 86 indictments against 23 individuals. Edlin himself finally pleaded no contest to his mail fraud charge and was just ending a six-month jail term when the new charges hit him.

Johnson at first appeared to be gaining from the indictment, as the deep-South character of his district caused voters to rally against the big federal government picking on their man. But in the election, Johnson lost to a Republican, **Rogers C. B. Morton**.

CONGRATULATIONS TO: Richard K. Mellon, Pittsburgh banker-industrialist, for winning Action's Andrew Heiskell Award for Civic Statesmanship for his key role in Pittsburgh's remarkable renaissance; Mortgage Banker **Ferd Kramer**, cited for contributions to civil rights by the Chicago Human Relations Commission; Architect **Ernest J. Kump** of Palo Alto for winning the first American Lumber Industry Award for wood design.

E. H. Boeckh & Associates, leading analysts of residential building costs, has merged with American Appraisal Co. of Milwaukee in a straight stock swap. Boeckh's reports are published for 80 cities, but some 200 are field-surveyed by his five-man Washington, D.C. staff, plus independent fee-researchers. American Appraisal specializes in inventory-type appraisals, has offices in 21 cities, with an annual gross over \$4 million. It will maintain the Boeckh operation as a wholly-owned subsidiary under Col. Boeckh, who joins the board of the parent company.

William E. Finley, 39, \$19,000-a-year staff director of the Nat'l Capital Planning Commission for the last 4½ years, quit to join Mortgage Banker **James W. Rouse** in Baltimore as a vice president. Finley will also become a vice president of Rouse's Community Research & Development Inc., publicly owned company which builds regional shopping centers. Finley and some members of the commission have differed on policies recently but he says his new job is so attractive he would be leaving no matter who was chairman.

NEW ASSIGNMENTS: David S. Clark has quit as head of NAHB's mortgage department to become vice president of the new Washington office of United Mortgage Servicing Corp. Executive Vice President **Gordon J. Neilson** of the Houston Home Builders Assn. is forming his own public relations and advertising firm. During his six years in office Houston became the largest NAHB local.

COURT DOCKET: Millionaire Land Developer Milan Roven, 52, of Los Angeles has been indicted for trying to bribe the president of Los Angeles City Planning Commission. A grand jury charges he offered the planner a partnership in an Orange County tract and a \$1,000 political campaign contribution if two pieces of land were rezoned from residential to commercial and apartment use.

H. Roy Steele and Irwin H. Harris have been sentenced to four-to-20 year prison terms for taking \$175,000 from their Embarcadero project in Santa Barbara County, Calif. for their own use. A jury deliberated 12 days before finding them guilty of 33 charges, including eight counts of embezzling funds from the public Embarcadero Improvement District set up to serve their subdivision. They are appealing.

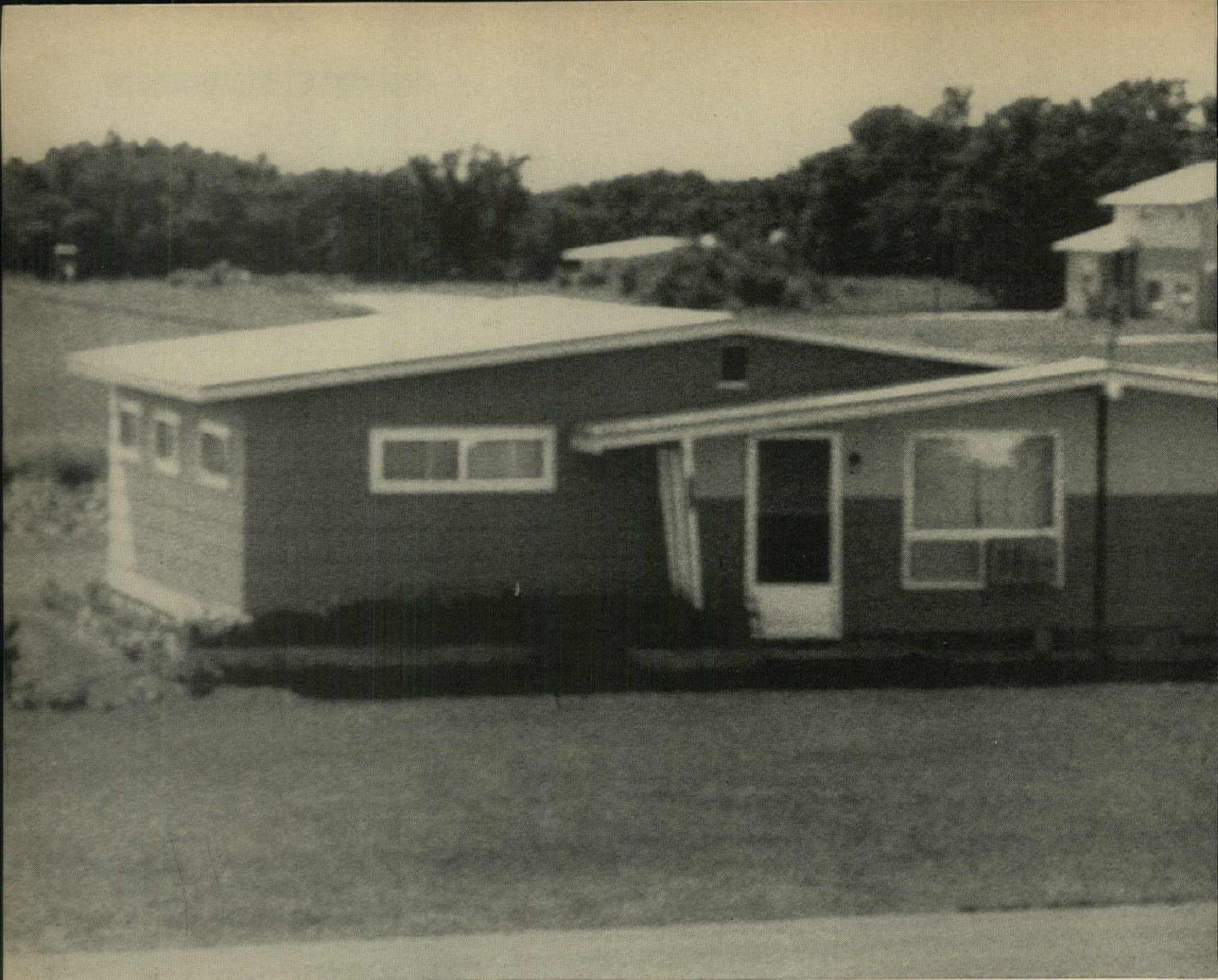
A federal jury has convicted **Mrs. Renee Bins**, 55, of Miami, of overstating income of an applicant for an FHA loan. One applicant was not working for the painting contractor he claimed was his employer. Sentence is pending.

ASSOCIATIONS: N. B. (Nat) Giustina, 44, president of Giustina Brothers Lumber Co. and Giustina Veneer Co. in Eugene, Ore. is the new president of the National Lumber Manufacturers Assn. **E. R. Perry**, president and director of the National Vulcanized Fibre Co. in Wilmington, heads the 500-member National Electrical Manufacturers Assn.

The 14,000 members of the Society of Residential Appraisers have picked **Howard E. Shenehon**, Minneapolis, as 1963 president. **Harry V. Balcom**, Bossier City, La. succeeds **Fred L. Dill Sr.** of Carmel, N. Y. as president of the Lumber Dealers Research Council. National Building Material Distributors have elected **Lewis H. Jenkins**, president of Jenkins Wholesale Supply Co. in North Wilkesboro, N. C. as president. Structural Clay Products Institute has selected **William S. Sells**, president of General Shale Products Corp. of Johnson City, Tenn., as its 1963 leader.

DIED: Arthur Vining Davis, 95, Nov. 17 at Coral Gables, Fla., of heart failure. The tiny (5 ft. 2 in.) financier built an estimated \$400 million fortune in Alcoa, then began a whole new career at the age of 80 when he moved to Florida and began gargantuan purchases of Dade County (Miami) vacant land. In 1958, he turned over some 100,000 acres to the newly-formed Arvida Corp. in exchange for 3½ million shares of stock and a \$7 million debenture note (recent value: about \$28 million). Davis' death will not affect Arvida operations, says the company.

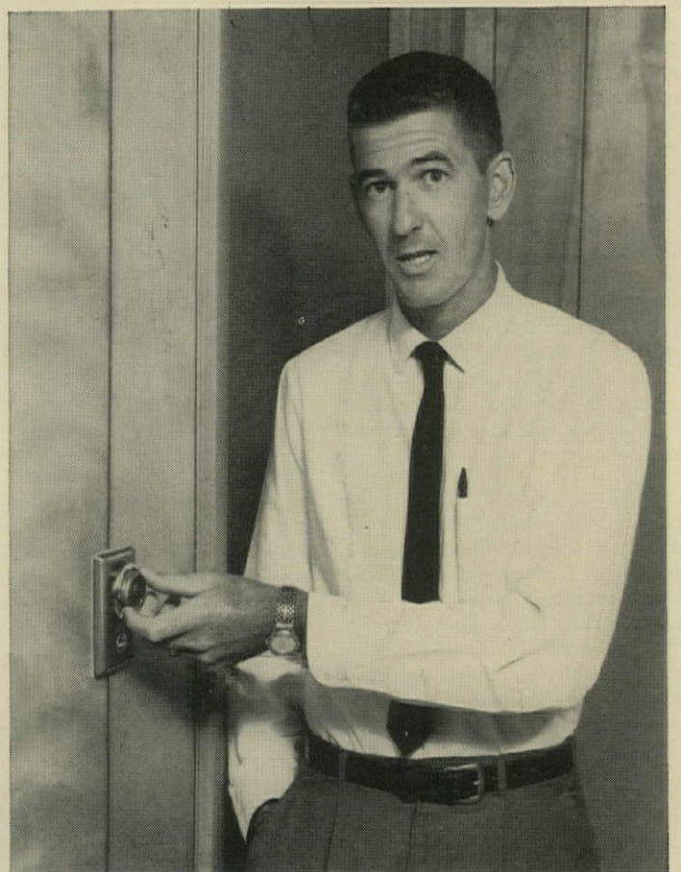
OTHER DEATHS: Alton J. Luckett, 58, president of First Federal S&L of New Braunfels, Tex. and president of the Texas Savings & Loan League, Nov. 2 in Washington, D.C.; **Melvin A. Silverman**, 54, past (1959) president of the Houston Home Builders Assn. who since 1945 put up 900 apartment units and 1,200 houses, including one of the largest Negro housing projects in the country, Nov. 13 in Houston; **Adrian F. McDonald**, 55, past president of the Society of Residential Appraisers, Nov. 13 in Hartford, Conn.; **Edward Yee Wing**, 47, Baltimore architect and designer of the Flaghouse Court housing project, Nov. 17 in Baltimore; **Earl J. Gossett**, 75, chairman of the board of Bell & Gossett Co., Nov. 17 in Evanston, Ill.; **John Palmer Freeman**, 69, vice president in charge of real estate and mortgage department of the Central Savings Bank in New York, Nov. 20 in Port Washington, N. Y.; **Ira G. Goldman**, 55, vice president and general counsel for Levitt & Sons, Nov. 29 in Levittown, Pa. *NEWS continued on p. 31*



"LOCAL ELECTRIC UTILITY CO-OPERATION has been a big help closing sales," says Bill Rowland to Kansas Power and Light representatives Dale Whittaker (right) and Bill Brown (center).



COMPACT ELECTRIC BASEBOARD UNITS were chosen by Bill Rowland for his new homes to help him cut construction costs. Because they are quick and easy to install, they save on time and labor.



"INDIVIDUAL ROOM TEMPERATURE CONTROL is certainly a popular sales feature with prospects," Bill Rowland comments. "Electric home heating really gives you positive benefits to sell."



"SALES HAVE REALLY GONE UP since I started using flameless electric home heating in my houses eighteen months ago," reports builder Bill Rowland. "And I'm discovering that more and more prospects are looking for the Gold Medallion when they go house-hunting."

"NOTHING ADDS AS MUCH SALES APPEAL TO MY HOUSES AS FLAMELESS ELECTRIC HOME HEATING"

Hutchinson, Kansas, builder Bill Rowland tells why he has switched to flameless electric home heating in his \$11,950 to \$26,000 houses

"I'm really sold on electric home heating," reports Bill Rowland. "It helps me build my homes faster, and because prospects are attracted to them, it helps me sell them faster. I sure don't know anything better I could say about it than that."

Another thing this builder likes about electric heating is the low number of complaints and call-backs after installation. "Used to be, if I built 25 homes, come winter I'd have to go out and light 25 furnaces and make sure they were working right. Something like that can run into a lot of time. Fortunately, electric heating is almost fool-proof to install and operate."

"Here in Kansas, it's pretty clear that electric home heating is gaining momentum all the time. And when something like that comes along that means more profit, I certainly want to be in on it."

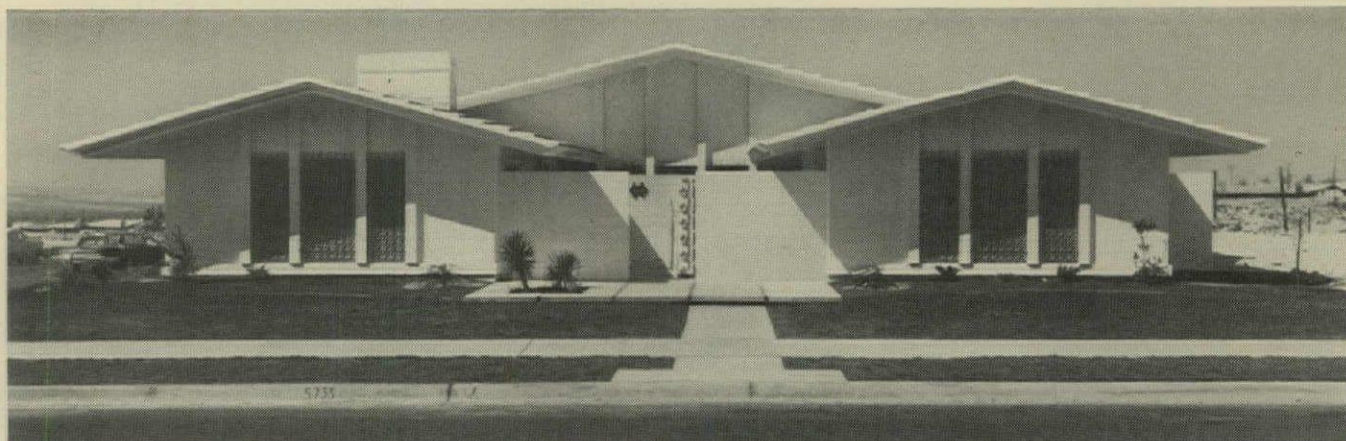
Like Bill Rowland, builders all across America are discovering how well it pays to build and promote electric heating in their homes. Already, more than a million homes are being heated electrically, and over 400 more a day are being built.

Why not find out how you can profit more by using one of the several systems of flameless electric heating in your homes? First chance you get, talk it over with your local electric utility company representative.

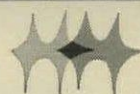
THE TOTAL ELECTRIC HOME that displays this Gold Medallion helps you to capitalize on the fast-growing customer preference for total electric living. And because a Gold Medallion Home uses a *single source of energy* for heating and cooling, light and power, you will profit more.



LIVE BETTER ELECTRICALLY • Edison Electric Institute, 750 Third Avenue, New York 17, N. Y.



1962 National Merchandising Award Winner. Builder: John Miele, Miele Construction Co., El Paso, Texas. Prize to builder: trip for two to any place in the world.



**Plan now to enter
this exciting, sales-proven,
national awards program**

Concrete Industries
1963 HORIZON HOMES
Program

Again in 1963, home builders and architects are offered this unique opportunity to share in a nationwide program developed expressly to showcase the newest ideas in concrete and actively promote the sale of new homes. Over 150 builder and architect teams already have participated. They have been enthusiastic over the effective publicity and promotional support as well as buyer interest accorded Horizon Homes. Because of this industry interest, the 1963 program will include individual houses and row or duplex, multiple-family dwellings.

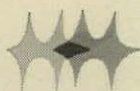
Each year this continuing program has produced the most imaginative designs . . . the freshest merchandising approaches. Identify yourself in 1963 with this hard-hitting, sales-oriented national program, keyed directly to the home builders' promotional needs. Qualify for the Horizon Homes Award Program—2 major national awards and 7 regional awards for merchandising and design. A total of 16 prizes in all.

For complete details, contact your Portland Cement Association district office.

PORTLAND CEMENT ASSOCIATION

33 W. Grand Ave., Chicago 10, Illinois

A national organization to improve and extend the uses of portland cement and concrete.



1962 National Design Award Winner. Architect: Cook & Swaim, AIA, Tucson, Arizona. Prize to architect: trip for two to any place in the world.



MORTGAGE MONEY

Yields poised for another plunge; building loans feel first bias pinch

"More money is chasing fewer mortgages than at any time since the late 1940s. We expect yields to drop another $\frac{1}{4}\%$ by next summer," predicts President Irving Rose of Advance Mortgage Co. of Detroit.

Mortgage bankers in HOUSE & HOME's monthly survey of 18 cities give half-way support to Rose's theory. "I would have to say he is 100% correct," agrees President Robert Morgan of Colwell Co. in Los Angeles, where discounts on FHA Sec 203b, minimum down payment, 30-year loans shrank a full 1%, from 97 $\frac{1}{2}$ to 98 $\frac{1}{2}$, last month.* "Yields will continue to fall throughout the year," adds William Curran of Franklin Capital Corp. in Newark.

"Interest rates have gone down and will in my opinion continue to drop through 1963," asserts Chairman Joseph McMurray of the Home Loan Bank Board. But HLBB Advisor Harry Schwartz dissents: overall interest rates will rise late in the year but not enough to affect mortgage rates, he forecasts, "At best, interest rates on mortgages might level off." Research Director Saul Klamman of the National Association of Mutual Savings Banks predicts "rates will continue to move within a narrow range."

President Robert Morgan of Boston's 5¢ Savings Bank ventures that any yield drop is likely to be only $\frac{1}{8}\%$ rather than Rose's $\frac{1}{4}\%$. "I would guess that before the yield drops a full $\frac{1}{4}\%$, the money will go to some other markets. At 98 you will lose some mortgage money," he says. Other mortgage bankers predict that pension funds will drop out of the market if yields drop $\frac{1}{4}\%$.

"But if Congress votes a tax cut and makes other investments more attractive," the trend toward lower yields may end, warns one mortgage banker.

The anti-bias order could dry up FHA and VA mortgages for a while.

Most mortgage bankers expect a temporary interruption of government-backed originations. Eastern mortgage men are expecting the biggest curtailment from brokers originating mortgages in the South, but one Southerner predicts the cutback will be nationwide.

The resulting pinch on supply could in turn shrink discounts on FHA and VA loans, say some. But one mortgage banker warns: "This may supply the kicker which will lift the price another $\frac{1}{2}$ point, and on the surface look like the reason for smaller discounts. But the real reason would be oversupply of money."

Most expect tract mortgages to be hit first, and one broker says builders and lenders both will be watching how the first tract-busting efforts (likely to come at scattered locations in many cities) will turn out.

"We confidently expect the volume of spot loans will increase," says one broker. "In fact it could happen that spots might ultimately be favored over tracts as they automatically give diversification which is universally accepted as a basic ingredient in every sound investment program."

First and hardest hit will be construction loans for builders.

"I've got an application for a \$250,000 construction loan on an FHA tract, and frankly I don't know what I'll recommend that our loan committee do with it," says one mortgage lender. His plaint is typical: many lenders insist on FHA subdivision approval before they will make building loans, and the anti-bias order indicates that subdividers will have to pledge to obey the anti-bias rule to get this approval, even if houses are sold conventionally.

In one Southern city a subdivider is forcing builders to sign a reverse pledge not to sell homes on FHA or VA financing before he sells them lots.

Mortgage brokers are also taking a long second look at how they handle Negro applications, especially if they are the first Negro buyer in an all-white neighborhood. The FHA rules make FHA-approved mortgagees subject to the same penalties if they use race bias, and some brokers may tend to avoid any hint of bias by approving Negro applications—even if the credit rating is borderline.

"You won't find any lender admitting to such a thing; but this will be on their minds and they may have a tendency to lean toward making a loan to a Negro," observes one broker. "Rejection will be dangerous," adds another.

* Other cities report changes of $\frac{1}{2}$ -point: Miami is up from 96-97 to 96 $\frac{1}{2}$ -97 $\frac{1}{2}$; Houston goes from 97-97 $\frac{1}{2}$ to 97 $\frac{1}{2}$ -98; Oklahoma City advances from 96 $\frac{1}{2}$ -97 $\frac{1}{2}$ to 97-97 $\frac{1}{2}$; Atlanta is now 97 $\frac{1}{2}$ compared to 97-97 $\frac{1}{2}$ a month ago.

New FNMA stock rules: lenders may buy less, pay more

Shuffling its secondary market regulations, Fanny May has 1) reduced the amount of stock lenders must take in lieu of cash for mortgages they sell to the agency from 2% to 1%; 2) increased the per-share price of the stock from \$100 to \$110; and 3) lifted its ban on mortgages more than four months old. Now, FHA and VA mortgages insured after Aug. 1, 1954 are eligible.

The effect, say agency officials, is to increase the cash yield to lenders selling to FNMA, better reflect the \$120 book value of the stock (which grows as Fanny May's surplus grows), and make it cheaper to use the agency as a mortgage outlet.

The rules were changed before the Presidential anti-bias order was announced. But they may lessen its impact on FHA and VA just the same.

S&Ls face tighter rules on loans to one borrower

The Federal Home Loan Bank Board is mulling over written comments on a proposal to limit big loans by federally insured S&Ls to a single borrower. The proposal, which HLBB officials say was prompted by concern for the soundness of S&Ls that have concentrated their loans in a few borrowers, would limit the maximum lending to one borrower to 1) 10% of the institution's total savings accounts or 2) the same proportion of its stock, surplus, undivided profits, and reserves whichever is less. These limits would apply only to one-borrower loans larger than \$100,000.

U.S. S&L League reaction: "A valuable move. It puts on paper a rule of sound operation."

Boycott threatened by group of Negro mortgage bankers

The United Mortgage Bankers of America, formed last August as an outgrowth of the work of the Negro National Association of Real Estate Brokers, is organizing a "knock on every door" campaign to persuade lenders to put more money into mortgages for Negroes.

The 40 mortgage bankers making up the association will spend Feb. 20-22 in New York City asking insurance companies and savings banks to say publicly that they will make mortgage loans to qualified Negroes. Then they will make a similar foray in Washington. Behind the request will be a polite but firm threat: Institutions refusing to go along may face boycotts by Negroes like campaigns already used to pressure department stores and other businesses in some Southern cities.

UMBA leaders are heartened that several Eastern mutual savings banks asked to meet with them in December in Washington. Some savings bankers, like Chairman Earl Schwulst of the nation's largest, Bowery of New York City (H&H, Nov), are already supporting anti-bias efforts.

Behind the UMBA move is a growing realization that Negro economic power as represented by Negro-controlled institutions is not much of a weapon against race bias. Negroes now control 13 banks, 50 life insurance companies, and 27 S&Ls, but President Dempsey J. Travis of UMBA says their combined assets "aren't sufficient to set any kind



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INDIANA

H. Duff Vilm Mortgage Co., Inc.
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LOUISIANA

First National Mortgage Corporation
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MISSISSIPPI

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Raleigh

TENNESSEE

Guaranty Mortgage Co. of Nashville
Nashville

TEXAS

Southern Trust & Mortgage Co.
Dallas

T. J. Bettes Co.
Houston

WASHINGTON

Carroll Mortgage Co.
Seattle

WASHINGTON, D. C.

The Carey Winston Co.
Washington, D. C.

of a pattern." The two Negro S&Ls in Chicago have total assets (\$17 million) smaller than what giant First Federal S&L pays in dividends in a year.

"White lending institutions have all the Negro money," contends Travis. In 1947, Negro-controlled insurance companies wrote 0.7% of all Negro insurance premiums. Now, they write only 0.5%. This decline comes despite an 18-fold increase in the last ten years (from 43,000 to 766,000) in the number of Negroes earning over \$5,000 annually.

Another sore point: "The front office makes non-discrimination statements, but then they make it so difficult for a Negro to get a loan that you'd just as soon jump off a 20-story building," says Travis. For this, he blames mortgage correspondents who originate loans.

One exception is Equitable Life Assurance Co. of New York City, which has made an anti-bias pledge that means something, contends Travis. Equitable has more control over mortgage sources because it has relatively few correspondents.

UMBA members will push this program in their visits to lenders: Appoint more Negro mortgage bankers as correspondents.

S&L holding company finds new route to leverage

Great Western Financial Corp. in Los Angeles is bringing new short-term money for construction loans into its seven S&Ls (assets: \$1.2 billion) at rates much lower than the cost of long-term money from shareholding depositors.

Great Western sells to outside corporations notes expiring in 270 days but payable on demand before that. The notes pay this sliding scale of interest: 3 1/2% if held less than 90 days; 4% if held from 91 to 180 days; 4 1/2% if held the full 270 days. Corporations must buy a minimum of \$100,000.

President John Marten is enthusiastic because \$12 million has been sold so far and no buyers have demanded early repayment. A maximum of \$25 million will be outstanding at any one time.

FHA sets new guide lines for evaluating servicing

After months of prodding by the Mortgage Bankers Association, FHA has set standards by which the cost of servicing accounts bought by a mortgage banker can be recognized in figuring the minimum \$100,000 net worth mortgage bankers must have to approved FHA mortgages.

Until now, FHA has taken up each case individually, so the rules have changed from decision to decision. Now, FHA has set these general standards for computing the value of bona fide, arms-length purchases:

- The price must be in line with established market values and must be amortized within eight years. This assures that the required net worth will not be represented ultimately by intangible assets.
- If the earnings from servicing are not enough to cover the amount written off in any one year, the principals in the mortgage banking firm must invest additional funds to cover the resulting depletion of net worth.
- The unamortized purchase price of any contract that is sold, cancelled, or transferred must be written off immediately.
- After making a purchase, the mortgagee must still have a minimum \$25,000 working capital and a satisfactory line of credit.

MORTGAGE MARKET QUOTATIONS

(Sale by originating mortgagee who retains servicing.) As reported to HOUSE & HOME the week ending Dec. 7, 1962.

City	Conventional Loans		Construction Loans ^w		FHA 207	FHA 220	FHA 203 ^b
	Comm. banks, Insurance Cos.	Savings banks, S & Ls	Banks, Ins Cos. & Mtg. Cos.	Interest + fees Savings banks, S & Ls	Firm Commitment	Firm Commitment 35 years	Min. Down 35 year futures
Atlanta	5 1/2-6	6	6+2	6+2	a	a	97
Boston local out-of-st.	5 3/4	5 3/4	5 3/4-5 1/2	5 3/4-5 1/2	a	a	a
Chicago	5 1/2-5 3/4	5 1/2-6	5 3/4-6+1-1 1/2	5 3/4-6 1/2+1 1/2-2	97 1/2-98 1/2	97 1/2-99	96 1/2-97 1/2
Cleveland	5 1/2-5 3/4	5 3/4-6	6+1	6+1	98-99	97-98 ^b	97-97 1/2
Dallas	5 1/2-5 3/4	6	6+1	6+1	98-98 1/2	a	97-97 1/2
Denver	5 1/2-6	5 3/4-6 1/2	6+1 1/2-2	6+1 1/2-2	97-98	a	a
Detroit	5 1/2-5 3/4	5 1/2-5 3/4	6+0	6+0	98 1/2-99	a	a
Honolulu	6-6 1/2	6-7	6+1-2	6+1-2	a	a	a
Houston	5 1/2-6	5 1/2-6 1/2	6+1	6+1	97-98 ^b	98 ^{bd}	96-96 1/2 ^b
Los Angeles	5 1/2-6	5 3/4 ^b -6.6	6+1 1/2	6-6.6+2-3 1/2	98-98	98-99	98
Miami	5 1/2-5 3/4	5 1/2-6	6+1 1/2-1 1/2	6+1 1/2-1 1/2	a	a	96-96 1/2
Newark	5 1/2-6	5 1/2-6	6+1	6+0	98 1/2-99	par ^e	a
New York	5 1/2-6 ^f	5 1/2-6 ^f	6+0-1	6+0-1	98 1/2-99 1/2	98 1/2-99 1/2	98 1/2-99 1/2 ^b
Okla. City	5 3/4-6	6-6 1/4	6+1-2	6+1-2	a	a	a
Philadelphia	5 1/2-5 3/4	5 1/2-6	5 3/4+1	5 3/4+1	99	99	a
San Fran.	5 1/2-6 ^h	6-6.6	6+1-1 1/2	6-6.6+2-3	98 1/2 ^f	99 1/2-par	97 1/2-98
St. Louis	5 1/2-6	5 1/2-6 1/2	5 3/4-6 1/2+1-2	5 3/4-6 1/2+1-2	a	a	a
Wash. D.C.	5 1/2-5 3/4	5 1/2-5 3/4	5 3/4+1	6+1	98	98 ^b	98

City	FHA 5 1/4s (Sec 203) (b)						VA 5 1/4s		
	FNMA Scdry Mkt ^{xy}	New Construction Only		Existing ^z Min Down 25 year		FNMA Scdry Mkt ^{xy}	New Construction Only		
		Minimum Down* 30 year Immed	10% or more down 30 year Immed	10% or more down 30 year Fut	Existing ^z Min Down 25 year Immed		No down 30 year Immed	Only Fut	
Atlanta	96 1/2	97 1/2	97 1/2	97 1/2-98 ^b	97 1/2-98 ^b	97 1/2	96 1/2	97 1/2	
Boston local out-of-st.	97 1/2	par-101	par-101	par-101	par-101	97 1/2	par-101	par-101	
Chicago	96 1/2	97-98	96 1/2-97 1/2	97 1/2-98 1/2	97-98	97 1/2-98 1/2 ^b	96 1/2-97 1/2	96 1/2-97 1/2	
Cleveland	96 1/2	97 1/2-98	97-97 1/2	98-99	98-98 1/2	97 1/2-98	96 1/2	97 ^b	
Dallas	96 1/2	97 1/2-98	97 1/2-98	98	98	97 1/2-98	96 1/2	97 1/2-98	
Denver	96	97-98	97-98	97-98	97-98	97 1/2-98	96	96 1/2-98	
Detroit	96	97 1/2-98	a	98-98 1/2	a	97-97 1/2	96	97 1/2-98	
Honolulu	96	97	97	97 1/2	97	96-96 1/2	96	97	
Houston	96 1/2	97 1/2-98	97-97 1/2	98-98 1/2	a	97 1/2-98	96 1/2	97 1/2-98	
Los Angeles	96	98 1/2	98 1/2	99 ^{eb}	99	98	96	98 1/2	
Miami	96 1/2	96 1/2-97 1/2	96 1/2-97 1/2	98 ^b	a	96 1/2-97 1/2	96 1/2	96 1/2-97 1/2	
Newark	97	98-99	98-98 1/2	99-par	98-99	99	97	98	
New York	97 1/2	98 1/2-99 1/2	98 1/2-99 1/2	98 1/2-99 1/2	98 1/2-99 1/2	par	97 1/2	98 1/2-99 1/2	
Okla. City	96	97-97 1/2	97-97 1/2	98	a	96 1/2-97 1/2	96	96 1/2-97 1/2	
Philadelphia	97	99	99	99	99	99	97	a	
San Fran.	96	98-98 1/2	97 1/2-98	98 1/2	98 ^b	97 1/2-98 ^k	96	98-98 1/2	
St. Louis	96 1/2	96-98	96-98	97-98 1/2	97-98 1/2	96-98 1/2	96 1/2	95-97 1/2	
Wash. D.C.	97	98-98 1/2	98-98 1/2	98-98 1/2	98-98 1/2	98-98 1/2	97	98-98 1/2	

*3% down of first \$15,000; 10% of next \$5,000; 25% of balance.

Sources: Atlanta, Robert Tharpe, pres., Tharpe & Brooks Inc.; Boston, Robert M. Morgan, pres., Boston Five Cents Savings Bank; Chicago, Robert Pease, vice pres., Draper & Kramer Inc.; Cleveland, David O'Neill, vice pres., Jay F. Zook Inc.; Dallas, Aubrey M. Costa, pres., Southern Trust & Mortgage Co.; Denver, C. A. Bacon, vice pres., Mortgage Investments Co.; Detroit, Harold Finney, exec. vice pres., Citizens Mortgage Corp.; Honolulu, Howard Stephenson, asst. vice pres., Bank of Hawaii; Houston, Everett Mattson, exec. vice pres., T. J. Bettes Co.; Los Angeles, Robert E. Morgan, first vice pres., The Colwell Co.; Miami, Robert J. Shirk, vice pres., Lon Worth Crow Co.; Newark, William W. Curran, Franklin Capital Corp.; New York, John Halperin, pres., J. Halperin & Co.; Oklahoma City, B. B. Bass, pres., American Mortgage & Investment Co.; Philadelphia, Robert S. Irving, vice pres., First Pennsylvania Banking & Trust Co.; St. Louis, Sidney L. Aubrey, vice pres., Mercantile Mortgage Co.; San Francisco, Raymond H. Lapin, pres., Bankers Mortgage Co. of Calif.; Washington D. C., Hector Hollister, exec. vice pres., Frederick W. Berens Inc.

• Immediate covers loans for delivery up to 3 months, future covers loans for delivery in 3 to 12 months.

• Quotations refer to prices in metropolitan areas, discounts may run slightly higher in surrounding towns or rural zones.

• Quotations refer to houses of typical average local quality with respect to design, location, and construction.

Footnotes: a—no activity. b—limited activity. c—for local portfolios. d—on spot basis. e—FNMA is only purchaser. f—lower price is for loans under 80%. h—limited 6%. k—for 25 or 30 years. w—interest charged to borrower. x—FNMA pays 1/2 point more for loans with 10% or more down. y—FNMA net price before Nov. 28 after 1/2 point purchase and marketing fee, plus 2% stock purchase figured at sale for 75¢ on the \$1. z—on houses not over 30 years old of average quality in good neighborhood.

NEW YORK WHOLESALE MORTGAGE MARKET

FHA 5 1/2s	FHA, VA 5 1/4s	FHA 5 1/4s spot loans
Immediates: 99-par	Immediates: 96 1/2-97 1/2	(On homes of varying age and condition)
	Futures: 96 1/2-97	Immediates: 96-97

Note: prices are net to originating mortgage broker (not necessarily net to builder) and usually include concessions made by servicing agencies.

Prices cover out-of-state loans, reported the week ending Dec. 7 by Thomas P. Coogan, president, Housing Securities Inc.

CONVENTIONAL S&L LOANS

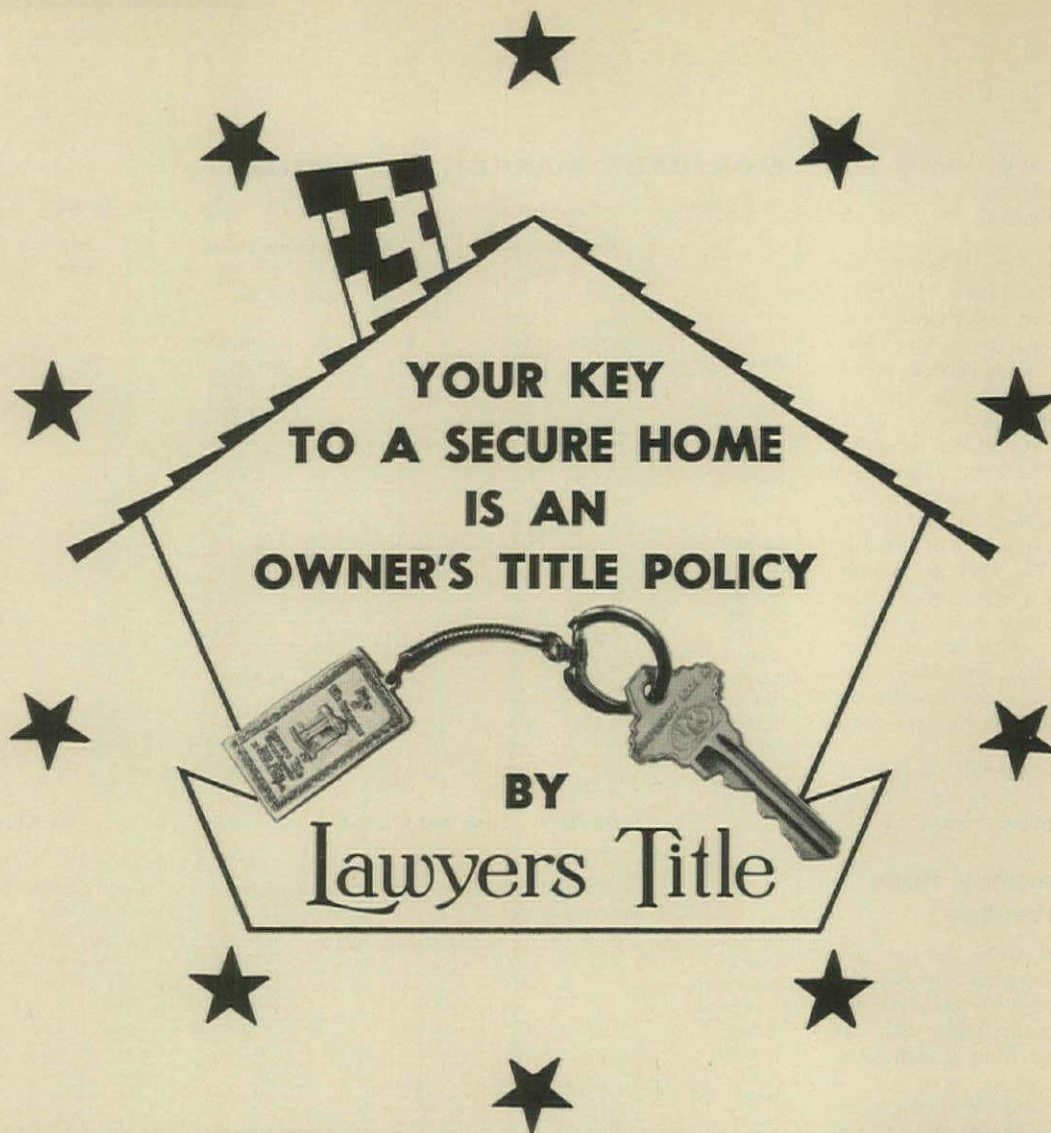
	(national average, weighted by volume)		
	Nov.	Oct.	Nov. 1961
New homes	6.04	6.02	6.00
Existing homes	6.18	6.22	6.20
Construction loans	6.10	6.10	6.17

Source: Home Loan Board. Based on reports for the first ten days of the month from 188 insured S&Ls with \$23.5 billion in savings (one-third of all FSLIC-insured S&Ls).

NET SAVINGS DEPOSIT CHANGES

	(in millions of dollars)		
	% change Oct. '62	Year to date	% change from 1961
Mut sav banks ^a	\$ 186	-56.6	\$ 2,367 +57.7
S&Ls ^b	720*	-15.7	6,822* + 8.2
Commercial banks ^c	1,000*	+11.1	13,300* +32.7

*preliminary figures. ^aNational Association of Mutual Savings Banks. ^bUnited States Savings & Loan League. ^cAmerican Bankers Association.



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National League asks greater S&L lending authority

It seemed as if there suddenly was little else to talk about.

Apparently without prearrangement, almost every major speaker to address the National League of Insured Savings Assns. in San Francisco turned to a variation of the same theme: S&Ls need broadened lending powers.

Not a negative note was sounded—significantly not by two guest speakers: Rep. Wright Patman, (D, Tex.), incoming chairman of the House banking committee, and Sen. John Sparkman, (D, Ala.), chairman of the Senate housing subcommittee.

Patman got the convention off to a headline grabbing start with a talk that clearly aligned him with S&Ls and against commercial banks in any Congressional showdown over lending powers.

In a tartly worded attack on banks' hopes for easier mortgage lending authority, Patman said: "Commercial banks are demand institutions . . . Long term investments such as home mortgage lending are a function of the thrift industry. Because of the peculiar nature of a long term real estate loan I question whether commercial banks should appreciably increase their mortgage loan investments.

"Commercial banks are a privileged group and still they want more privileges. A question arises in my own mind as to whether Congress should grant additional functions or liberalize present powers of commercial bankers."

What about S&Ls? Said Patman: "Savings and loans should not be limited almost exclusively to home mortgage lending. They should be able to meet a wide range of family financing needs. They should have power to invest in municipal securities. They should have other investment powers and I will be glad to work with your league officials on such a program."

Sen. Sparkman, speaking two days later, had no favorites: "I would like to see both savings and loans and banks given broader lending authority."

And as the convention program wore on, speakers talked of S&Ls financing everything

all the way from schools to refrigerators.

The league's own consultant, Economist Robinson Newcomb, offered a statistical argument that "future S&L growth cannot be supported by housing alone." Reasons: volume of housing is not going to rise much before 1970 and S&Ls cannot expect to take much more of it away from other lenders. The housing backlog is met. Percentage of multi-family starts is rising and not only do S&Ls get a smaller share of apartment

Christoff Studio



CALIFORNIA'S SILBAUGH

"If you can't meet competition . . ."

mortgages, but also the average loan per unit is less than on single family houses.

Most important of all, S&Ls' cash intake from amortization of past loans is soaring from \$8.5 billion in 1950 to \$21 billion this year. That is "enough to satisfy all normal home-mortgage requirements," says Newcomb.

National League officials are well aware they're inviting a fight from commercial bankers. Bankers themselves are seeking legislation to let them make more generous conventional loans.

But no National League official made anything like the statement of the U.S. League's Met Dye who demanded a Congressional investigation of banks' efforts to grab a bigger share of the home mortgage business.

Incoming National League President Harold

Halleen says privately that the league officially would oppose any greater lending authority for banks. But he added that if S&Ls get new lending authority for short-term loans, they would have little chance—Patman notwithstanding—to stop banks from getting wide lending powers, too.

"I imagine that will be the compromise," says Halleen. If we get greater lending authority we have no right to ask that banks do not get it. We simply object to our being limited in what we can do while the banks encroach more and more into our area."

Other comments on the same points:

● HLBB Chairman Joseph McMurray: "Your authority to lend and invest must be greatly broadened. You should have the authority to invest in tax-exempt securities and to a limited extent in other types of securities. You should be able to service your shareholders in their consumer credit needs, especially those relating to the household."

● President John E. Stipp of the Home Loan Bank of Chicago: "In the decade ahead, the logical growth of the system is toward related consumer-type finance of such items as home appliances, furniture and probably even college educations."

● California S&L Commissioner Preston Silbaugh chided S&Ls for trying to keep banks out of home lending. "If . . . you can't meet their competition you've got no economic justification for continuing in existence," he said. "The answer lies not in trying to make others give you the home finance field as a private feudal kingdom but in broadening your own investment and lending powers." Logical areas, he suggested: are water, streets, sewers and schools (through bond purchases).

Silbaugh also called for changes in criteria for creating new associations and branches and for elimination of the 50-mile lending limit—both labeled as "feudal fiefdom" systems, long since outdated by the changing growth pattern and needs of the community.

Federal charters for savings banks win a convert



NAMS PRESIDENT John Kress (1) welcomes a newcomer to his camp, S&L man A. D. Theobald.

"If the bill (permitting federal chartering of mutual savings banks) is adopted in its present form, the First Federal Savings & Loan Assn. of Peoria would convert to a savings bank form."

That announcement from First Federal's president, A. D. Theobald, brought cheers from members of the National Assn. of Mutual Savings Banks, who turned their mid-winter meeting in New York City last month into a pep rally for a big push in Congress this year for federal charters.

But Theobald's stand also offered a hint on the much larger question troubling savings bankers: Will S&L men join them in their quest for federal charters? S&L men are divided among themselves so far, say S&L leaders. Theobald's support is one key to the answer, for he has been an acknowledged leader in the S&L industry since 1931, when as a U. S. S&L League staffer he was active in the drive to set up the Home Loan Bank system.

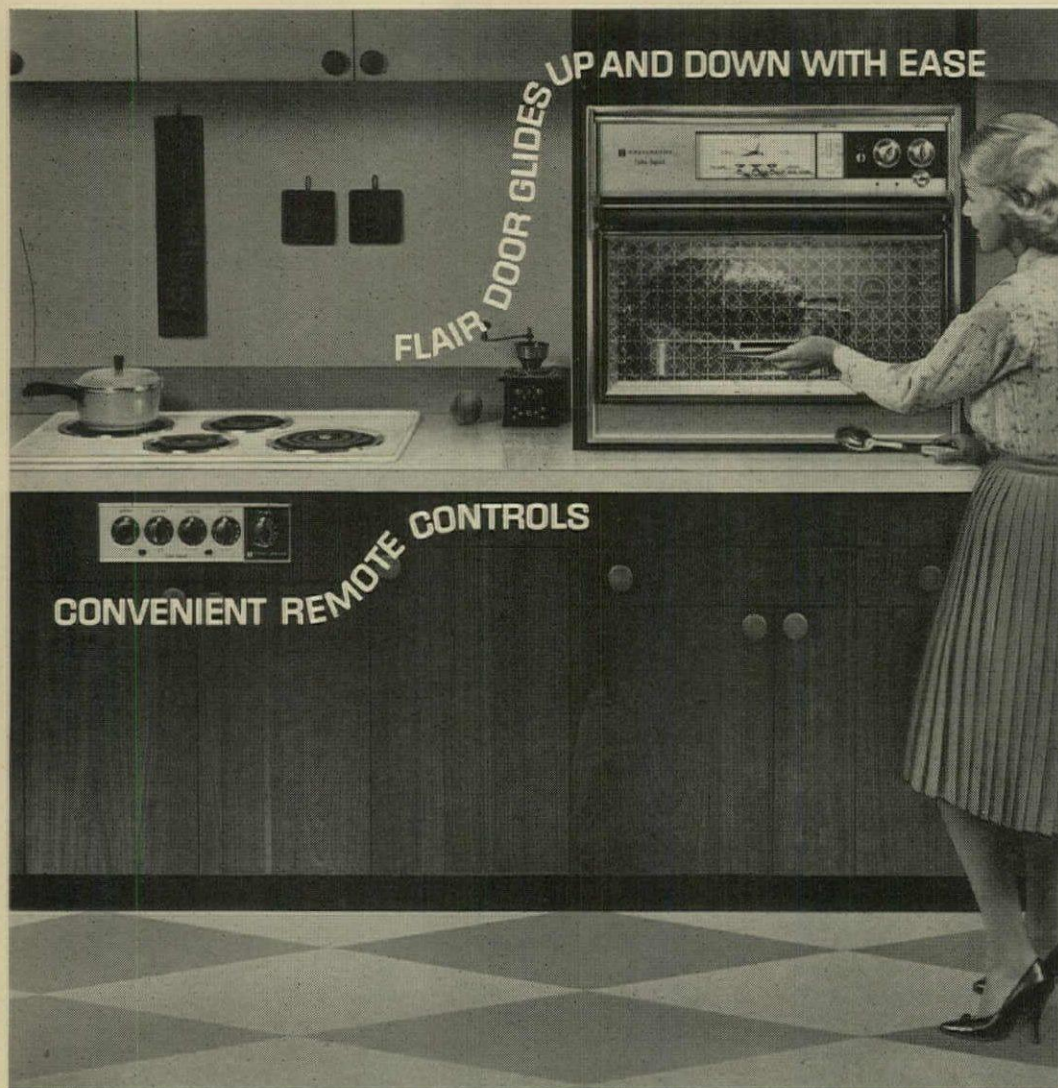
In those days of "flux and change and op-

portunity," Theobald bluntly recalled that savings bankers were asked if they wanted to be part of this federally-chartered thrift movement and "they were not interested."

Today, continued Theobald, "we are being swept along in fundamental changes in attitudes and banking systems" fully as exciting as the early 1930s. In this tide, mutual S&Ls and savings banks "can be partners in progress—but we can be partners in our liquidation, too," he warned. "We are confronted by the dynamics of an American Banking Assn. that is a dramatically different association than it was eight or 10 years ago. We see a comptroller of the currency [James Saxon] who is more active, it seems to me, than any other supervisory authority I have ever seen in developing the commercial banking system.

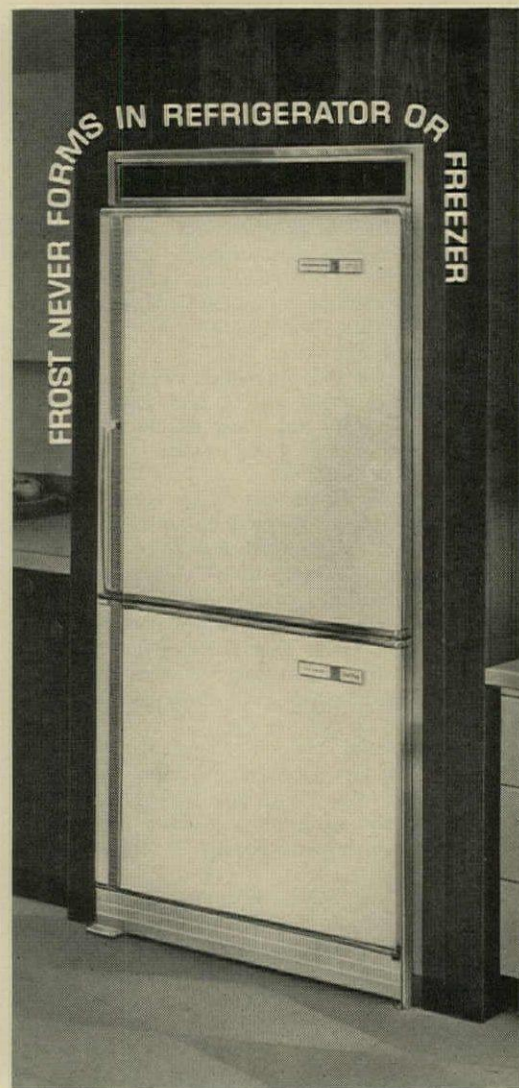
"My concept of commercial banking is that it is the deadly enemy of the thrift institutions. Some of these banks seek to eliminate your type of business and mine. And, more importantly, others are *continued on p. 38*

Build-in a wonderful world of



FLAIR DOOR GLIDES UP AND DOWN WITH EASE

CONVENIENT REMOTE CONTROLS



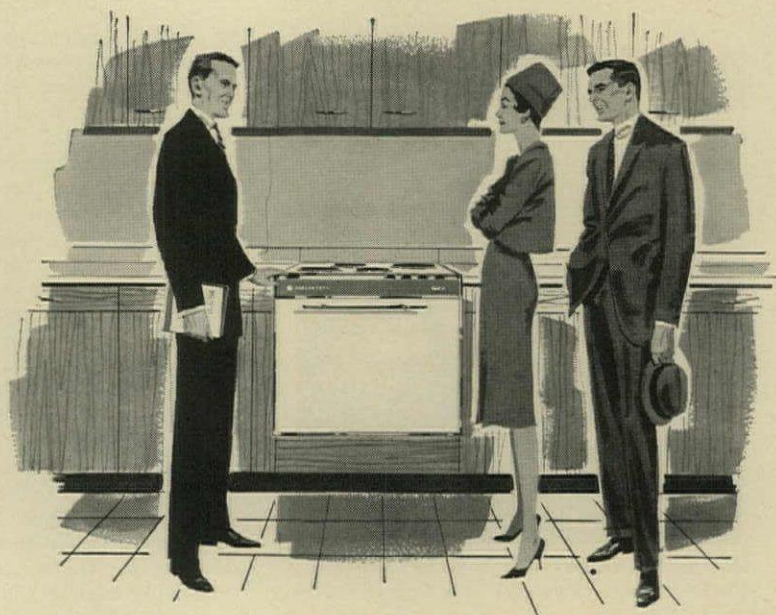
FROST NEVER FORMS IN REFRIGERATOR OR FREEZER

COOKING WITHOUT WATCHING FRIGIDAIRE COOKING TOPS. Four models in every price range. Some with Heat-Minder that does the pot-watching. Speed-Heat unit gets red hot in seconds. In matching colors.

UP-CLOSE COOKING, EASY CLEANING FLAIR WALL OVEN. The jewel in any kitchen setting. And homemakers will visualize new facility in cooking and oven cleaning with the exclusive Glide-up glass door. Cook-Master Automatic Oven Control, of course.

NOW OFFER NO DEFROSTING EVER FRIGIDAIRE REFRIGERATOR-FREEZERS. Why spoil a beautiful kitchen with an old refrigerator? Easiest time for customers to buy a new Frigidaire Frost-Proof. She'll love the many other conveniences all models offer, vent and trim makes 'em look built-in *easily*, too. Colors.

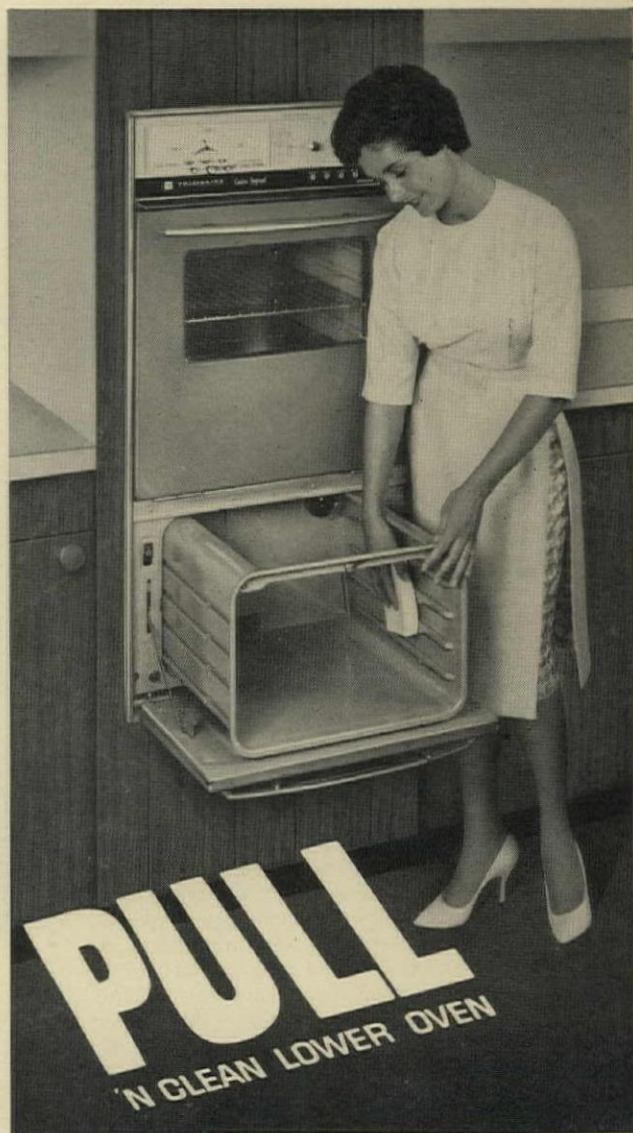
Appliances, alone, do not sell homes. Any more than nails and boards and bricks sell homes. What customers *do* want in a home is convenience, beauty, dependability, long life. Appliances are the means of giving them what they want, and if the appliances are Frigidaire, they join your *best* new home salesmen! These pages can reveal only a glimpse of the wonderful world of Frigidaire kitchen convenience and beauty. Your Frigidaire dealer or representative can open it wide for you.



Frigidaire kitchen convenience!



LUXURY COOKING IN A SMALL SPACE. **COMPACT 30" RANGE.** Looks—and cooks—as though it costs much more. Spacious 23" oven holds up to 6 pies at once. Easy (and inexpensive) to install in a cabinet, or between cabinets. No close tolerances required. Colors, brushed chrome or white.



THE WORLD'S EASIEST OVEN CLEANING **FRIGIDAIRE WALL OVENS.** Beautiful, too, in Kitchen Rainbow colors. Drop-leaf Door lowers all the way down, lets her step up close for easy cleaning. Pull 'N Clean lower oven. French Door model saves aisle space. Single and double oven models for every budget.



THE TIME-SAVING, EASY TO INSTALL **FRIGIDAIRE DISHWASHER.** Does 14 place-settings in germ-killing temperatures up to 120 times longer than average hand washing. Once-a-day dishwashing, too, for average family of 5. Two under-counter models. Colors, brushed chrome and white.

**BUILD-IN
SATISFACTION
BUILD-IN**



FRIGIDAIRE

FRIGIDAIRE DIVISION

GENERAL MOTORS CORPORATION • DAYTON 1, OHIO

seeking to engulf the activities we perform." Trust companies and industrial banks were important institutions until commercial banks won power to perform these activities, he reminded the savings bankers. Now, the banks have swallowed the trust companies and industrial banks are almost extinct.

"The tax fight (over taxes on mutual thrift institutions) proved we can work together," said Theobald, "but at times it was nip and tuck to keep that mutual interest and at times it depended solely on the personalities." Rather than this, the two groups should strive for closer working relations on the local and state levels, he urged.

President Morris Crawford of the Bowery Savings Bank in New York City, NAMSBI legislative chairman, expects support from S&L men because some helped draft the bill.

Housing issues begin a belated recovery

Led by a rousing 24% jump in building issues, HOUSE & HOME's index of housing stocks climbed 7.2% to 8.90 between early November and early December.

This improvement more than matches the 5% rise in the Dow-Jones industrial average over the same period (to 646.51); but lags behind the National Quotation Bureau's index jump of 9.4% (to 118.85).

Only housing stocks to show a loss were real estate investment trusts (off 4%) and realty investment (down 2.4%). S&Ls had the biggest gainers and losers: Financial Federa-

tion rebounded 9/4 from its month-earlier 11-point drop, but Equitable S&L fell 9/4.

Here are HOUSE & HOME's averages, combining closing prices for listed stocks with bid prices for over-the-counter issues:

	Oct 4	Nov 7	Dec 3
Building	4.93	4.49	5.24
Land development	4.80	4.45	4.74
S&Ls	21.76	19.47	21.15
Mortgage banking	15.35	14.10	15.15
Realty investment	7.53	7.14	6.97
REITs	9.46	9.46	9.08
Prefabrication	3.90	4.07	4.36
Shell homes	4.89	3.98	4.13
AVERAGE	9.07	8.30	8.90

STOCK MARKET

Syndicators in trouble: shakeup at Glickman

Whispers of trouble inside the houses of the nation's biggest syndicators and publicly-held realty corporations swelled to a roar last month.

The big break came at Glickman Corp. Louis J. Glickman severed all ties with the company he founded in May 1960 because of personal financial difficulties which, said the company, were unconnected with its own position. His creditors met to discuss ways of collecting debts they said may exceed \$10 million.

At the same time Attorney General Louis J. Lefkowitz of New York State ordered Glickman and two other company officers to return \$500,000 they had collected on a syndication of a Manhattan apartment. Lefkowitz began a "general inquiry" into some activities of Glickman Corp. and some of its principal officers and directors, including a loan from the company to another company controlled by Glickman on which \$137,000 is owed, according to a company prospectus. At this news Glickman stock tumbled to \$5 a share bid (vs a 1962 high of \$16).

Syndicators are having troubles because, among other things, they have run out of high-yield properties to syndicate. The first syndications by publicly-owned companies in 1959 paid about 15%. But as syndicates became more popular with investors, competing syndicators bid up the price of properties. Yields tumbled to around 10%. And much of the public's money went into marginal properties which produced barely enough income to pay expenses plus the high distributions promised shareholders.

Last year four syndicating realty companies cut their cash distributions: Futterman Corp. dropped from 8¢ to 5¢ monthly in April; Walter J. Schneider Corp. cut from 12¢ monthly to 15¢ for two months. Kaymarq Consolidated eliminated dividends altogether; and Frouge Corp. dropped dividends in July.

To give investors a more accurate picture of the syndicators' operations, the Securities & Exchange Commission in mid-year began requiring companies to file quarterly statements of cash flow, showing operating income and non-recurring profits (principally from sale of properties), as well as cash actually paid out to stockholders in the same period. Tenney Corp., for example, has disclosed that only 32% of its \$3.5 million net income came from its properties while 29% came from building operations, 26% from selling properties, and 13% from syndication.

HOUSING'S STOCK PRICES

Company	Oct 4		Nov 7		Dec 3		Company	Oct 4		Nov 7		Dec 3	
	Bid	Ask	Bid	Ask	Bid	Ask		Bid	Ask	Bid	Ask	Bid	Ask
BUILDING													
Adler-Built Ind.	1/8	1/8	1/4	3/4	1/4	1/2							
Cons Bldg (Can)	19 3/4	20 1/8	6 1/2 d	6 5/8 d	7 3/4 d	7 5/8 d							
Dev Corp Amer	1	1 1/2	1	1 1/2	1	1 1/2							
Dover Const	4 7/8	5 3/8	4	4 3/4	4 3/8	4 3/4							
Edwards Eng	4 5/8	5 1/8	4 1/2	5	4 1/4	4 3/4							
Edwards Inds	1	1 1/8	3/4	1 1/4	1	1 1/4							
Eichler Homes	6 1/4	7	6 1/2	7 1/4	7	7 3/4							
First Natl Rlty	3b		3	3 1/4	3 1/8	3 3/8							
Frouge	5 1/2	6 5/8	4 1/2	5 1/2	4 1/2	5 1/4							
General Builders	3 1/8 b		2 7/8	3	3 3/8 b								
Hawaiian Pac Ind	4 3/8	4 7/8	3 3/4	4 1/4	3 3/8	4							
Kavanaugh-Smith	4 3/4	5 1/4	4 7/8	5 3/8	3 3/4	3 3/4							
Kaufman & Broad	14 1/8 b		12 b		15 1/4 b								
Levitt	3 1/2	4 1/8	3	3 3/4	3 1/2	4 3/8							
Lusk Corp	2	2 1/2	1 1/2	1 7/8	2	2 3/8							
US Home & Dev	1 1/4	1 5/8	3/4	1 1/8	7/8	1 1/8							
Del E. Webb	8 7/8	9 7/8	7 7/8	8 3/4	9 3/4	10 3/4							
Webb & Knapp	1 b		1 b		1 1/8 b								
S&Ls													
American Fin	14 1/4	15	14	15	17	17 3/4							
Calif Fin	9 3/4 c		7 3/4 c		9 c								
Empire Fin	13 3/4	14 7/8	11 1/4	12 1/4	13 3/4	14 7/8							
Equitable S&L	35 3/4	36 3/4	38 1/2	40	28 3/4	29 1/2							
Far West Fin	24	25 1/2	21 3/4	23 3/8	23 3/4	25 1/8							
Fin Fed	6 7/2 c		5 5/8 c		6 4/2 c								
First Charter Fin	32 3/4 c		26 1/2 c		31 c								
First Fin West	9	9 1/2	8	8 1/2	11 1/4	11 3/4							
First Lincoln Fin	16 1/2	17 3/4	13 1/2	14 7/8	13 7/8	15							
First Surety	17 1/2	18 3/4	15 3/4	17	15 3/4	17							
First Western Fin	17	18 3/8	18 1/2	19 7/8	20 3/8	21 3/8							
Gibraltar Fin	29 3/8 c		26 3/8 c		29 1/8 c								
Great Western Fin	17 7/8 c		15 c		17 1/8 c								
Hawthorne Fin	9	9 1/2	9	9 1/2	11	11 1/2							
Lytton Fin	24	25 1/2	22 3/4	24 7/8	25 1/2	27 1/2							
Midwestern Fin	8 3/8 b		7 3/8 b		7 1/4 b								
San Diego Imp	10 3/8 c		9 7/8 c		10 1/8 c								
Trans-Cst Inv	15 1/2	17	14 1/4	15 3/4	16 1/8	17 3/8							
Trans World Fin	17 1/2 c		15 1/2 c		17 1/4 c								
Union Fin	8 1/2	9 1/4	7 1/2	8 1/4	7	7 3/4							
United Fin of Cal	26 3/8 c		20 1/2 c		21 1/4 c								
Wesco Fin	31 3/4	34 3/8	32 1/2	34 1/2	36 3/4	38 7/8							
SHELL HOMES													
Albee Homes	17 3/4	19 3/8	11 1/2	13 3/8	11 1/4	12 5/8							
Bevis	10 1/2	10 1/2	12 1/2	25 1/2	10 1/2	20 1/2							
Nationwide	1 1/2	2	1 1/2	1 7/8	1 1/4	1 3/4							
U.S. Finance	8	9	6 1/4	6 3/4	7 1/4	7 3/4							
Jim Walter	11	12	11 7/8	13	12 7/8	13 3/4							
Western Shell	3/8	3/4	1/8	1/8	1/4	1/2							
Wise Homes	1 1/8	1 1/8	1/8	3/8	1 1/8	1/4							
REALTY INVESTMENT													
Brookbridge Dev	1 1/8	1/4	1 1/8	1/4	1 1/8	1 1/8							
Disc Inc	4 1/2	5 1/8	3 7/8	4 1/2	3 3/4	4 3/8							
Gt Amer Rlty	1 1/8	1 1/8	1 1/8	5/8	3/8	1/2							
Herman & Appley	4 1/4	4 5/8	4 1/2	5	4 1/2	5							
Income Props	8 3/4	9 1/4	8 1/4	8 3/4	8	8 1/2							
Kaymarq Cons	1 1/8	1 1/8	15 1/2	30 1/2	1	1 1/2							
Krattar A	19 3/4 b		18 1/8 b		15 7/8 b								
Mensh Inv & Dev	14	14 3/4	13	14 1/2	13	14							
Presidential Rlty	8 3/4 b		9 b		8 5/8 b								
Rlty Equities	7 3/8 b		7 b		7 1/2 b								
Wallace Inv	9 1/8	10 1/8	8 1/4	9 1/8	8 3/4	9 1/8							
MORTGAGE BANKING													
Advance	a	a	a	a	8	8 3/8							
Charter	27 1/8	3 1/4	2 1/2	3	2 1/4	2 1/2							
Colonial	12 3/4	13 1/4	12 3/4	13	13	13 1/2							
Colwell	15 3/4	16 3/4	13 1/2	14 1/2	14 3/4	15 3/4							
FNMA	77 3/4	81 1/2	80	83 1/2	81 3/4	84 1/2							
MGIC	27 1/2	28 1/2	26	27	30	30 3/4							
Palomar	8 1/4	8 3/4	6 3/4	7 1/4	6 1/4	6 3/4							
Stockton, Whatley	12 1/2	13 1/2	11 1/2	12 1/2	11 3/4	12 3/4							
REAL ESTATE INVESTMENT TRUSTS													
Contl Mtg Inv	11	12	11	11 7/8	11 3/4	12 3/4							
First Mtg Inv	12 1/2	13 3/8	11 1/2	12 5/8	11	12							
First Natl	8 3/4	9 1/4	8 3/4	9 1/4	9 1/2	9 3/4							
Liberty	6 5/8	7	7 3/8	7 1/2	7 1/2	7 3/4							
U.S. Realty Inv	9 1/4	10 3/8	9 3/4	10 5/8	8 3/4	9 3/4							
LAND DEVELOPMENT													
All-State Prop	3 1/4 b		2 7/8 b		3 b								
Amer Rlty & Pet	4 1/4	4 3/4	3 3/4	4 1/4	5 3/8	5 7/8							
Arvida	5 7/8	6 1/2	5	5 1/2	6 5/8	7 1/4							
Atlantic Imp	12 3/4	13 3/4	12 1/2	13 1/2	15	15 3/4							
Canaveral Intl	8 1/8 b		6 3/8 b		6 3/4 b								
Cons Dev (Fla)	1 1/4	2	1 3/8	2 1/8	1 7/8	2 3/8							
Coral Ridge Prop	1 3/8	1 5/8	1 1/4	1 1/2	1 1/4	1 3/4							
Cousins Props	a	a	7 3/4	8 1/2	7 3/4	8 1/2							
Fla Palm-Aire	1 3/8	1 5/8	1 1/2	2	1 5/8	2							
Forest City Ent	6 1/8	6 1/2	5 3/8 b		6 1/4 b								
Garden Land	2 7/8	3 3/8	2 3/4	3 1/4	3 1/4	3 3/4							
Gen Devel	6 1/4 b		6 1/2 b		6 1/2 b								
Grt Southwest	18	19	17	17 3/4	17	18							
Gulf American	6 1/2 b		5 3/4 b		6 1/4 b								
Horizon Land	6 3/8	7 1/4	5 5/8	6 1/2	6 1/2	7 1/4							
Laguna Niguel	9	10	8 1/2	9 1/2	9 1/2	10 1/2							
Lake Arrowhead	2	2 1/2	1 3/4	2 1/2	2								

"Hello there, small fellow. I see you are about to make another delivery for *kwikset* —America's largest selling residential lockset—to some happy builder. How delighted he'll be to know that when he orders his *kwikset* locksets through his local distributor they'll be delivered precisely when and where he needs them, thanks to a *kwikset* policy of filling and shipping stock orders in 24 hours or less. This speedy delivery, plus the fact that these locksets give years of trouble-free service, should make that builder a truly jolly man."



"The delivery would be even speedier if you'd remove your body from that doorway, Charlie."



Why this sign will help you sell more homes!

When your homes are Blue Star Homes, things happen.

American Gas Association's million dollar-plus Blue Star promotion goes to work for you. Powerful advertising, both national and local, is beamed at potential home buyers. A complete kit of tested selling tools is placed at your disposal.

House hunters are told and sold on the extras found only in a Blue Star Home . . . they're made familiar with the Blue Star Home sign . . . they're reminded in ad after ad to "look for this sign of a quality home."

House hunters are pre-sold on the advantages of the modern Gas appliances they will find in a Blue Star Home.

Your local Gas company representative will give you full details about how the Blue Star Home promotion will help you sell more homes. Ask him.

AMERICAN GAS ASSOCIATION



GO MODERN—GO GAS

Home buyers' favorite . . . GAS HEAT!

8 out of 10 new home buyers across the U.S. choose economical, quiet, efficient, clean, modern Gas heat . . . enjoy lower fuel bills, proved performance. More than 26½ million satisfied homeowners use Gas heat. Gas units can be planned to use the same ducts for both heating and cooling, so that Gas cooling easily can be added at any time.



Home buyers' favorite . . . GAS COOKING!

Gas ranges . . . built-in, wall hung, free standing, or slide-in . . . are far and away the most popular. Cost you less to install, too. And they feature modern advances like the Burner-with-a-Brain* that turns itself up and down automatically to hold the correct temperature. No finer ranges are made than those built to Gold Star standards.



Home buyers' favorite . . . GAS WATER HEATING!

With economical, dependable Gas, homeowners are sure of all the hot water they need, when they need it. No wonder a Gas water heater is preferred. And a Gas dryer is faster, more economical, leaves clothes soft and fluffy, white and bright.




*A.G.A. Mark ©Am. Gas Assoc., Inc.

PLUS these modern features that make your homes more appealing to prospects: Smokeless, odorless Gas incinerators eliminate daily garbage and trash carrying, place your home in a cleaner, quieter, more modern setting. Gas refrigerators cost less to run, have less moving parts to break down, give new convenience in ice making with no trays. Outdoor Gas Lights add beauty, warmth, distinction to your driveway, patio, yard, doorway . . . impress prospects coming and going.

**ONLY HOMES OFFERING BUYERS
THE ADVANTAGES OF MODERN
GAS APPLIANCES CAN BE
CALLED BLUE STAR HOMES.**

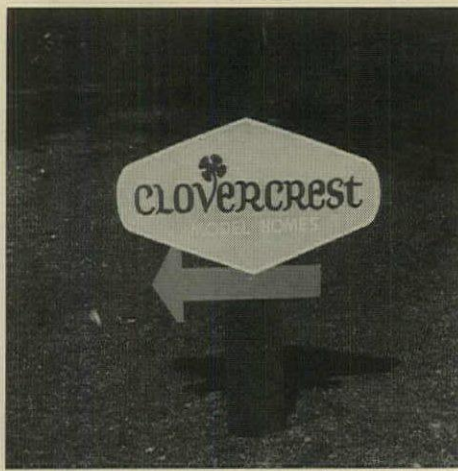
**Blue Star Sign means
home buyers can**

**LIVE MODERN
FOR LESS
WITH . . .**


GAS



WELCOME SIGN on the highway near entry to Clovercrest cost \$445. Double-faced sign has the same message on reverse side, can be re-used when repainted with a new community name.



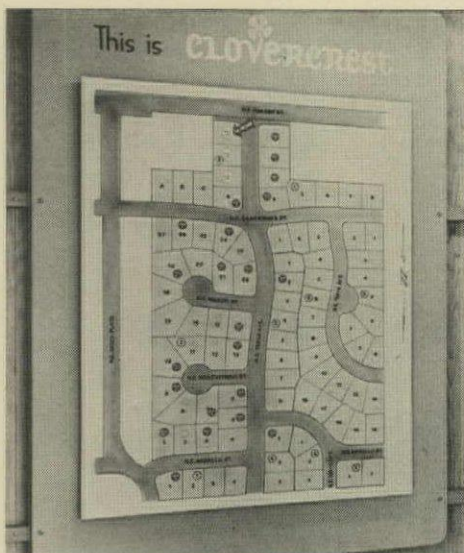
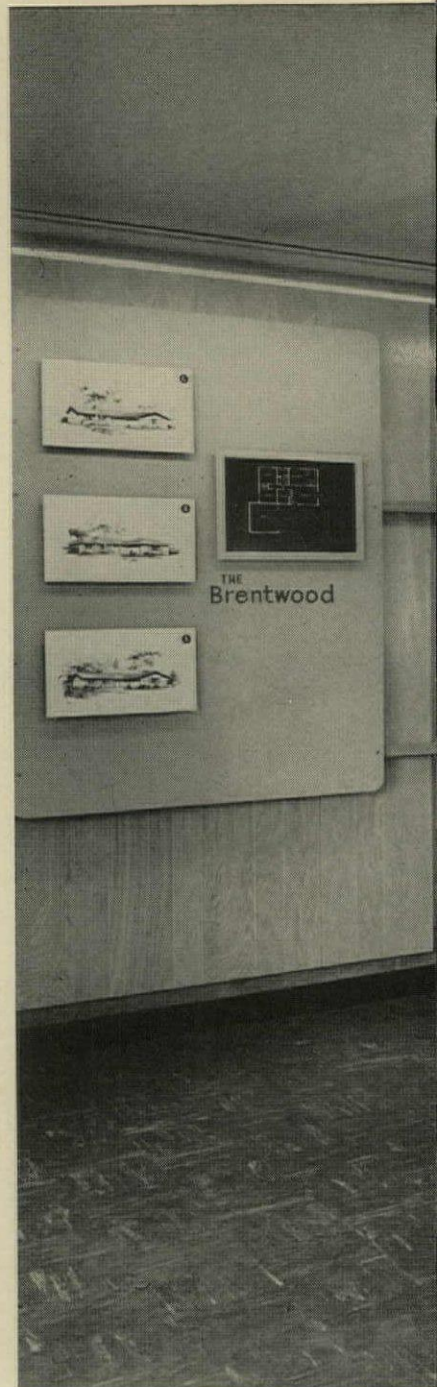
SMALL DIRECTIONAL SIGN of die-cut cardboard cost 41¢ when bought in hundreds. United Homes had 60 painted for \$57, saved unpainted boards to be painted with other names later.

Roger Dudley



COMMUNITY ENTRANCE cost \$612 (including brickwork). Cost was allocated to community de-

velopment rather than advertising because entrance is permanent feature of Clovercrest.



COMMUNITY MAP was kept simple since community size (86 lots) did not warrant big expense.

Want to cut the cost of signs and displays? Here's how one builder did it

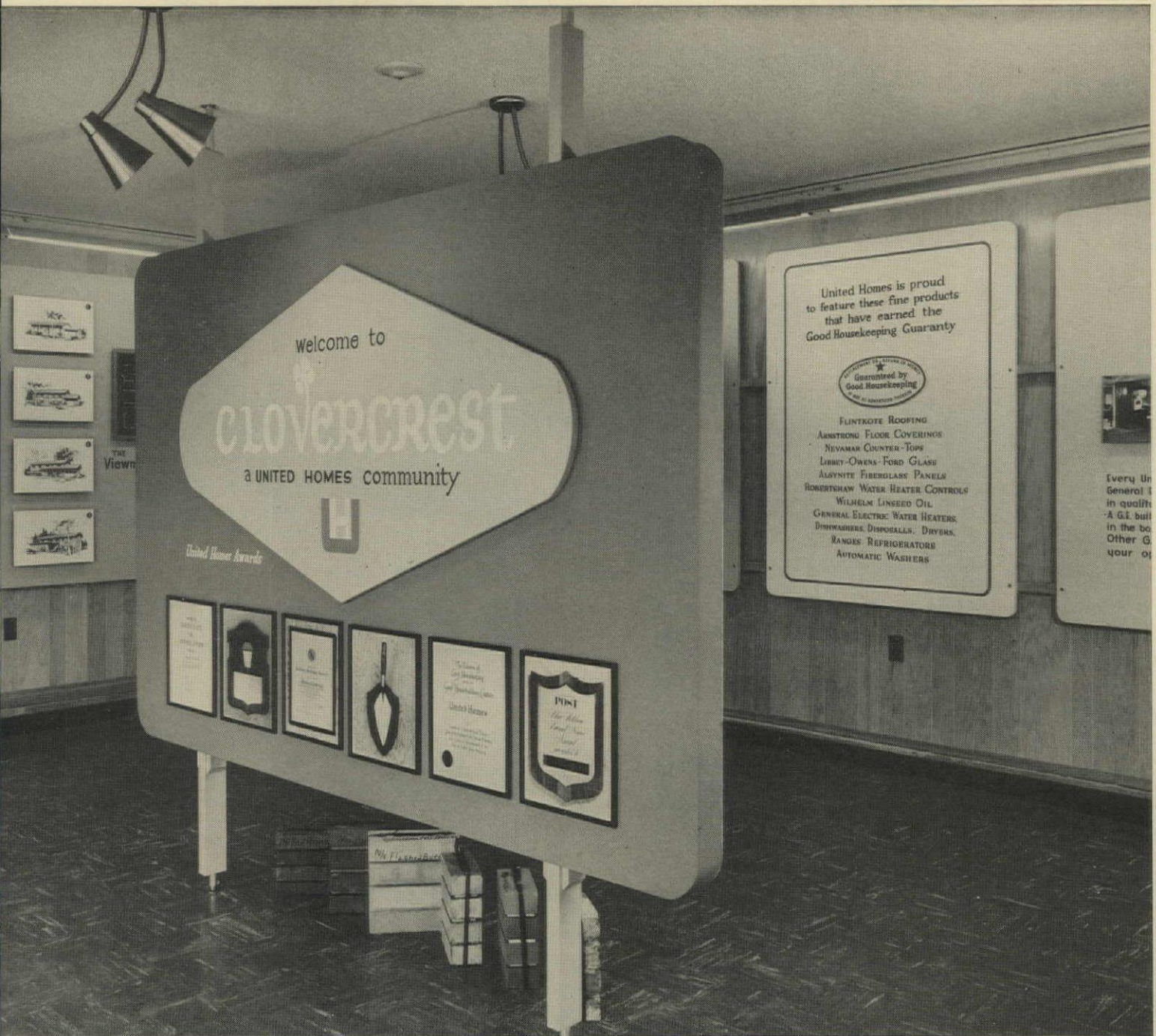
The builder is Herman Sarkowsky whose United Homes sells 500 houses a year in ten Seattle, Tacoma, and Portland subdivisions. He has halved his costs by using signs and displays that, with minor changes (and sometimes with no changes at all), can be re-used in several locations.

The dollar saving? From \$45 to \$70 a house, according to Sarkowsky's estimates. Signs and displays which used to cost \$70 to \$100 a house now run \$25 to \$30.

Sarkowsky's ad agency — Kraft, Smith &

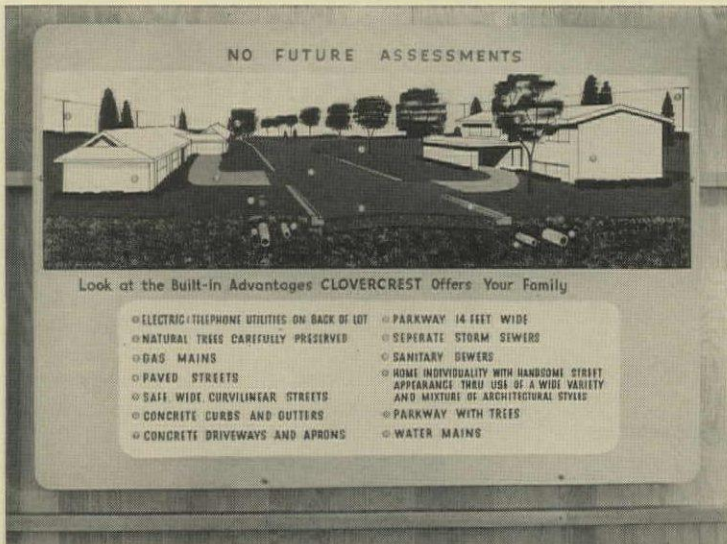
Ehrig of Seattle — designed all signs and displays on fixed modules. Some of the small signs can be mass-produced; larger signs can be repainted for re-use in different subdivisions. Displays are demountable and designed for standardized garage display areas.

Design costs were \$1,400. Producing the first batch of signs and displays — for Sarkowsky's Clovercrest subdivision — cost another \$2,000, but, because they will be re-used, much of this outlay will be spread over a large volume of houses.

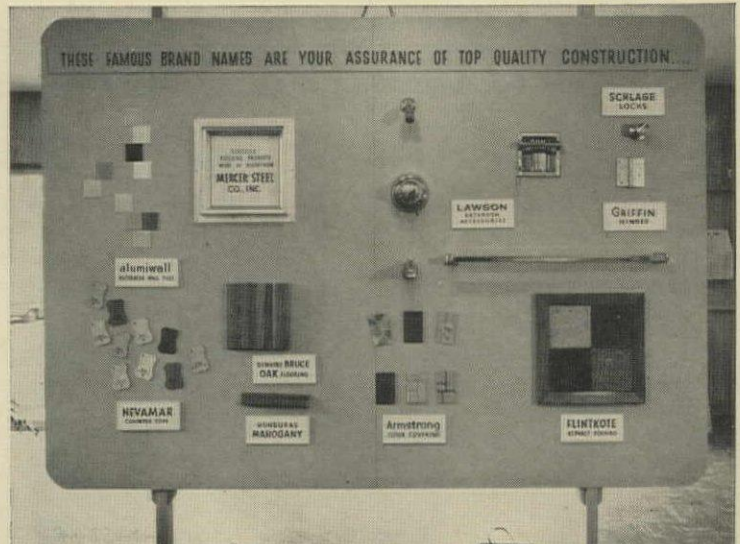


STANDARD DISPLAY AREA is in model-house garage. Prefinished plywood walls, textured ceiling, and tiled floor cost \$650, most of which will be recovered because garage can be used as playroom when house is sold. Dis-

plays, mostly re-usable, cost \$1,877. Big "welcome" display panel cost \$300, can be re-used by simply painting in new subdivision name. Small wall displays are mounted on 1x2 strips to save paneling when they are removed.



FACILITIES DISPLAY on 4'x5' wall-mounted panel cost \$140 and, like most other displays, can be re-used by changing subdivision name.



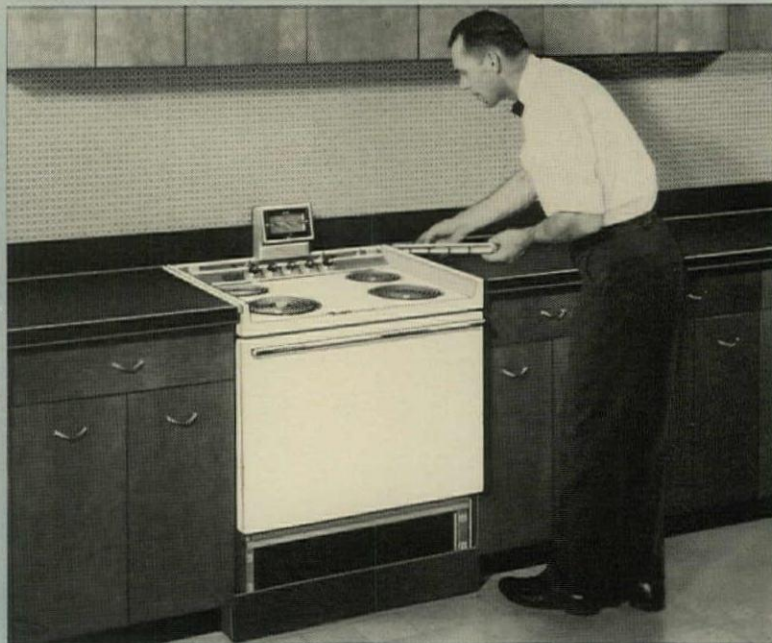
PRODUCT DISPLAY is mounted on back of "welcome" panel shown in photo above. It can be re-used without changes in other subdivisions.

Marketing roundup continued on p. 47

1. SLIDE IN...



2. APPLY TRIM...



3. ATTACH PANEL...



4. THAT'S ALL!



No counter cut-outs, no lifting, no built-up base with new Kelvinator Slide-In Ranges!

No cut-out saves 2½ feet of expensive countertop.

No built-up base saves cutting, nailing and fitting.

No lifting and juggling of heavy equipment saves installation time and personnel. One person can install a new Kelvinator Slide-In Range flush with counter in minutes!

And with three simple notches and one trim strip, it can also be installed with

the range top overlapping the countertop.

Either way, you get the expensive built-in look. The counter backsplash extends across the back of the range. The bottom panel may match the cabinets—hardware is included for quick, easy installation.

(Or a porcelain panel or drawer is available as a low-cost option.)

With three models in the popular 30-inch size (20-inch model also available), new

Kelvinator Slide-In Ranges have all the features women want, including a brand name they know and trust, plug-in surface units, lift-off oven door, choice of colors, porcelain or brushed chrome range top, and exclusive Kelvinator foil oven linings that end the dirtiest job in the kitchen—oven cleaning.

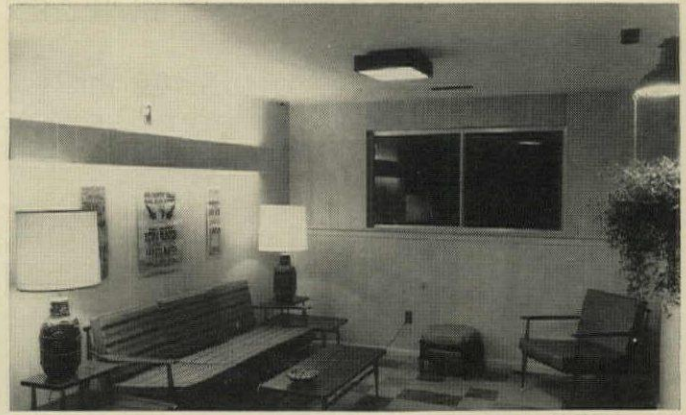
So why cut out, build up or drop in any more? Install new Kelvinator Slide-In Ranges and save! Write or wire for full information today.

Kelvinator

Division of AMERICAN MOTORS CORPORATION, Detroit 32, Michigan
Dedicated to Excellence in Rambler Automobiles and Kelvinator Appliances



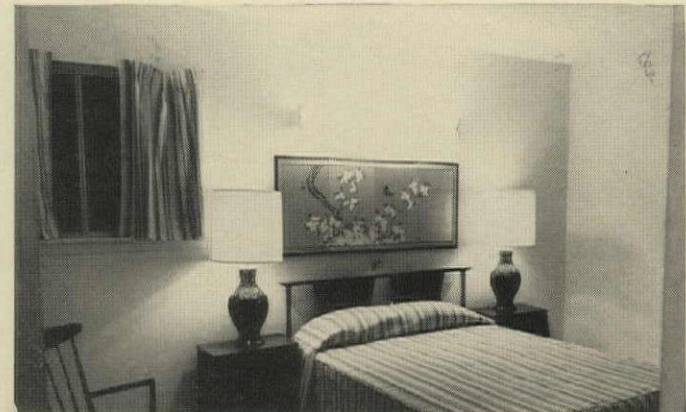
LIVING ROOM in standard model, left, is lit only by table and floor lamps. In test house, above, two recessed ceiling lights, a wall-length valance, and a wall-mounted bracket lamp give even brightness, more flexibility. Valance intensity is controlled by dimmer.



FAMILY ROOM gained in both quantity and quality of lighting. Two overhead fixtures and a 10' wall valance, lit by two 40-watt fluorescent tubes, were added. On the opposite wall, a bracket lamp was used to provide illumination for a specific small area.



KITCHEN lighting was improved in both overall illumination and in well diffused, high-intensity light at work areas. Two ceiling-mounted 6' fluorescent strip fixtures replaced the single round unit, and a higher quality pull-down lamp serves the dining area.



BEDROOMS received increased general lighting, including valances, ceiling fixtures, and wall-bracket lamps switched from doorways. Overhead lighting in walk-in closets and more wall outlets were added. Bedroom hall got two overhead fixtures.



House with planned lighting in every room outsells its "twin," 2 to 1



"HOUSE OF LIGHT" was identical to the standard model but visitors thought rooms were larger.

To find out whether buyers would really pay more for better lighting and quality fixtures, Robert Martin Associates (Ossining, N.Y.) built two model houses exactly alike. Every room was identical — even to the furnishings and the pictures on the wall — except for the lighting. One model had the standard layout of outlets and fixtures, the second had all the additional lighting recommended by the local utility. The basic house cost \$22,900, but the one with the deluxe lighting was priced \$600 higher (the actual cost of the improved installation).

From August to November, 35 houses were sold, and 24 of these buyers (a ratio of 2 to 1) paid the extra \$600 for the planned lighting — even though this entire cost had to be added to the down payment, since mortgaging terms

had already been set before the test began.

Builder Martin Berger adds: "In a slow buying period, this [the 35 sales] is double what we could have expected without the customer appeal of the lighting."

The \$600 extra cost breaks down this way:

Fixtures and bulbs	\$329
Electrician labor	215
Lighting valance material	12
Carpentry labor	44

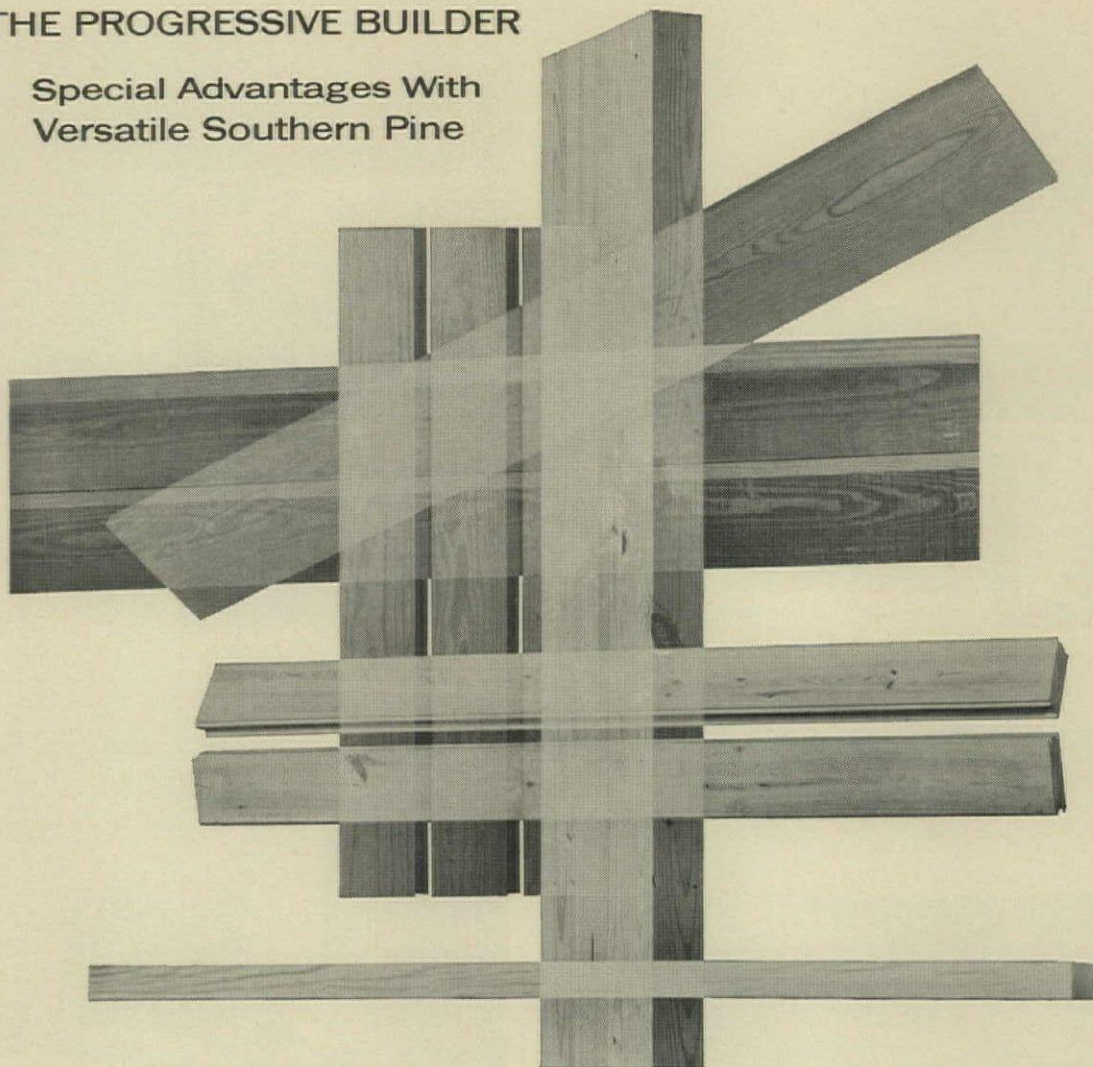
Total \$600

The builders did not add the normal mark-up because advertising, promotion, and sales expenses were much lower than budgeted, thanks to the promotion value of the lighting.

Marketing roundup continued on p. 49

FOR THE PROGRESSIVE BUILDER

Special Advantages With Versatile Southern Pine



Quality Southern Pine is available in a variety of remarkable products for better buildings. Light framing with special advantages for engineered construction and components. Roof decking and laminated lumber with greater strength for design economy. Striking new patterns of paneling and siding that adapt beautifully to modern or traditional styles.

*Light framing from mills of the Southern Pine Association is "pre-shrunk" for full dimensional stability and

greater nail holding power. Standard framing grades are "all-purpose, stress-rated"—well adapted to trussed rafters and other engineered components. This eliminates a need for more expensive special grades and is a source of substantial savings.

These quality products are available from retail dealers.

For information, write:

SOUTHERN PINE ASSOCIATION,
P. O. Box 52468, New Orleans 50, Louisiana.

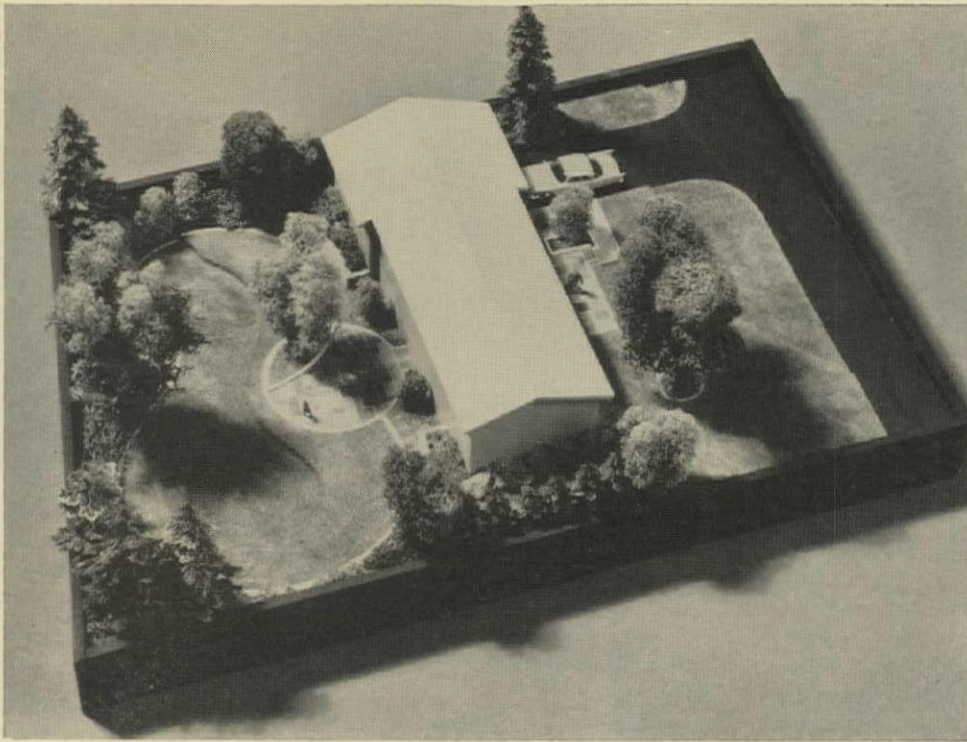
*Trade-marked and officially grade-marked.



SOUTHERN PINE

Seasoned...Pre-Shrunk...For Extra Strength

FROM THE MILLS OF THE SOUTHERN PINE ASSOCIATION



New plan promotes low-maintenance lawns and gardens

The plan is designed to promote new-house sales by showing prospects that maintenance of lawn and garden need not be a difficult, time-consuming chore. Some of the easy maintenance ideas included in the plan are shown here: curved edges on lawn areas to avoid "push-and-pull" mowing, brick or masonry edgings to avoid hand trimming around foundations, trees, and driveways. Sponsor of

the new plan is Jacobsen Mfg. Co. of Racine, Wis. It is making available to qualified builders plans for model-house areas designed by Landscape Architect Walter F. Bruning of Jamesville, N.Y. Sites designed by Bruning have been shown by New Jersey Builders Bier-Higgins and William Purich. Reception by prospective buyers was "enthusiastic," both builders report.



FLUSH PAVING around clothes pole and other obstructions eliminates grass trimming by hand.



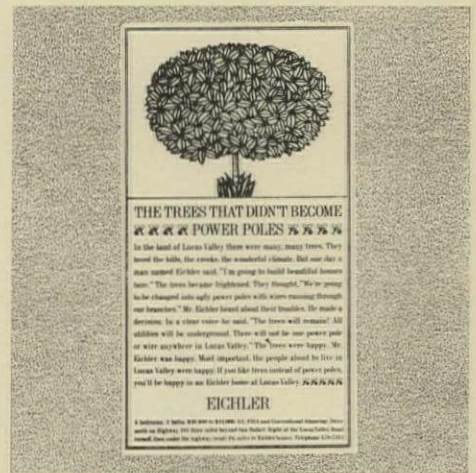
GRAVEL STRIP below roof drip line (where there are no gutters) reduces wash-out of plants.



BRICK EDGE along planting beds, gravel drives, or walks makes power mowing a faster job.

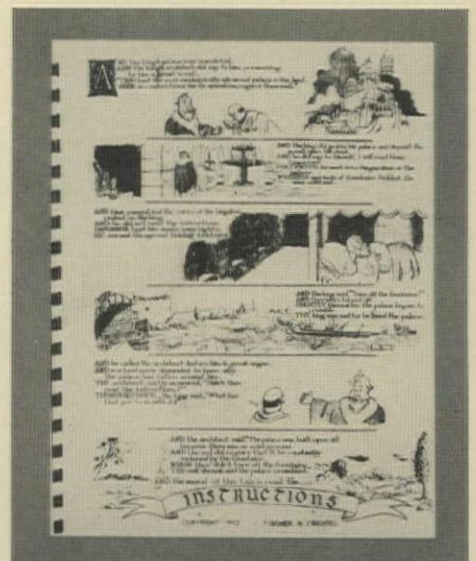


GENTLE CURVES speed grass cutting and eliminate difficult "push-and-pull" mowing.



Eye-catcher for underground wiring

In his Marin County (Calif.) subdivision, Builder Joseph Eichler goes to great lengths to save the trees, and he puts the power lines underground. Both points are made in this well designed ad that tells the story from the trees' point of view and concludes with this moral: "If you like trees instead of power poles, you'll be happy in an Eichler Home at Lucas Valley."

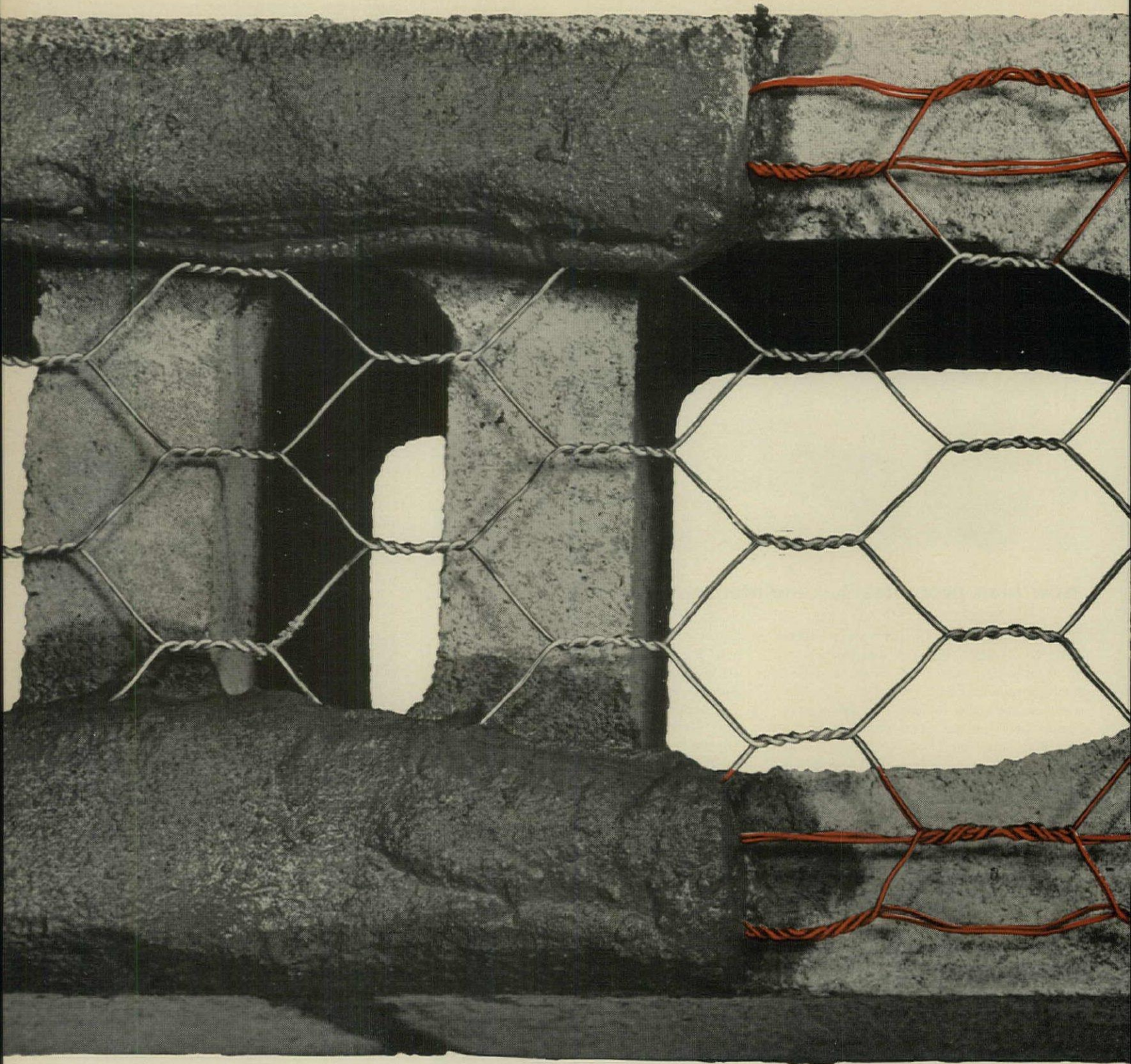


Cartoon fable cuts customer callbacks

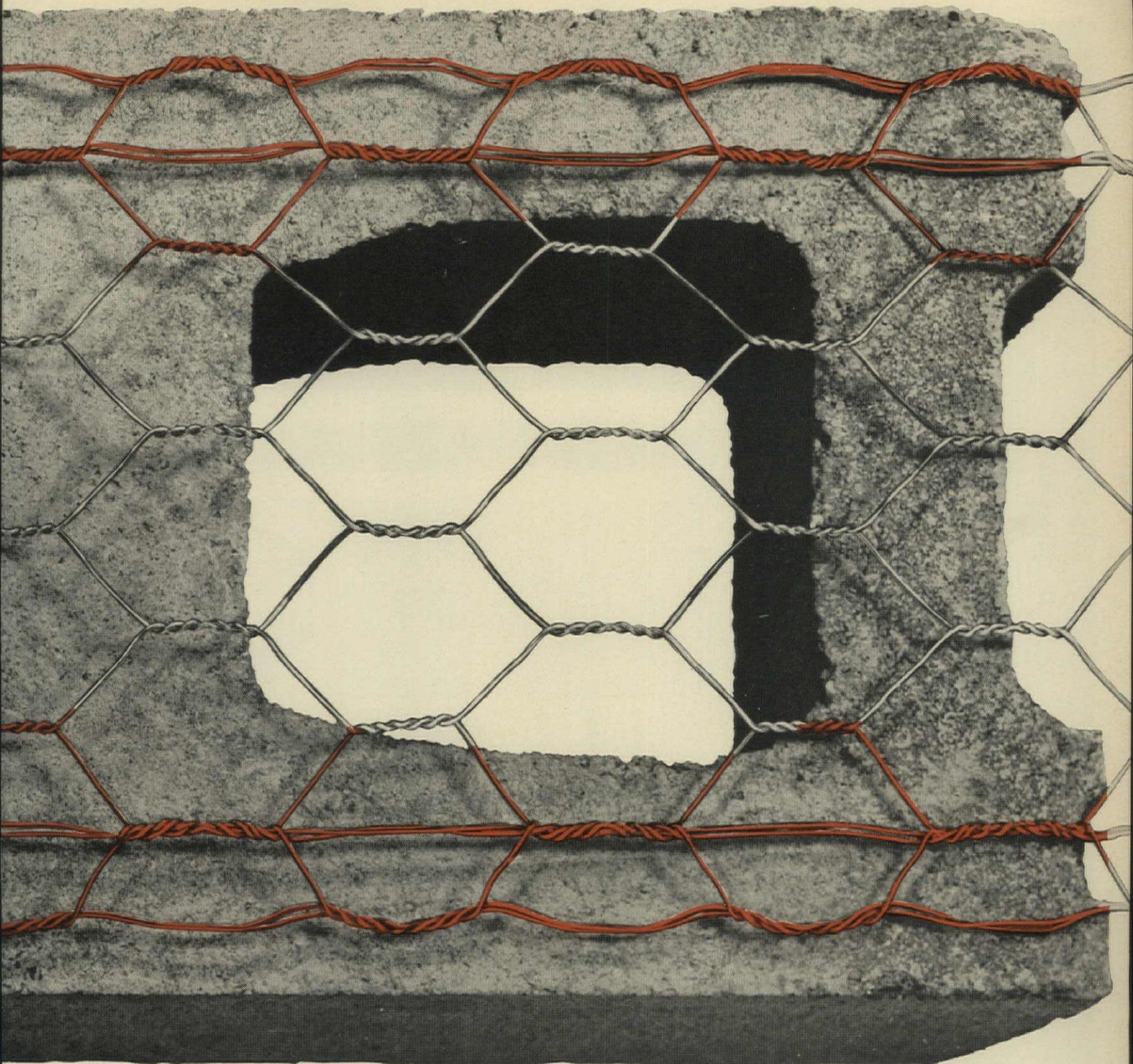
To encourage more buyers to read their complete (17-page) new-home maintenance manual, Builders Fisher & Frichtel of St. Louis developed the cover shown above. With hand lettering on gold paper, it tells the story of a king who "did say to himself, I will read the instructions tomorrow"—and whose new castle finally crumbled because he never did "read the instructions."

Need help with water or with sewers?

Johns-Manville has just announced that, for qualified developers of 500 or more lots, it will create an organization to finance, build, own, and operate the water and sewer utility. In its first phase, the program will be limited to seven states: New Jersey, Wisconsin, Illinois, Texas, Oregon, California, and Florida. For information write, S. H. Painter, Johns-Manville, 22 E. 40 St., New York City 16.

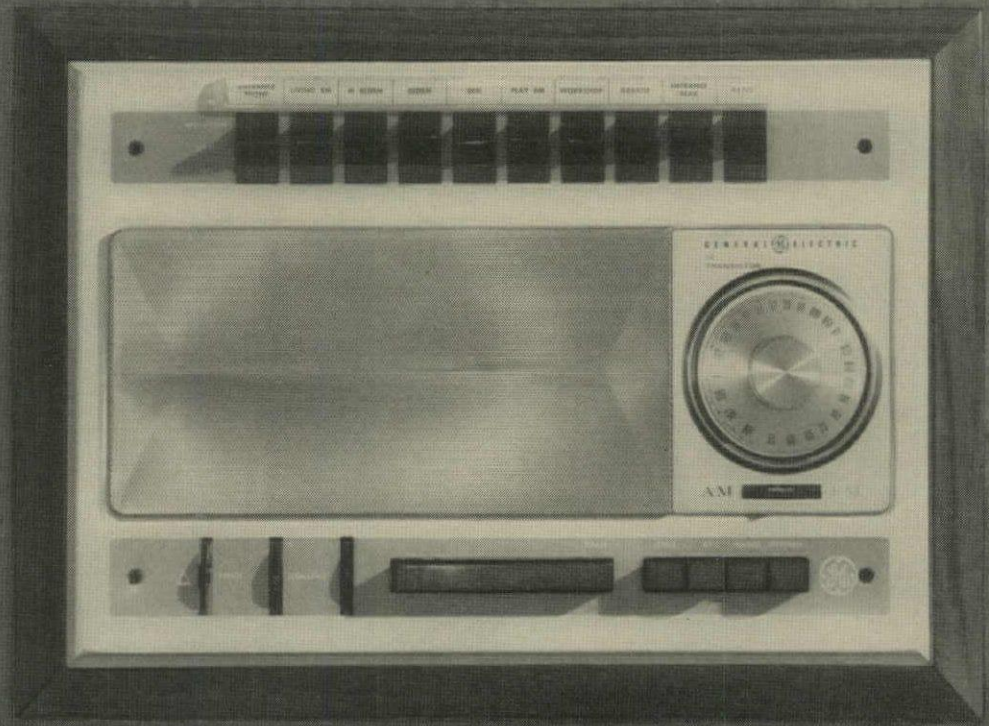


KEYSTONE STEEL & WIRE COMPANY Peoria, Illinois



22 square inches of bonding surface per block foot. One measure of the effectiveness of reinforcement is the amount of metal in surface contact with the mortar. Keywall compares very favorably with the other commonly used reinforcements. For example, a pair of 9 gauge trussed wires give you 11.2 square inches of bonding area per block foot. A pair of $\frac{3}{16}$ " trussed rods, 14.2 square inches. Keywall gives you 22 square inches. That's approximately 96% more bonding surface than the 9 gauge, about 55% more than the $\frac{3}{16}$ ". More bonding surface . . . one more reason why the important jobs are going Keywall.

MORE BONDING SURFACE TO THE BLOCK WITH KEYWALL



NEW General Electric All-transistor Built-In Sound System/Intercom

The fine touch of luxury and convenience to help sell your homes.

■ **General Electric's New FM/AM Sound System/Intercom.** Take advantage of one of the fastest growing home-owner demands in the built-in electrical industry, and let General Electric's handsome new Sound System/Intercom help sell your homes.

Designed and built by America's number ONE manufacturer of radios, this new system offers you a new level of reliability, a variety of functions, an entertainment capability and a home-selling appeal that is unique in the entire industry.

The new all-transistor design offers many advantages over conventional tube-type intercoms. There are no tubes to heat up, no ventilation is required and units can be flush-mounted. Also, long-life transistors and lower power consumption allow 24-hour operation without "resting" periods. Operates at a safe 16 volts (against up to 115 volts for tube types).

Low-cost operation. Here's a big selling point: General Electric's transistorized system may be run 24 hours a day. It uses only 6 watts of power on standby, only 12 watts when in use. (Some tube-types use as much as 59 watts.) Your customers enjoy all this convenience, all this luxury for a few cents a month.

Ease of installation. No metal rough-in box and junction box required at master unit. Simple wire nut connections. Low-voltage wiring from remote transformer to master unit.

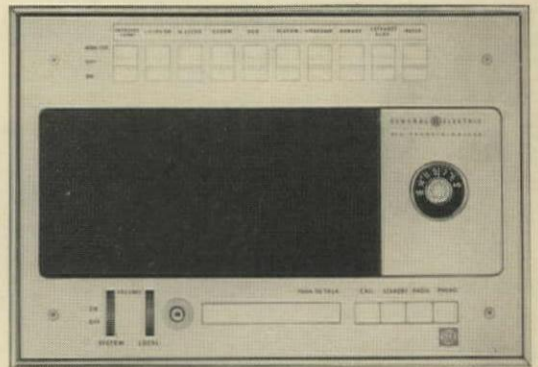
Ease of use. Designed with the customer in mind. General Electric's system is always ready for instant use—no waiting for tubes to warm up. Stations are identified by room (not numbered to cause confusion). Push-to-talk bar is simple to use—no slide switch to hunt for. Exclusive call signal summons kids without shouting. Continuous volume control at master station allows adjustment of volume at master without affecting remote stations. Phono-jack mounted at baseboard for extra convenience and will accept a wide variety of sound sources. Precision vernier tuning on radio.

Appearance. Master and remote stations mount flush with wall (no ugly protrusion to catch dust, grease). Elegant wood frame surrounds master station, blends with décor. Choice of handsome die-cast or patterned fabric grilles on remote stations.

Performance. Features found only in the highest quality FM/AM radio receivers such as Automatic Frequency Control to keep FM stations from drifting. Tuned RF circuit on AM for pulling in distant stations. Huge 9" by 6" oval high-fidelity speaker. Engineered by General Electric, America's number ONE radio manufacturer. Install as many as ten remote stations on each system. (And General Electric's exclusive audio compensating circuit maintains constant volume at all remote stations.)

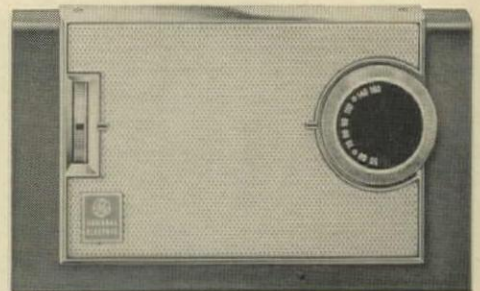
These are just highlights. For performance, for styling, for features, no competitive system can touch this new General Electric product. Why not write for complete details on the superiority of General Electric's FM/AM Sound System/Intercom? (Model W-330.)

Your General Electric built-in appliance distributor has complete information on the built-in sound system/intercom and radios. See him soon. (For the name of the distributor nearest you, write General Electric Company, Built-In Intercom Sales, Radio Receiver Department, 1001 Broad Street, Utica, N. Y.)



■ **General Electric All-Transistor AM Radio Built-In Sound System/Intercom.** Seven transistors plus two diodes. Same low-cost installation, same economical operation, same exceptional safety, same abundance of convenience features as General Electric's FM/AM System. (Model W-320.)

Install as many as ten remote stations on each system. General Electric audio compensating circuit maintains constant volume in all remote stations.



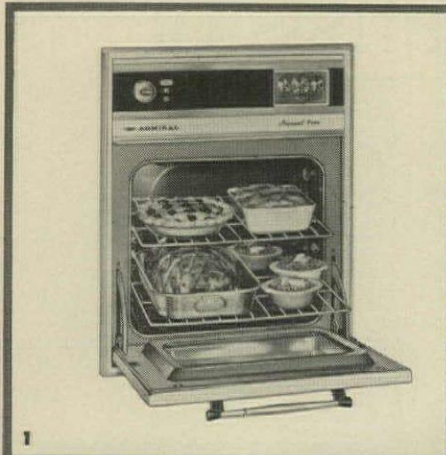
■ **General Electric Built-In Radio System.** All-transistor. A natural for mobile homes, motels, smaller apartments and homes. It needs only 1 1/2" of wall depth, mounts right on wall. Remote speakers available as accessories. Takes a scant 46 sq. in. of wall space.

Economical to operate. Ten units use as little current as one Christmas-tree bulb. Works on a door-chime transformer at 10, 16 or 24 safe volts.

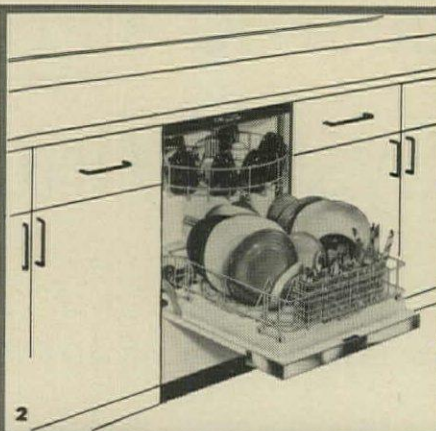
And General Electric's built-in radio (Model R-315) comes complete with built-in antenna plus provision for external antenna. Also built in is the dependable performance that has made General Electric America's number ONE manufacturer of radios.

Progress Is Our Most Important Product

GENERAL  ELECTRIC



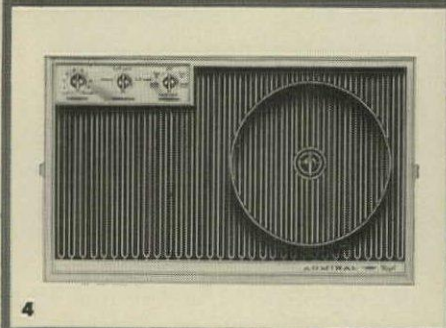
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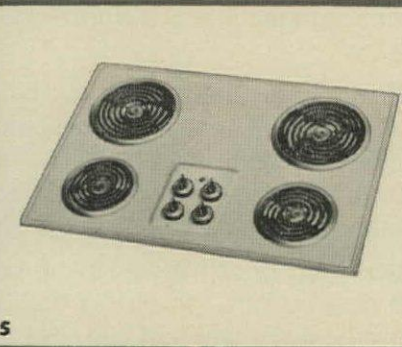
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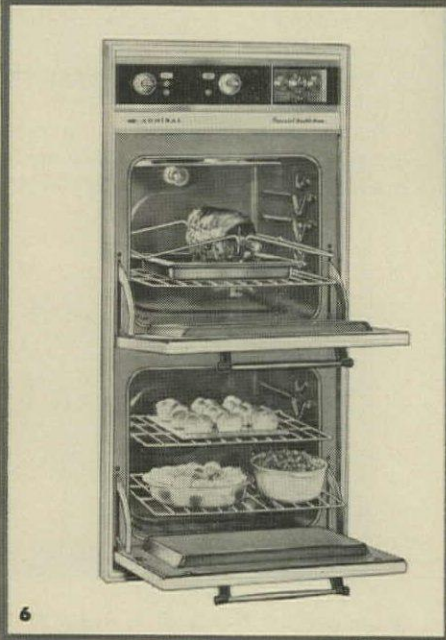
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**Build-in
nationally known
quality at
the remarkable
Admiral price!**

The Admiral name immediately tells your prospects that you have taken the care to install only the finest equipment. It helps you close faster. Yet, because of remarkable Admiral prices, you make more profit, too!



5



6



7



8

1. Admiral Imperial Wall Oven. "Eye-Level" control panel—timer clock. Single dial temperature control. Pre-heat signal light. 2 shelves. 6 decorator colors. Aluminum finished frame. Model OE31.

2. Admiral Imperial Automatic Dishwasher. Custom front-door loading. Two easy-load racks. Two silverware baskets. Automatic 6-cycle selector dial. Dual push-button controls. 6 colors. Model DU126A.

3. Admiral Deluxe 11.1 cubic foot Refrigerator. 9.6 cubic foot refrigerator. 1.5 cubic foot freezer. 2 glide out shelves. Automatic interior light, full width crisper, butter bin. 5 colors. Model CR212.

4. Admiral Slimline Air Conditioner. 19,000 BTU cooling capacity. Up-front con-

trol center. Adjustable Thermostatic Climate Control. 360° air flow direction louver. Silent "Squirrel Cage" fan. Cools, dehumidifies and circulates room air. Installation Kit included. Model 1903AC23W.


5. Admiral Cooking Top. 4 Microtube surface units. 4 Flex-O-Heat controls. Signal light. Drop-in installation. Porcelain finish. 5 colors. Model SE31.

6. Admiral Imperial Double Wall Oven. 2 giant ovens, 3 shelves. 2 oven tempera-

ture controls. Deluxe Time Clock. Oven light. 6 decorator colors. Model OE231.

7. Admiral Deluxe 9.5 cubic foot Refrigerator. 8.3 cubic foot refrigerator. 1.2 cubic foot freezer. Automatic interior light. 2 glide-out shelves. 2 pantry door shelves. Temperature control. 5 colors. Model C1032.

8. Supreme Slimline 30" Automatic Electric Range. 4 chrome-ringed microtube surface units. Giant 24" oven. Single dial oven control. Model FR13.

MARK OF QUALITY  THROUGHOUT THE WORLD

ADMIRAL®

... January 1963

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in the mortgage guaranty insurance field*

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**First
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(*available through surplus line brokers).

MGIC

MGIC/63/P (H&H)

Presidential suggestions . . . muddy shoes . . . open occupancy

Presidential suggestions

H&H: Your November editorial "What can the President do not to help us meet the still huge need for better houses?" deserves some condemnation. The title itself is frightening. Do not ask what the President can do for you, or he may *tell* you what you will do.

Why not try the free-enterprise system? Abandon those government bureaus that give you and me so much trouble and take prospective homebuyers' money away from them. No other system has ever produced so much prosperity, happiness, and elimination of poverty.

CHARLES W. JOHNSON
San Antonio

H&H: Congratulations on your 15-point suggestion to the President for getting the housing industry moving. You are performing a fine public service by bringing this matter to the attention of all interested parties.

JAMES J. WOLFSON, senior vice president
Tishman Construction Corp.
New York City

H&H: Your November editorial calling for among other things a higher tax on land has stimulated discussion in western Pennsylvania. Erie, McKeesport, and Corry are stirring with movements for land-value taxation, and in Pittsburgh, where land is already taxed at twice the rate of improvements, there is the beginning of a new movement to wipe out the tax on improvements entirely. Your editorial calling for a higher tax on land to get the economy moving has encouraged the hopeful in these communities.

JOHN J. MOTLEY
Graded Tax League of Pennsylvania
Pittsburgh

H&H: We agree that a program of action along the general lines you suggest would be less costly and more fruitful than the \$5 billion housing bill, and you are to be strongly commended for your efforts.

We very much regret, however, that, in addition to attempting to revitalize FHA, you have given no attention to efforts now under way to foster homeownership outside the federal government through private mortgage insurance programs and new institutions to help create an active secondary mortgage market. I refer, of course, to the work the National Mortgage Market Committee organized under the leadership of the American Bankers Assn.

CHARLES E. WALKER, executive vice president
American Bankers Assn.
New York City

Low income housing

H&H: Housing financed under FHA's 221(d)3 program should be available only to those families on incomes of \$4,000 or less a year.

Private industry can provide housing for families whose incomes are above the \$4,000 figure. As a matter of fact, we provide housing for families whose incomes are \$3,000 a year at Rose Park (FHA and VA) and those whose incomes are \$4,000 a year at Park West Homes, and these are being done in a high land cost and improvement cost area.

What we need is complete cooperation from local and federal government and a sincere desire on the part of the builder to provide good housing.

JOSEPH R. BOLKER, president
Brighton-Bilt Homes
Beverly Hills, Calif.



Old-time appeal

H&H: Your article about the old-time appeal of the new shopping center in Houston [Aug. and photo above] greatly interests me. I think such shopping centers will grow in popularity as Americans become more interested in individuality of merchandising.

GLENN F. DEHOFF, realtor
East Canton, Ohio

Nobody's awards

H&H: I was very favorably impressed with the entire coverage of the houses in your October issue, particularly with "Nobody's award winners." I'm sure that all architects will join me in complimenting your criticism of some of the poor design still being offered.

JOHN M. ANDERSON, AIA
Bellevue, Wash.

Muddy shoes

H&H: We commend the attitude of W. Evans Buchanan of NAHB, as well as that of Don Proudfoot of Producer's Council concerning the need for "muddy shoe manufacturers" [News, Nov.]; however, they missed the biggest point. We manufacturers service the builder in accordance with his directions; the constant refrain is "lower the cost, lower the cost." Unfortunately, in too many instances, the manufacturer has yielded to economic pressures and has lowered the price. As a prime example, we can point to the national catastrophe of the aluminum window industry.

The conscientious manufacturer wishes to produce a quality product which will more than just pass, however, he must realize that

eventually he reaches the point of *reductio ad absurdum*.

The profit squeeze is on all of us—manufacturer as well as builder—and the builder must cooperate with the conscientious manufacturer, or he will create a Frankenstein in the form of inferior product lines.

J.S. ROSS, Architectural & Construction Div.
Superior Laminates Inc.
Los Angeles

Open occupancy

H&H: Your discussion of open occupancy [Nov.] rendered a great service. Had space permitted, I am sure you'd have reported that open occupancy—with the vast majority white and a minority Negro—hasn't prevented Joseph and Edward Eichler in the San Francisco area, Ford Kramer in Chicago, or Levitt in Levittown, N. J., from selling vast numbers of houses.

Negro housing is just as wrong as white housing. Housing should be aimed at the entire market.

MORRIS MILGRAM, president
Modern Community Developers Inc.
Princeton, N.J.

H&H: I commend you on the article on integrated housing. We can only hope to resolve today's housing problems by such direct and accurate reports. I hope you continue to publish articles on such important issues.

ROBERT W. JONES
Raymond & May Assoc., planning consultants
Pleasantville, N.Y.

H&H: Your objective and thorough treatment of this subject is most refreshing, and the article, interesting and thought-provoking. I am pleased to see your influential publication devote a major effort to bring understanding and information to a subject in which so much misunderstanding still exists.

NEAL J. HARDY, commissioner
FHA
Washington

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Introducing an eight-part profile:

THE NEW HOUSING INDUSTRY

The housing industry—an industry that reaches into every part of the economy and into the lives of every family—is rumbling like a volcano.

Everyone in and around the industry senses the rumble. But few seem to know just what is going on and why. Sales are tough—but industry volume is holding up. New faces are cropping up—but they always have. There is less emphasis on Buck-Rogers technology—or is there? The market is changing—but how? In fact, where is the market?

Ever since the housing industry was born—rough, noisy, and almost 6' tall at birth—it has undergone changes. But today the changes have a different character—they are greater in number, more varied in scope, more fundamental in significance. And they are more complex. Only one thing seems clear—the changes causing today's rumble will affect the operations of almost everyone in the housing industry.

Without stopping to analyze their importance, consider a few of the changes that, standing by themselves, are plainly visible:

- One sixth of all houses are now manufactured in factories, vs. 1/16 a decade ago.
- Many big manufacturers of building products are now actually building houses or apartments—Alcoa, Certain-teed, Reynolds, National Gypsum, U.S. Plywood, U.S. Steel, to name a few.
- FHA is finally facing real competition from a privately financed enterprise: the Mortgage Guaranty Insurance Co.
- Builders now have available for use prefinished materials guaranteed for as long as 30 years.
- The recent Presidential edict on open occupancy has broadened or narrowed the housing market—depending on how you look at it.
- Apartments, formerly no more than 10% of the industry's output, now account for 29%.

□ Savings and loan associations, once neighborhood lenders, have become big businesses, often controlling the builders who borrow.

□ Although small and medium-size builders still far outnumber the big ones, the big ones are getting an ever larger slice of the market—a recent 12-city survey shows that the ten biggest builders in each city usually account for 30% to 50% of total production in their areas, even though many of these big builders produce less than 100 houses each a year.

This list of changes could go on and on, covering every aspect of homebuilding—from land and design to finance and merchandising—and affecting the business of every housing professional. But a simple listing of changes serves little purpose. What is needed is a probing analysis of them and an interpretation of their significance.

This challenge has been accepted by HOUSE & HOME. The results will be published during 1963 in a series of eight penetrating articles on “The New Housing Industry.”

An outline of the series appears below; Part I—“The Emerging Giants”—begins on page 66. —The Editors

The series in outline:

1

The emerging giants The builder of 2,000 single-family homes a year on a single site has vanished with the boom of the mid-'50s. But new kinds of giants, some of them from outside the traditional housing industry, are appearing—for instance, Sunset International Petroleum, The Irvine Co., and Lou Perini's multiple operations. This article examines their interests, their potential, and their impact on traditionally organized builders and on other housing professionals. It also covers the big land developer-builders like General Development; the trend to public ownership; new alliances between builders and manufacturers, and between builders and lenders; and the changes that are taking place in the relative importance of the big-volume builders, the medium-size builders, and the small builders. In brief, this is a story about the managerial revolution in homebuilding, and it ranges over all segments of the industry from the giants to the midgets.

2

Upheaval in the market place This article will analyze such basic market phenomena as changes in the population mix, public needs and tastes, disposable income, etc.; the outlook for the apartment boom; the future of the industry's staple, the one-family house; the shell-house boomlet; the scramble for profit and the consequent turn to remodeling, light commercial construction, and such specialized markets as retirement housing, vacation cabins, and urban renewal; the tapering off of inflation and its effect on the investment buying of housing; the switch from order taking to merchandising; and other changes in the market for the homebuilder's services and products.

3

Fresh pools of capital Along with the managerial revolution (or perhaps it is an integral part of it) have come much better financed building operations, much better financed land development and mortgage lending operations, and some wholly new kinds of equity or loan capital like real estate trusts and small business investment corporations. (Syndicates also have been pouring new capital into real estate—perhaps to the detriment of sound operations.) The number of publicly-owned building companies has mushroomed during the last few years (19 building companies, eight shell-house companies, and 13 home manufacturers are now listed in HOUSE & HOME's monthly stock table). These infusions of capital into a notoriously thinly-financed business seem to be raising the capital requirements for everybody. Where will this trend level and what is its competitive significance?

4

Washington: the many-fingered puppeteer The increasing federal "aids" to housing are acutally strings controlling the destiny of the industry—and perhaps leading to more subsidies for a bigger segment of the nation's urban population. Which strings are working for the common good? Which ones should be cut? This article will include an inventory of government influences on housing and a thoughtful editorial analysis of each.

5

Architecture—for better or worse The alarming decline of the independent architect (by default or otherwise) and the emergence of specialized industrial designers—some captive, some free. A discussion of how this change is affecting the quality of builder-house design—and an appraisal of the present state of the art. An exploration of some new ideas for marrying the design and planning skills of architects with the cost and market knowledge of builders. Added subject: What is the validity of the long-held theory that design innovation and new product use "trickle down" from custom-built houses to built-for-sale houses?

6

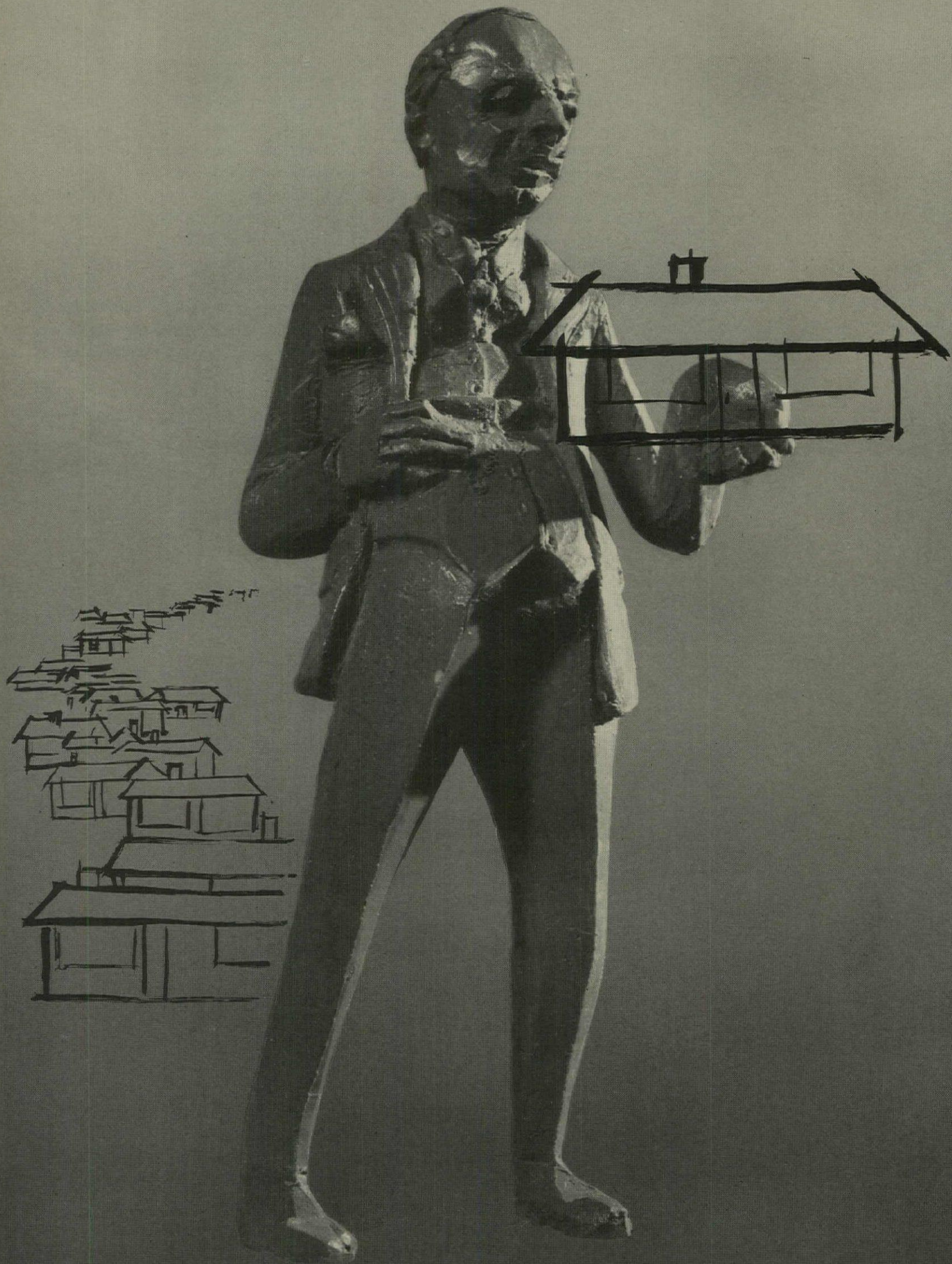
The distribution dilemma To what extent is dealer dealing giving way to direct selling? And what are the resultant problems for builders and product manufacturers? Are the old channels of distribution adequate to meet the industry's new needs? What changes are taking place in the role of the materials dealer in new-house building and remodeling? What has been the impact of the 1962 Trade Act?

7

Technology's break-downs and break-throughs A review of the most significant developments of recent years; an analysis of the failures as well as the successes; an appraisal of where the industry's technology stands today; and a cool-headed look into the future.

8

The albatross of localism A discussion of the most needed changes in housing—all close to the building site, all far from realization: the acceptance of modern land planning doctrine; the revision and standardization of codes; the reform of real estate taxes; the liberalization of zoning ordinances; the enlightenment of planning boards; and the enlistment of labor cooperation.



The emerging giants

*Today's revolution in housing is managerial, not technological.
It is taking many forms, but the common denominator
is new combines to do the old things in new and bigger ways*

Sometimes the big news is in the ads. Amid the just-ended year's plethora of economic pronouncements were two that appeared as advertising:

- Sunset International Petroleum Corp. took four pages in the *Wall Street Journal* to present its 1962 annual report. The major message: Sunset has converted itself to a real estate development company with 20,000 acres of planned communities in the path of California suburban expansion.

- Del E. Webb Corp. took a two-color page in *Business Week* to plug its Clear Lake City, a totally-planned community of 15,000 acres (homes, apartments, golf course, mobile home park, shopping center, industrial area) next to the Manned Spacecraft Center in Houston. (The project, far from incidentally, is a joint venture with Humble Oil.)

In many ways, these casual bits of intelligence illustrate the deceptively mild manner of new trends in housing that seem likely to shake the traditional organization of the industry to its roots in the years just ahead.

For one thing, both Sunset International and Del Webb are publicly held corporations, both bright examples of a trend only three years old in housing. Both are operating in several cities at once. Both are diversified—Sunset in oil and land, Webb in housing and heavy construction.

Up to now, not many people in the traditional housing or home finance field—or anywhere else—have paid much attention to the portent of a slow build-up of change in the tradition-bound housing industry. There hasn't been much fanfare. Yet change—mostly managerial change—is now the outstanding characteristic of the housing industry. Taken individually, the changes may look unimportant. Taken together, they loom large—so large that Industrial Economist Richard Trestrail of Stanford Research Institute calls housing “an industry in transition involving basic structural change.” And he predicts: “This change will have a very substantial impact, not only upon the number and economic environment of its participants, but also upon the urban and suburban environment in which we live.” In other words, first a revolution in housing's ways of doing business, then perhaps a revolution in the product itself.

This sequence is one that such discerning analysts at Dean Burnham Kelly of Cornell's school of architecture have been predicting

for decades. This conviction is coming to be shared by some thoughtful builders, too. Says Robert Fox of Plymouth Meeting, Pa.: “Just as General Motors, Ford, and Chrysler have emerged from a large number of small auto manufacturers, I think large building corporations will be doing a large percentage of the home-building in this country ten years from now.” Builder Andy Place of South Bend, Ind. has ventured the opinion that builders are “destined to become nothing more than connectors of utilities and developers of land.”

Most vivid of the changes is the virtual disappearance of the giant builder of, say, 2,000-homes-a-year on a single site and the emergence of new kinds of housing giants—chiefly in land development. The big difference among today's developers is better planning. It is their chief sales weapon. And it builds much more true value into today's new communities than the slap-dash subdivisions of a decade ago.

A few builders are still starting 2,000 or more dwelling units in a year. But (excepting some New York City apartment tycoons) they aren't all in one area as was often the case in the mid-fifties for such builders as Levitt, Aldon, Diller-Kalsman, Aetna, and Grandview. The surviving old giants have adapted to new ways. Bill Zeckendorf's Webb & Knapp, the nation's urban renewal giant, started 3,812 units last year—on two New York City sites plus one each in Philadelphia and Pittsburgh. Bill Levitt, who in 1953 began 7,000 units at Levittown, Pa., at best estimate began only 1,500 units last year—at three places, Belair, Md., Levittown and Matawan, N. J.

Land development is the commonest, but not the only, business formula for housing's new crop of big companies. At least four different patterns are emerging.

1. Housing markets are being invaded by more and more giant corporations whose historical central interest is not housing—companies like Alcoa, Reynolds, and Koppers. And the housing business is being invaded by some concerns wholly outside construction—like Sunset International, Humble, and Christiana Oil Corp.

2. Some have solved builders' chronic problem of undercapitalization by turning to the stock market for equity money. The stocks of no less than 44 building and land development companies are widely enough traded today to merit inclusion in HOUSE & HOME's monthly listing of publicly-held housing companies. Five years ago only three of these concerns were publicly held and in

housing (Webb & Knapp, All-State Properties, and General Development).

3. Some builders solved the problem by a variety of joint ventures with or financial aids from capital-rich materials makers.

4. A few all-purpose combines are developing from inside the industry—like the Berens Companies of Washington, D.C., a mortgage company with \$200 million servicing, which is also an insurance agency, home-improvement loan company, small-business investment company, real estate investment company (land development and several joint ventures in urban renewal construction

as far afield as Huntsville, Ala.), and a real estate company that manages 4,000 apartments, shopping centers, office buildings (but stopped selling homes in 1961). Says President George DeFranceaux: "We find diversification feeds everything backwards and forwards very nicely." Or like Realtor Jack Havens' Equitable Investment Corp., which owns a savings & loan association, develops subdivisions for builders, builds shopping centers, and builds and manages apartments and office buildings.

The significance, the drama, the impact of all these interacting changes lies in the details, which are explored on the following pages.

Land and community developers: rich and patient

In the Fifties, builders learned how to put up a good house. But it often went into a neighborhood so monotonous that "development" and "tract" became ugly words to a lot of Americans. A whole hate-the-product literature sprang up. Take, for instance, *The Crack in the Picture Window* (NEWS, Mar. 1957) in which ex-newsman John Keats attacked the "split-level purgatories" he said were ruining the suburban countryside. "Whole square miles of identical boxes are spreading like gangrene," he wrote, "—developments conceived in error, nurtured by greed, corroding everything they touch."

Keats' diatribe was overdrawn and burdened with factual errors. But there was a germ of truth in it, too.

Happily, the planning that goes with land development is getting better nowadays. As often as not, today's stumbling block to better land use is nitwit local officialdom (reflecting constituents' ignorance) that keeps builder-developers from doing as well as they know how.

Nowhere is the trend toward much better and much more carefully drawn community plans more evident than among the new giants in land development. For one thing, big-scale land development usually means unincorporated territory. Thus most of the limiting web of local restrictions (zoning, planning, traffic) can be avoided.

Most of the new breed of land developers are heavily capitalized—a sharp break from the traditionally capital-shy home-builder. And they typically sink astronomical sums of cash into their jumbo-sized developments before they even attempt to get some of it back via lot or house sales. Outside San Diego, for instance, W. R. Hawn and Harry Summers, who are developing 5,400 acres into a complete community (from industrial park to golf courses), are investing more than \$5 million in community services and recreation facilities before selling their first home.

Sums up Big Builder Larry Weinberg of Los Angeles: "More and more the builder-developer will have to realize that building homes alone is not enough. He must recognize the social and economical requirements of those who are eventually to occupy the homes. Only companies with a staff of specialists will be equipped to do a first-rate job in this complex business. That's why I'm sure there will be fewer and fewer builders."

Focus on growth areas

Up to now, the new breed of community developers are concentrated in fast-growth states like California, Arizona, Hawaii, Texas, Florida, or the exurban fringes of Washington, D.C. (Some of the Florida companies are losing money this year, too.) These growth regions account for 36% of the nation's new private housing.

Florida land developers came first. *Arvida Corp.*, one of the

state's Big Four in land development, was created in 1957 from the land holdings of the late Arthur Vining Davis, the aluminum tycoon (*see obituaries*). Arvida now has some 100,000 acres in Dade, Broward, Palm Beach and Sarasota counties. The company also operates the Boca Raton Hotel & Club, two golf courses, and an insurance agency. Arvida's profits hinge on rising land values plus big enough sales volume to cover realty taxes and interest costs that aggregated more than \$2.9 million last year. The values, according to recent appraisals, are rising. Arvida's real estate holdings, carried on its books at cost, total \$88 million; appraisers now value them at \$109 million. But even with sales of more than \$8 million last fiscal year, Arvida lost \$598,000. And this came on top of a year-earlier loss of \$1.2 million.

To a company with less cash in the sock—that is, a typical builder-developer—losses of this magnitude might mean bankruptcy. But Arvida still has a comfortable \$5.3 million in cash and Treasury bills. Such staying power, despite Florida's economic downturn, suggests that a new kind of stability is creeping into real estate operations. "We purposely withheld a lot of property from the market last year for better gains later or to avoid losses if we had sold it then," says President Brown Whatley. Whatley, who is also chairman of one of the nation's largest mortgage banking concerns, Stockton, Whatley, Davin & Co. of Jacksonville (\$508 million servicing) and a past president of the Mortgage Bankers Assn., keeps Arvida in firm control of what builders do with subdivisions it sells them. Arvida insists on an architectural veto of the design of every house, hires consulting architects for the job. It also imposes rigid land improvement specifications. Moreover, says Whatley, Arvida works only with "substantial" dealers, requires builders to put at least 25% down on lots before commencing operations.

What Arvida is to wholesaling developed land in Florida, *General Development Corp.* is to retailing it. Since General Development started nationwide promotion of its \$10-down, \$10-a-month lots in October 1957, it has sold some 130,000 home sites, built and sold some 6,124 houses. Today some 8,500 families live in General Development's four major communities, Port Charlotte, Port St. Lucie, Port Malabar, and Pompano Beach Highlands. Now, under the presidency of Harry A. Yoars, former mortgage vice president of First National City Bank of New York, GDC has stepped up to \$15-down and \$15-a-month to improve its cash flow. "The less time it takes a buyer to pay for a lot, the less likely he is to cancel," observes Yoars. "There's a lot of justification for what was done in the past, but we've got to keep up with the times."

The *Mackle Bros.*, the big Florida builders who started General Development but sold their stake in it to Gardner Cowles for almost \$6 million, have just gone back into the land development

business with a 15,000-acre city 30 miles from Cape Canaveral. So good is the Mackle Bros. image of Florida that some 11,000 people turned up for their first showing of model homes last month—including one couple who rode the bus 200 miles from Miami, bought a house, then took the bus back. Prices range from \$6,960 for a one-bedroom, one-bath model to \$15,450 for a three-bedroom, two-bath model. Mackles' homes are frankly priced to undersell comparable Florida housing. And the Mackles have added a \$10,000 personal liability and a \$2,000 contents-insurance policy to the price of the house and the monthly payments. Instead of selling lots scattered all over their holdings as at Port Charlotte, the Mackles this time are concentrating first buyers in the core of the development. They plan to wrap layers of further building around it, hoping for pay-out rings of three, four and six years. Next: a \$1 million dollar advertising campaign in Florida and the North, a network of franchised sales agents and perhaps even a public stock issue. At General Development, the Mackles stuck to one-family houses. This time they are thinking about high-rise apartments, both rental and condominium, and office buildings as well.

Gulf American Land Corp., first of the Florida land developers to break away from the \$10-down, \$10-a-month pattern, has in four years turned Cape Coral, across the river from Fort Myers, from raw land into a canal-laced community with 700 homes, shopping centers, factories, restaurants, apartments, motels and a golf course and yacht club. Sales and earnings of the four-year-old company set records in fiscal 1962, which ended Aug. 31. Earnings went up 76% to \$10.8 million and sales rose 86% to \$73 million. But Gulf American's cash position is not this plush. It sells land on installment contracts and, like most Florida land developers, attributes to current sales the full purchase price of a lot after the first installment is paid. Under such accounting, the cost of the land and its selling cost far exceeds the cash the developer gets at first. The excess of costs over income is covered by loans backed by installment sale contracts.

California's leap from ranch to ranchhouse

If the land development statistics are staggering in Florida, they are doubly so in California where the hazards of over-optimistic promotion are heavily offset by the state's continuing influx of 1,000 people per day.

The giant among giants in California, *The Irvine Co.*, is just beginning to transform the 193,000-acre Irvine Ranch in Orange County from what was once a sleepy Spanish land grant into what its officers call "a total urban complex"—one-family homes at various prices, apartments for different income brackets, shopping centers, recreational facilities, an industrial area, a research park and a 1,000-acre new campus for the University of California. Development plans, by Architect-Planner William Pereira, break the ranch up into three parts of about 30,000 acres each. Beginning along the Pacific Ocean, Irvine is starting off with 1,400 acres for industrial development along the border of the campus, which is to be the focal point of a 11,000-acre city with an ultimate population of 100,000. Two ocean-front tracts of lots for lease are to open soon, and early this year Irvine will start developing its prime land, 550 acres near Newport, which it expects to turn into a vast spread of garden and high-rise apartments and commercial buildings.

Are Irvine's plans too colossal even for southern California? Perhaps not. For President Charles S. Thomas, the former Navy secretary, can point to an exhaustive economic study which projects Orange County growth from 756 persons per square mile in 1960 to 3,214 per square mile in 1980. Irvine, with its giant land holding under single ownership, has an opportunity unparalleled

in recent U.S. history to avoid the postwar pattern of disorganized development and conflicting land use. The way the company is getting started should comfort even the skeptics.

Southern California's second total community covers a mere 10,000 acres. But whereas the Irvine Ranch is just emerging from plans to earth-moving, Conejo Village (just west of the San Fernando Valley) is already home to 15,000 people. The developing *Janss Corp.* has three major builders—Harlan Lee, Triangle Subdivisions, and Paul Pace—at work building homes priced from \$16,000 to \$28,950. *Janss Corp.*, which is also the realty-sales agent, began with land use plans by big name planners: a master plan by Architect Welton Becket, a plan for a Conejo Valley center and commercial areas by Architect Victor Gruen, and Rancho Conejo airport planned by Lee Fischer Associates. After the planning came sewer and water systems (now one of the largest private utility networks in the state), then a country club. The 1,000 acre light-manufacturing-and-research area, buffered from the rest of Conejo Valley by a gorge, already houses such enterprises as Packard Bell Electronics, Beryllium Technology, and Semtech Corp. More are under construction.

Sacramento's coming battle of giant developers

The Los Angeles-San Bernardino metropolitan areas now account for upwards of 100,000 housing units a year. But *two* giant community builders are getting set to scrap over the much smaller (but due to grow) Sacramento market (6,459 units in 1961, 8,969 in 1960). *Sunset International Petroleum*, which has converted itself in three years from a medium-sized oil and gas producer into a giant community developer with 75% of its revenue from real estate, has poured \$5.9 million into developing a 12,000-acre site 25 miles northeast of the state capitol—but so far has acquired only 400 building permits. *Sunset* expects to build 200 houses this year, sell 250 lots to other builders while pouring another \$14 million into the development of *Sunset City*.

Twenty-five miles east of the capitol, the model homes are already up in *Sunset City's* giant rival, *El Dorado Hills*, which lies on 9,800 acres of Sierra Nevada foothills beside Folsom Lake. Like *Sunset International*, the backers of *El Dorado Hills* (notably Prentice Hale, San Francisco department store mogul) can afford to spend big money and wait—maybe years—before getting it back. *El Dorado Hills* has a whole galaxy of big name planners, architects and engineers at work. Victor Gruen is site planner; Anshen & Allen are house architects; Douglas Bayliss is landscape architect; Larry Smith & Co. are economic consultants; Robert Trent Jones is golf course architect.

As Daniel Burnham's hoary planning maxim* foresaw, huge plans like *El Dorado Hills* are generating excitement even amongst state officials. "Formerly," says State Real Estate Commissioner W. A. Savage, "it wasn't economically feasible for a developer to undertake the really large-scale planned community. Now these kinds of communities are beginning to set the pattern for future growth in California. I see every evidence that our newer communities will develop into excellent cities."

When *Sunset City* and *El Dorado Hills* get moving this year or next, they may well provide the first large scale test of whether complete communities planned right can take over a housing market from its traditional holders. Both giants will need to grab something close to 10% of Sacramento's new-house sales (if these stay at present levels) to produce an attractive return on their capital investment. Whether they can, and if so, at whose expense, should be one of the top market dramas of housing's next few years.

*"Make no little plans . . . they have no magic to stir men's blood."

continued

Sunset International is not betting all its chips on Sacramento. At San Carlos, near San Diego, it is developing a 5,000 acre site for 8,000 homes, over 2,000 of which are already built. Planned for fiscal 1963 (ending Aug. 31) are 200 houses, 356 apartments, completion of a golf course around Lake Murray, a \$35,000 family club house including tennis and handball courts and a big swimming pool, a bowling alley, and a medical center.

At Sunset Hills, a 1,050-acre planned community above Los Angeles' San Gabriel Valley, some 450 of a planned 2,000 homes are built or under way. Planned for this fiscal year: 500 homes, an 18-hole golf course, a club house, and a separate \$350,000 club for the owners of houses priced under \$25,000. Before completion, Sunset International expects to put \$12 million worth of improvements into this community exclusive of homes.

At San Marin, 28 miles north of San Francisco, the oil company is developing 2,000 acres for 4,000 homes in partnership with *National General Corp.*, the nation's largest theater operator and a big real estate developer. Planned for this fiscal year: development of 500 lots. Housing will mix one-family units (\$20,000 to \$25,000) with apartments and a senior citizen project, including 400 acres for recreation.

And Sunset International has just set up a new division for high-rise apartment and office building in key metropolitan areas in the West.

Know-how via merger

For Sunset International, converting from oil to real estate is a return to where Chairman J. D. Sterling began. Years ago, he developed parts of Cheviot Hills, Compton, and Signal Hill. When they found oil on Signal Hill, Sterling bought a refinery, operated his own outlets as Eagle Oil. In the early 1950's Sterling and his son, Morton, now Sunset's president, decided to get out of retail oil in favor of pumping and selling only crude. They also decided to go back into real estate. The big move into housing came in April 1960 through merger with Tavares Development Co. In this deal, Sunset got Carlos Tavares' know-how as a vice president plus his 4,600 acres in San Carlos. Sunset acquired the 12,000 Sacramento acres in the following month and in December of that year bought out Bob Walter's Sungold Co. Since then, says Walter, "we have been building an industrial manufacturing and distribution business—in real estate." And has been a profitable venture too: a record net income of \$3.2 million (or 53¢ a share)

on a sales volume of \$16 million in fiscal 1962.

Oil companies are top prospects to veer into land development just now: Their 27% depletion allowance gives some of them more cash after taxes than they can profitably invest in the oil business. *Christiana Oil Corp.* (president: Lewis W. Douglas Jr., son of President Roosevelt's one-time director of the budget) has spread out since 1952 to include title insurance, investments, and realty. Currently it is developing an 860-acre marine city, Huntington Harbour, near Los Angeles to a master plan by Architect William Pereira.

But money of all origins is getting into the act. Millionaire Entrepreneur *Robert E. Simon*, whose family owned and operated New York's famed Carnegie Hall, is behind the \$500 million project to build a satellite city, Reston, ten miles square, some 18 miles from Washington, D.C. in northern Virginia. By the time work began in November on a 36-acre lake, Simon had invested \$1.5 million. The long-range plan covers nearly 20 years, envisions a city of 75,000 residents (30,000 by 1970). Only about 10% will be conventional one-family homes. Nearly half is to be apartments; the rest townhouses and clusters.

In Hawaii, cash-rich *Castle & Cooke*, the sugar-pineapple-shipping combine, has formed a new division to develop some of the 156,000 acres it owns.

On 2,600 acres of meadowland on the marshy western shore of San Francisco Bay, self-made millionaire Oklahoman *T. Jack Foster* is developing a Venice-like satellite city for 35,000 residents. Before the first houses went up, planning was this complete: 5,000 one-family homes, 1,600 townhouses, 2,000 garden-apartments, 1,400 high-rise apartments, nine elementary schools, two high schools, 228 acres of parks and lagoons, a 130-acre shopping center, 310-acre industrial park, a heliport, a civic center, and a 60-acre lake. And George C. Shannon, former city manager of Anchorage, was hired to manage Foster's city.

Orange County, Calif. has already incorporated into its county master plan Victor Gruen's scheme for the 7,102-acre *Laguna Niguel* community development, which follows the emerging self-contained pattern. Cabot, Cabot & Forbes, the Boston realty company, is the developer. And a Laguna Niguel subsidiary will build many of the homes (\$45,000-up).

There are many more. Lou Perini, for instance, and Hawaiian Financier Chinn Ho, Edwards Engineering Corp. of Long Island, American Realty & Petroleum, and Canaveral International. At least 23 are now publicly held. Most of them are growing—and profitable.

Materials producers: edging closer toward actual building

Some have taken the plunge. Four years ago, not one major manufacturer of building products was directly involved in home-building. Today, at least nine are heavily involved, and others are scouting the possibilities.

Each has taken a different path into building. But their basic reasons are remarkably similar. They boil down to these:

1. The profit squeeze of the last few years—accentuated by premature plant expansion in anticipation of the much touted "soaring sixties"—has led many materials makers to seek diversification as a way out. It is hard for product makers to get out of their profit squeeze by bringing out lines of high-profit specialty items, or by developing revolutionary new products—which are often expensive to get into production and to market.
2. Most materials manufacturers have a good cash position and

can borrow money (via commercial loans or institutional financing) cheaper than most builders can. This gives them an edge in gaining the leverage (i.e., making money with borrowed money) that is the fundamental basis of profit in most realty operations.

3. Construction projects not only offer an outlet for quantities of a manufacturer's product, but (and this is often more important) provide a showcase for it which may boost its wide acceptance throughout the whole construction industry. It cuts down the notorious time lag between product innovation and wide use when manufacturers provide field testing under their own control. And if the construction is urban renewal, it can yield rich dividends in promoting the corporate image for public service—because renewal projects get page-one play in local newspapers.

Why this snap-over? Says Economist James Gillies, assistant dean

of the school of business administration at UCLA: Builders have become much better managers—"men who very often never even see the houses they're building." As a result, materials producers at long last have construction company executives they can deal with on a business-like level. "You couldn't have people from the industrial side of housing involved in the actual building operation as long as management was so poor on the building end," says Gillies.* "How could an Alcoa joint venture with a guy who spent most of his time on a construction site?" He adds:

"The building business is still made up of thousands of smaller firms. But even among the smaller companies the trend is managerial. We always assumed that they were poorly managed but it's not true any more. In the last ten years, these men have acquired a good deal of sophistication. Even small builders tend to be coordinators now."

Double-barrelled profit opportunity

The biggest joint venturers are the aluminum companies, notably *Alcoa* and *Reynolds Metals*. In the last two years, Alcoa has bought into 11 big urban renewal projects in partnership with a major builder or land developer. Altogether, the projects will involve an outlay of \$966 million. Most of this will come from mortgage financing, of course, but Alcoa has already laid out \$29 million equity money, has guaranteed debt repayment totaling \$22 million more and is committed to an undisclosed additional amount. The projects:

Project	City	Final cost (in millions)	Alcoa share	Partner
Allegheny Center	Pittsburgh	\$ 56	40%	Lewis Kitchen
Golden Gateway	San Francisco	\$ 85	NA	Perini Land & Dev. Co.
James Whitcomb	Riley, Indianapolis	\$ 40	25%	Riley Center Corp.
Mansion House	St. Louis	\$ 45	NA	Lewis Kitchen
Century City	Los Angeles	\$500	66%	Zeckendorf Property Corp.
U. N. Plaza	New York	\$ 40	40%	Zeckendorf Property Corp.
Kips Bay Plaza	New York	\$200	90%	Alcoa Urban Dev. Corp.
Lincoln Towers	New York			
Park West Village	New York			
Society Hill	Philadelphia			
Washington Plaza	Pittsburgh			

NA: not available

Alcoa should reap at least two major benefits from its huge real estate investments:

1. Sales of aluminum to construction, which already account for the largest (25.1%) share of the nation's aluminum output, will get a further shot in the arm and the showcase nature of the renewal projects, weighted as they are with civic interest, should create more market acceptance for aluminum housing.

2. Alcoa can consolidate its realty operations into the parent company's income tax return and get a substantial boost to cash flow. Why? The real estate depreciation is an allowable deduction against the 52% corporate tax. Ultimately, assuming full occupancy, Alcoa would have the leverage of major ownership of \$1 billion worth of real estate for a cash investment of something over \$50 million.

The lion's share of the building alliances by Alcoa, one of the most sedate of U.S. corporations, is with a spectacularly unsteady redeveloper, William Zeckendorf, cash-shy but rich in ideas. It began when Alcoa in 1960 bankrolled Zeckendorf's plan for Century City in Beverly Hills, a huge project involving 88 apartment houses, stores, and office buildings. Alcoa put up about \$5 million cash and pledged its ample credit to buy the land—the 260 acre former 20th Century Fox motion picture lot where Theda Bara

made "The Vampire" and Will Rogers twirled his lariat before the cameras. Century City is planned as a self-contained community for 30,000 people. It will take years to complete, but Alcoa can sell a little or a lot of the 260 acres any time it wants to.

Even more spectacular was Alcoa's mid-November announcement that it was acquiring five more renewal projects from Zeckendorf Property Corp., and was putting them into a new company, Alcoa Urban Development Corp., in which Alcoa would hold 90% of the stock, Zeckendorf 10%. The deal requires government approval. If this is forthcoming, Alcoa's \$10 million investment will give it five prestige properties likely to rise in value, and Zeckendorf will again scramble out from under a pressing load of short term debt with interest rates as high as 24%.

Besides promotion and prestige, Alcoa is also motivated by the search for profits. The company has come through a profit meat-grinder. Net on sales dropped from a peak of 10.4% in 1956 to only 5% in 1961. And the price of Alcoa stock fell nearly 66%.

Besides its investments chronicled above, Alcoa has loaned \$1 million to the Kratter Corp. for the air-right apartments Kratter is building over the New York approach to the George Washington Bridge. The apartments will have an aluminum skin. Moreover, Kratter has given Alcoa the largest order in history for aluminum windows: 14,000 of them for an apartment development on Ebets Field in Brooklyn, former home of the Dodgers.

Alcoa is following the basic rule that each venture must be a sound real estate proposition as well as a promising outlet for aluminum. Says Vice President Leon Hickman: "If we are going to invest a dollar for every 10¢ of aluminum sold, the real estate itself must be attractive."

Alcoa's arch competitor, *Reynolds Metals*, got into the renewal business first—after it hired former HFA administrator Albert M. Cole to head up Reynolds Aluminum Corp. But its operations are smaller: Its projects will total 7,502 housing units when they are completed and will involve outlays of only \$189 million. So far it has completed 1,253 units; last year it started only 253. Reynolds is joint venturing with local builders and developers in seven cities: Philadelphia, Cincinnati, Baltimore, Kansas City, Louisville, Washington, and Richmond, Va. The builders' shares range from "nominal to 49%," says Cole. The partnership puts up front money for the land, hires architects and engineers, gets construction money from banks, and places long-term mortgages with institutional lenders. Most of Reynolds' building ventures involve renewal, including the 5,000-unit Eastwick project in Philadelphia (nation's largest). But the company has also built 58 condominium units and three experimental rehabilitation units.

Kaiser: a uniquely personal involvement

The third major aluminum producer, *Kaiser*, has so far stayed out of building. But while his son, Edgar, runs the \$1.7 million worldwide Kaiser empire from its executive offices in Oakland, Calif., 80-year-old Henry J. Kaiser is enthusiastically embarked on the most ambitious project of his crowded career: building a whole city in the Honolulu suburbs. Hundreds of homes priced from \$17,000 to \$60,000 have gone up at Hawaii Kai and Henry J. fondly watches every one of them. In his modest pink aluminum office building stands a motto: "Don't bring me anything but trouble. Good news weakens me."

Libby-Owens-Ford Glass Co. is aiming at both the aluminum and home manufacturing field. It will invest \$10 million in Alside Inc., Akron, aluminum siding manufacturer which has announced plans to produce a \$12,000 (plus land) house with aluminum and glass curtain walls at the rate of 6,000 a year.

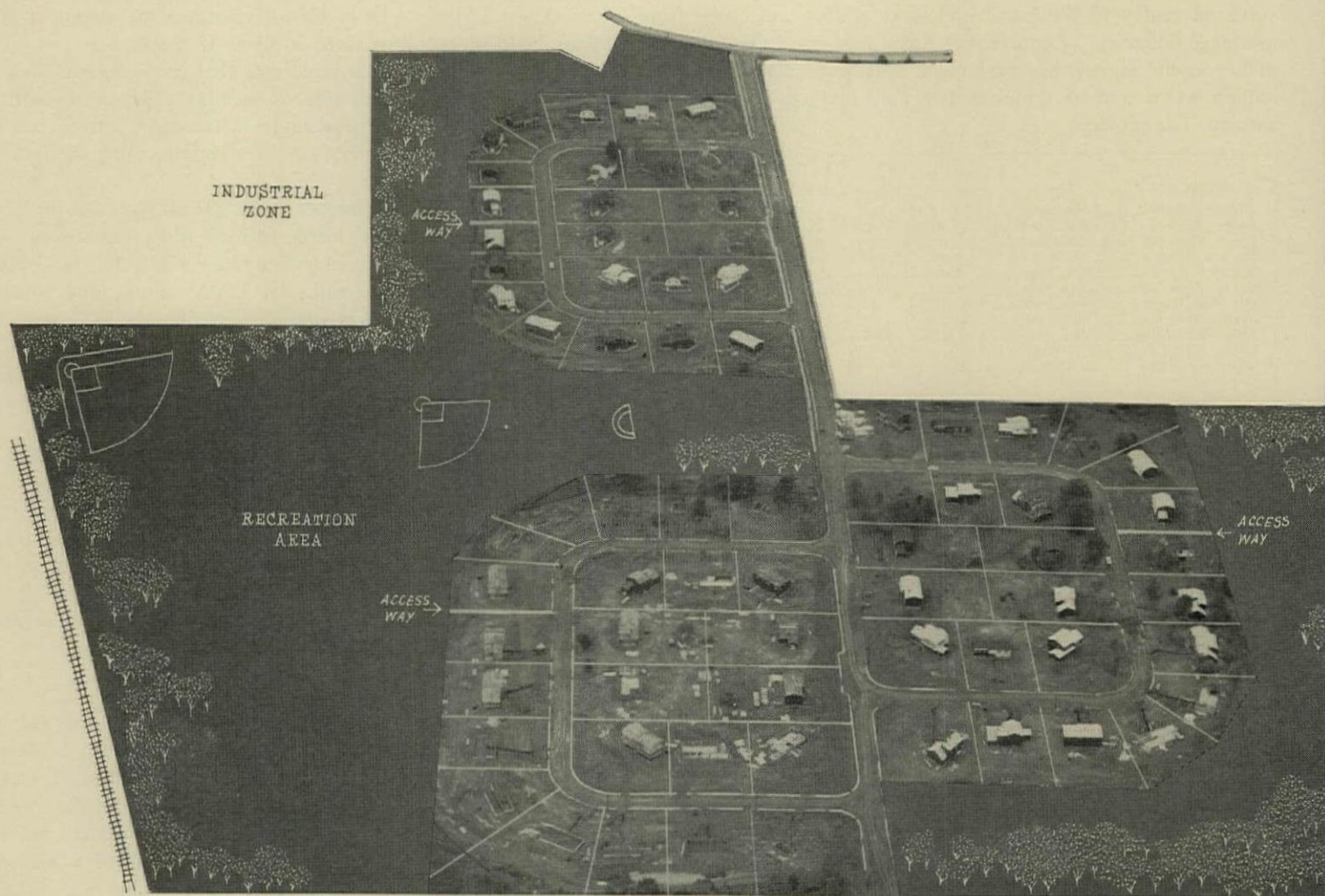
*For more details, see the just-issued book, *Towards Better Management in the Construction Industry*, by Gillies and Frank Mittelbach, published by the U.C. Real Estate Research Program, Los Angeles 24.

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For the past few years, homebuilders have been waging a cold war with local officials in thousands of small communities on the outer fringe of suburban growth. The issue: new subdivision building.

In most major market areas, the supply of close-in land that can be bought at low enough price for detached housing is getting short. So more and more builders have to move out to the rural towns beyond. But these towns want no part of development building: They are totally unprepared to handle sudden growth. Their planning is sketchy, their utilities minimal, and their financial structures inadequate to deal with an explosive need for schools. They want to stay small and rural. And they have dreary suburban examples on all sides to show what uncontrolled developing can do to a community.

This is the story of a small but significant battle in this cold war. . . .



CONTROVERSIAL CLUSTER SUBDIVISION — Village Green in Hillsborough, N.J.—is shown in this composite photo drawing. Photo section shows streets and houses under construction, with lot lines superimposed. Drawing shows greenbelt and recreation areas around the clusters.

A land plan so good the town threw it out

The cluster subdivision at left was approved by Hillsborough Township, N.J., in the summer of 1961. Planned for a part of town that had been rezoned to permit clusters only months before, it had the almost unanimous approval of the town planning board and the town government. Hillsborough is a small (pop. 8,000) rural community 40 miles from New York City that had only recently begun to feel the pressure of housing growth, and it seemed that the community had started on a commendable program to balance this growth with large areas of greenbelt.

Then the issue of cluster planning exploded. Elections were coming up. The incumbent party (Republican) charged that cluster zoning had been rammed down the township's throat, and that it was expensive and dangerous to the community. The challenging Democrats backed cluster zoning, but were beaten after a bitter campaign. The victorious Republicans restaffed the planning board, and the ordinance permitting cluster plans was immediately repealed. Village Green, the project shown, went ahead only because it was already approved and the township had no legal way to stop it.

Today, with Village Green completely sold out, tempers have cooled, but the issue has not. "Cluster" is still a fighting word, and the township has budged not an inch in its opposition. But the issue is no longer so tangled with politics, and facts are more easily seen:

First there is Village Green itself. It has sold better (at prices ranging from \$19,000 to \$21,000) than any other project in Hillsborough. Its 72 houses are on 35 acres, surrounded by another 40-odd acres of open greenbelt deeded to the township. Its overall density is only slightly greater than it would have been with the township's prevailing one-acre zoning. It has sanitary sewers, instead of the septic tanks that the economics of a conventional plan would have dictated, and public water in-

stead of individual wells. It is an attractive development.

Village Green's builder likes cluster zoning because it lets him build less costly houses. His realty man likes cluster zoning because it makes new houses more saleable, and because he sees it as a way of creating a more attractive neighborhood and higher resale values. But . . .

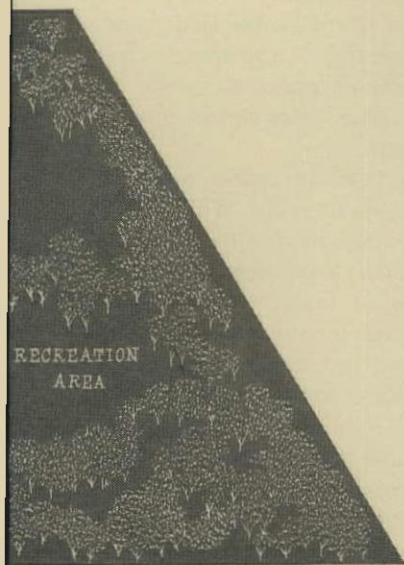
The town does *not* like cluster zoning for just the reasons that the builder and real estate man do like it. A more attractive community that can be built at less cost means more sales, more developers moving into town, and a faster growing town. And Hillsborough feels strongly that it is already growing at a faster rate than it can afford. (In 1958, Hillsborough saved itself from a probable influx of low-priced housing by a hasty upgrading of the whole township from ½-acre to one-acre; and that "narrow escape" is still fresh in many minds.)

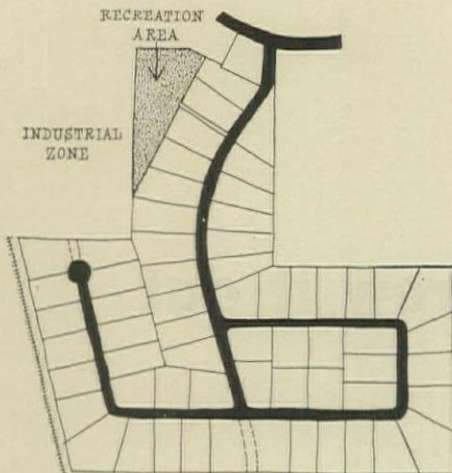
More or less in the middle of the controversy, but strongly favoring the cluster, stand the township's professional planners. They believe that cluster planning would ultimately result in a better town. And they do not like to see good planning jeopardized as a means of delaying a growth that is, in the final analysis, inevitable.

The detailed arguments on both sides show the complexities of the situation:

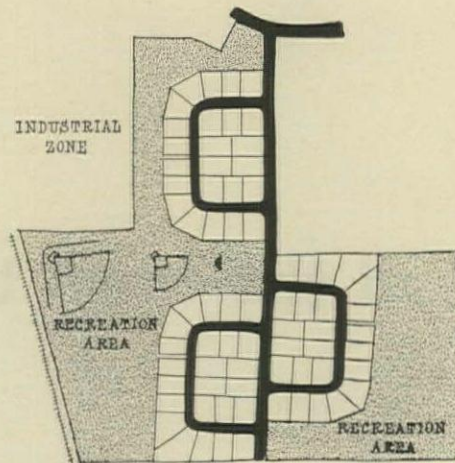
Builder Mel Konwiser points out that cluster developments mean a more efficient way to build. "The potential savings with clusters instead of conventional planning is somewhere between \$2,000 and \$3,000 a house," says Konwiser. "And I can pass this saving on to the town in the form of recreation facilities, and to my buyers in the form of a lower price.

"Water and sewer lines are shorter; there is less road to build; and because the houses are closer together my logistics problem is much easier. Finally, because

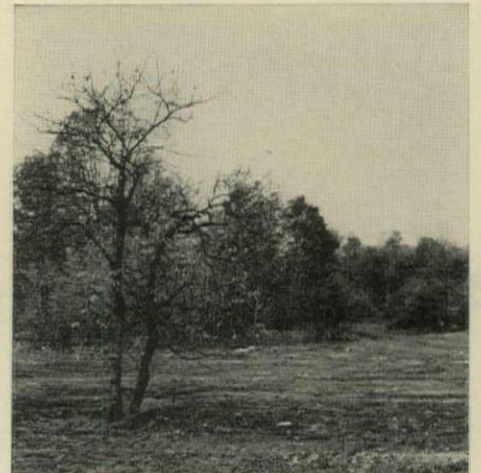




CONVENTIONAL PLAN originally approved for Village Green had 69 one-acre lots. Frontage averaged 150'. Seven lots at extreme left bordered railroad tracks, and five lots at extreme right were on low land. Total recreation area (and all that was required by Hillsborough) was the pie-shaped section at upper left which contained slightly more than three acres.



CLUSTER PLAN actually used has 72 lots with an average frontage of 100'. Average lot area, not including streets and walks, is about 1/3 acre. Note that no lots are within several hundred feet of the railroad or located in the low ground. Recreation area totals over 40 acres. There is a right of way from each cluster's street to the public greenbelt.



OPEN LAND surrounding the clusters (above) has been leveled off, but trees have been left untouched. With conventional one-acre zoning, the builder would have had to bulldoze most of the trees for housesites. Despite smaller lots, houses on the inside of the cluster have an attractive view (photo right) though not as open a view as the houses facing the greenbelt areas.

the houses in a cluster subdivision sell much faster, I can get in and get out faster and my overhead goes way down."

The developer of Village Green, Realtor Sid Halpern, favors cluster planning because it creates a more attractive, hence a more saleable, property. Halpern and his partner, Seymour Tuschak, believed so strongly in this that it was they who introduced the original rezoning ordinance to Hillsborough, and obtained the approval for Village Green.

"It has sold better than any project we've handled in this area," says Halpern. "It's going to be a wonderful place to live, and it's a new, exciting concept."

Both Halpern and Konwiser feel strongly that, with Village Green, they have given the township something of real value. "First, we've given the town over 40 acres of land that it can do with as it pleases," says Halpern. "Konwiser gave them two baseball diamonds and a basketball area. He agreed to build bus shelters. He's built an additional length of road to accommodate the town. He ran water lines into the open land, and offered to put in drinking fountains. He gave them a recreation area everyone in town can use.

"We have deeded the township this land with no strings attached. If they need a site for a school or a firehouse or a library, there it is, free. Think of how much money this could save them."

On the subject of maintaining the public

land, one of the major issues in the cluster controversy, Konwiser has this to say: "A lot of the land is woods, and won't need any maintenance. The open area can be kept cut by a tractor and brush hook two or three times a year. Really, there won't be any maintenance at all."

Milo Somerville, the just-retired mayor of Hillsborough, agrees that "there are lots of very nice things about Village Green—and that's the trouble. It would make building too attractive to outside developers. We simply can't afford to grow any faster than we are now."

Money is at the heart of Hillsborough's growing pains—and its objections to cluster planning. And as always, the tax dollars for schools are the number one money problem. It costs a little over \$500 a year to put a child through school; against this stands the hard fact that the average new house in Hillsborough means 2½ more children of school age, but brings in only \$400 in tax money. This unhappy arithmetic has pushed the tax rate up from \$11 in 1956 to \$17 today.

"We've built three new schools and an addition to a fourth in the last five years," says Somerville, "and it looks as though we'll have to have a high school soon. I don't see where it will all end."

Another money problem which Hillsborough must face up to soon is sanitary sewers. Most of the township uses septic tanks (Village Green's sanitary system is processed by the neighboring town of

Manville) and septic tanks are becoming increasingly undesirable as Hillsborough grows.

"Again," says Somerville, "it's a question of money. We've had estimates of \$180,000 just for surveying and planning a sewer system. Our legal debt limit won't let us even think about actually constructing it."

Most of the township's officials see the gift of Village Green's open land more as a Trojan horse than a Christmas present. The issue: maintenance of the public land, an issue on which most cluster proposals have foundered.

"We don't have any parks now," says Township Committeeman William Jamison, "so we have no facilities for maintaining parkland. Regardless of how little it would cost, it would be an additional load on the community. And we're talking now about just one park. What happens if we have dozens of cluster plans, each with its open areas to keep up?"

"Yes, I know the builder says that there would be almost no maintenance beyond a couple of cuttings a year. But the first thing you know, residents will start calling the town to keep it picked up. Then they'll want picnic facilities. There's no telling where it would end."

Jamison also feels that it is unfair for the whole township to support a park area for a single community. "I know that in theory the whole town can use the area. But families aren't going to drive all the



way from the other side of town just to use this park. For all practical purposes, it will be Village Green's park."

And finally, Jamison is not at all sure that deeding the land to the township is good for the residents of Village Green itself. "They don't know what the town will build on that land," he says. "If I lived in Village Green, I wouldn't be at all happy about that."

The town's professional planners come closest to a middle position. They are aware of the township's financial plight, but believe that from a long range point of view cluster planning will result in a more attractive, better planned community.

"Aside from esthetics, there's the problem of health," says William Roach, director of the Somerset County Planning Board and until recently a member of the Hillsborough Planning Board. "With conventional one-acre lots, the developer would have had to use septic tanks; the cluster made sanitary sewers economically feasible."

On the subject of maintaining public open spaces, Roach agrees with Konwiser and Halpern that the cost would be minimal. "And remember," he adds, "cluster plans have less road that the township must maintain and police."

The planners feel that prohibiting cluster plans to ease the town's financial plight is mixing two unrelated subjects:

"Our real problem," says Dr. Mark

Singley, planning board chairman, "is that we don't have a broad enough tax base. Right now, farms produce 40% of Hillsborough's taxes. Every time a new family moves in, and taxes go up, our income-producing farmers are in effect subsidizing the new family's school children. It's an unequal burden, and it's absolutely unfair, but under state law there's nothing that can be done about it.

"We need more industry in town. But industry won't come in unless we offer an attractive community, so ruling out clusters hurts as much as it helps."

And in fact, it is at this point—the need for a broader tax base—that all parties to Hillsborough's cluster controversy come together. "What we need," says Committeeman Jamison, "is 'instant community.' You just add water, and there it is—industry and all."

Says Realtor Halpern: "If I had to do it all over again, I'd make it a point to work much more closely with the municipality in trying to attract industry. And I'd press for a much more active industrial commission in the township."

But in the meantime Hillsborough is in an unfortunate position: It has had to sacrifice good planning to obtain emergency financial relief, and it has done so with the full knowledge that growth is inevitable, and the sacrifice will have been in vain.

What, if anything, can be done for Hillsborough, and other communities in the same position, to avoid the same problems?

There is general agreement on three points:

1. More emphasis at the municipal level on bringing in industry (as previously noted).

2. More planning at the county level. The functions of present County Planning Board are largely advisory, and there is pressure to take away some of its already limited powers.

3. Some action on the state level either to reapportion tax loads or to make money available to the community to develop its critical periods of financial growth.

If the last two points are to have any chance of success, the municipality is going to have to take a step that up to now it has bitterly resisted: It will have to give up some of its treasured home rule sovereignty.

The most hopeful note in the controversy is Village Green itself. Now that it is almost finished and largely occupied, even the severest opponents of the cluster concede that it is an attractive project. "It looks like a very nice place to live," says Mayor Somerville. "It certainly offers good value," says Committeeman Jamison. And Planning Director Roach, already a proponent of clusters, has made the ultimate gesture of approval: He has bought a house there.

Jamison sums up: "I've been against clusters, but I'm glad Village Green was built. In a couple of years we'll find out for sure if this kind of planning is good for Hillsborough." —MAX HUNTOON



Emil Weiss

Bucky Buchanan, NAHB's 1963 president

W. (for Wesley, his father's name), Evans (his mother's surname) Buchanan is Bucky or Buck to everyone who knows him. He isn't one for formalities, and he doesn't stand on ceremony—he simply doesn't have time for it. He's too busy, too concerned about all that must be done that is important to his business, his customers, his industry, and his nation.

At this point in time, Bucky has invested nine years of active work in his local and national homebuilders associations. But, in a sense, he has spent nearly all his adult life preparing for the post he was elected to last month: 22nd president of the National Association of Home Builders.

Bucky sees the word "urgent" stamped all over his new post

His main problem is how to make NAHB more effective. Political scientists sometimes say that nobody could possibly be a good

mayor of New York City because it's an impossible job, and the same might be said about being president of the NAHB.

Consider the budget problem, to begin with. The association takes in a little less than \$2 million a year, half of it in \$25 membership dues and the remainder squeezed out from the annual exposition in Chicago, exhibit rentals at NAHB's Housing Center, and minor sources. This \$2 million equals only 1/10,000 of the industry's dollar volume of new construction. That could hardly be considered adequate for an industry whose volume—\$21 billion in new construction and \$14 billion in remodeling—represents at least 6% of the nation's \$550 billion—plus gross national production.

And consider the diverse interests represented by the membership. There are giant builders and pygmy builders, housebuilders and apartment builders, tract builders and

scattered-lot builders and custom builders, FHA-VA builders and builders who couldn't care less about VA or FHA, builders who make their money off their land and builders who make it off their construction, builders who only want to make a fortune and builders who only want to create better communities without going broke in the attempt, and so on ad infinitum.

"NAHB will have to change to meet industry changes," Bucky says

"We must really leap forward in the next ten years," he insists. "Somehow we must provide better leadership, not just for our industry's sake but because the industry is becoming more and more important in the health of our national economy. Homebuilding may be mostly a local business, made up chiefly of small businessmen, but it is second to none in importance to the economy."

Just what Bucky can do remains to be seen. Past presidents have voiced important goals they hoped to achieve during their terms, only to find that their year in office was too short a time to make much of a dent in the pile-up of problems. Bucky is well aware of this. Says he:

"I'm not about to revolutionize NAHB. But some things can be done, some choices in new directions can be made, and made to stick. We have got to find new ways of pulling together various segments of the homebuilding industry around NAHB.

"Our industry is incredibly fragmented. There are something like 122 trade associations in housing, all going their own way—or no way at all. I want to create a Conference of National Associations in the Building Business, and bring representatives of them together for off-the-record meetings twice a year or so. We can discuss our mutual problems, take a broader look at our industry, find ways to work together toward common purposes."

There will be closer work with manufacturers

"We will just have to do more to help the manufacturers to help us," Bucky believes. "They don't really know what we need. We need new products, new tools, new methods. Our time and motion studies have opened our eyes to this. Manufacturers don't know what happens to their material after it's dumped off the tailgates at the builder's site. They are crying for the kind of research done for us in the TAMAP study [H&H, Sept. 1962]. We will do more like that. And I mean to run some 'muddy shoe tours' for manufacturers to show them what we need."

Like previous NAHB presidents, Buchanan has his own ideas about which departments are—or should be—doing the most important work. One undoubtedly is the community facilities department: "Our cost of construction hasn't gone up. But raw land is still going up, and even faster rising costs are coming from stricter zoning, new sidewalk and street requirements, sewer needs, and so on. Our use of land in this country is in urgent need of new directions. This is important not only to our industry; it's critical for the nation itself."

With so much to work on, Bucky does not intend to visit NAHB chapters in the 200 or so cities that most presidents have felt they should cover. He knows he has plenty to do without riding the circuit and is confident he can accomplish more in Washington, his old home town.

Bucky grew up in homebuilding and real estate in Washington

His father, J. Wesley Buchanan, a one-time chemistry teacher at Clemson College in South Carolina, got into real estate in Florida in the early 1920s—and promptly lost money when the famous land boom

broke there. Then Mr. Buchanan brought the family back to his home city of Washington. He became sales manager for Shannon & Lusk, the big real estate brokerage firm, later went into business for himself. In 1933 he started building houses. Bucky was then 16, and got his first building experience working for his father.

"I worked on those houses for several summers," he recalls, "and I did everything from whitewashing to keeping the payroll to helping carpenters to being a strawboss. I got so I could do everything except plaster. I could never get plaster to stick on the ceiling."

From 1936 to 1940 Bucky went to the University of Pennsylvania and its Wharton School of Finance, where he got a B. S. degree in economics (his major thesis was on townhouses). While in college, he also played the drums in a dance band—a skill he still keeps up. On July 4 every year, members of the Hawick Marching & Chowder Society get together at the Buchanan home on Hawick Lane in Kensington, Md., and their slightly rusty combo knocks out some rousing Dixieland numbers. At the drums, of course, is host Bucky.

During the war Bucky was barred from military service by a limp that is the result of a bout with polio early in childhood. So he went back to work for his father, who by the early 1940s was a prominent builder and real estate broker, owner of apartment buildings, and an apartment managing agent. Mr. Buchanan also helped to organize NAHB in 1942.

Bucky took charge of his father's construction activities in 1946, and in 1951 he took over completely after Wesley Buchan-

an, forced to retire because of illness, moved to Sarasota, Fla., where the elder Buchanans still live.

NAHB's new president lacks little in the way of experience

To read the press releases each year when NAHB elects a president, you get the impression that each succeeding one is the perfect builder, ideally suited for the job. This is to be expected; that's what press releases are supposed to say.

But, though nearly all of NAHB's presidents have been builders, few have had the depth of experience Bucky might claim. Some past presidents have actually been mainly concerned with land development, or mortgage financing, or lending, or other facets of the industry aside from building. Not the new incumbent.

With his father and on his own, Bucky has built about 5,000 houses and apartment units in the Washington area. He has built them year in and year out, building conventionally or as a prefab dealer, and using a wide variety of methods. He has also been a real estate broker, land developer, insurance agent, appraiser, apartment manager, remodeler, and lender (he is first vice president of County Federal Savings & Loan in Rockville, Md.). But homebuilding has always been the fulcrum of his work. He is now diversifying greatly—but almost entirely within the area of producing housing units.

He is a strong believer in owning your own home

His own experience as a homeowner puts him at odds with anyone who suggests a house is not a good investment. That



BUCHANAN'S FAMILY includes his wife, Mary Cliff, and (from left) Debbie, 17, Hope, 16, and

Janie, 15, who attend Cathedral School in Washington, and Bob, 19, a junior at Yale.

continued

experience began during the war when he and his wife, the former Mary Clifton of Kansas City, Mo., bought their first home—a two-bedroom, semi-detached house in a group his father had built. The house cost \$5,500. Bucky paid \$550 down on a 10% FHA loan. A few years later he sold the house for \$8,900, bought a second and later doubled his money on that one.

"Part of the equity in that first house is in our present home," Bucky points out. It's an impressive point, judging by the Buchanans' big rambling home in the Rock Creek Hills community developed by Bucky some years ago. The house has been expanded several times, now has a big rear patio with a pool, a golf putting green at one side plus a spot to pitch from onto the green.

Bucky likes to swim, and his family and guests keep the big pool filled with people most of the summer. He has always loved boating and deep-sea fishing, now has a Flying Dutchman sailboat and owned a 40' power cruiser until a couple of years ago when NAHB duties started taking up nearly all his spare time. Last fall when Bucky went to Florida for NAHB's directors meeting, he and Mary Clif took a week off, hired a boat and "with our old Cuban captain" spent a week fishing in Bahaman waters.

He is active in the Presbyterian Church (he built its new manse at cost), is also on the governing board of the Cathedral School, which his daughters attend. He is member of the University Club, Touch-down Club, and Temporary Coast Guard Reserves. His politics? Democratic.

Bucky plans 1,200 units in 1963, six times more than last year

No other NAHB chief has ever contemplated such a business expansion during his year in office. Asked why he is expanding now, he quips: "I've got to, so I can afford being president." (The president gets expense money amounting to \$40,000 but, like the U.S. ambassador to the Court of St. James, spends it all plus much of his own.)

As the chart opposite shows, Buchanan's expansion will be in different types of housing and in several markets. And by 1964 he expects an even greater volume, some of it overseas. The chart also indicates that his business is now highly diversified—possibly more so than any other industry leader's. Moreover, this diversification is almost wholly within the building field (rather than in financing, land development, and the like).

In addition to the different types of housing units listed in the chart, Bucky has recently gone into a remodeling business, is putting together a major shopping center venture to be started in 1965, plans a nursing home, and is a regional distributor for a cabinet manufacturer.

Bucky started planning to expand more than a year ago

One of his first major steps was to pick a right-hand man. In December 1961 he brought in Nathaniel S. Siegel as executive vice president.



NAT SIEGEL

Says Bucky today: "Next to meeting and marrying Mary Clif, the luckiest thing that's happened to me is running into Nat." This is not hard to understand when you see the two of them working together. Each doubles for the other in every facet of the many-sided business, checking with the other constantly—usually seven days a week when Bucky is not away on NAHB business.

Siegel, soft-spoken like Buck, also has a long homebuilding experience. A graduate engineer, he built about 2,000 houses (at \$6,990 to \$30,000) and a shopping center on Long Island (as Siegel & Chess).

Surprisingly, Bucky does not plan to expand his staff greatly

His permanent staff today totals only 11, plus a few people who are put on the payroll—usually for responsible jobs—while various projects are being built.

Besides Siegel, there are these key aides: James Dayhoff, an ex-homebuilder, who handles all the apartment projects.

David Griffin, an 18-year employee, who is in charge of production of houses.

Boris Lang, formerly sales manager of a Long Island real estate firm, who joined Buchanan last August as sales manager.

Jerry Mason, formerly a building materials salesman, who heads the Buchanan Renovating Service.

Ruthe Emler, Buck's and Nat's "Girl Friday," who processes all mortgages.

Steve Clayton, recently named head of accounting and cost control.

Another key man in the organization, though not on the payroll, is Bucky's neighbor and money partner, Cortland Townsend.

"It's a small staff," Bucky observes, "but I don't need a big staff if everyone knows his job and does it. You can get a lot farther with a few people who have imagination and don't just 'yes' you when you make decisions. Most builders don't get good enough people because good people don't come cheap, and most builders wouldn't use them anyway because they are afraid to delegate responsibility."

Why did Buchanan want to expand and diversify?

You can discount his quip that he had to so he could afford heading NAHB. But the reasons are not much more compli-

cated, as he explains them.

First, he saw the opportunity to expand fast: "It's the nature of the building business to be able to grow quickly if you want to. There's no need to build a big plant for production, no need to develop new products or patent new methods or set up a distribution system."

Second, he saw that many strong markets were ready to be tapped either for sales or rental units: "There's a real need for imaginative housing, not hackneyed projects."

Third, the opportunity not only promised good profits but could protect him from future difficulties: "If I am in a lot of varied markets, doing many kinds of building, I'll be less vulnerable if the bottom falls out of any one market."

And here are six good reasons why Buchanan can expand so fast

1. *He hires outside consultants.* Among them are Stanley Edge & Associates for merchandising, Attorney Herbert Colton, Tax Lawyer Leonard Silverstein for tax advice, Auditors Bond, Beebe, Bond & Bond, and Robert Loftus, NAHB's former public information chief, for public relations. But, Executive Vice President Siegel points out, "We don't make the mistake of letting them run our business. We decide what we want to do, and we ask them to tell us the best ways to do it or to evaluate what we're doing."

2. *He uses market research.* Here again Buchanan and Siegel make the basic decisions. Says Nat: "We don't believe in blind research—letting a research firm tell us what we should build. We ask for specifics. For example, we felt that there might be some demand in satellite markets near Washington for the kind of rental units we know how to provide. So we asked the market researchers to survey ten cities within a 150-mile radius to find out if a rental demand existed for so many units at so much per month, if this would be a permanent demand, if there might be a psychological resistance to renting, and the like. The research later showed Cumberland, Md. was a good bet. Then we did the other work—looked at specific properties, decided how many units to build and what kind they would be. We worked out designs with Crawford Corp., which will supply the components for the townhouses and garden apartments. When we went to mortgage bankers with our completed plans, we had enough facts to get enthusiastic reception and the money we wanted."

3. *He keeps track of costs on each item in each house.* Says Bucky: "It doesn't do us any good to know only that a particular house is over the budget. So we don't worry about the over-all cost of a house. What we do worry about, when a house is

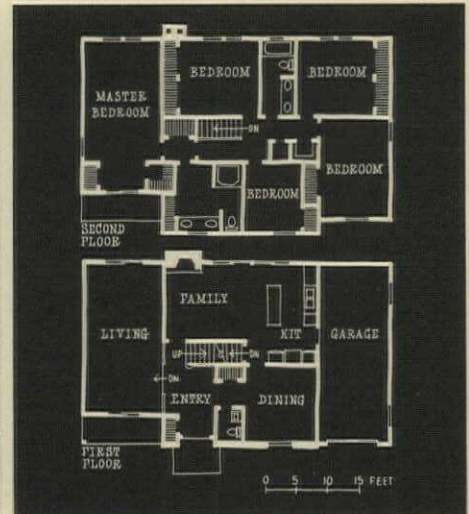
Buchanan builds everything from detached houses to high-rise apartments

PROJECT	LOCATION	TYPE	NUMBER OF UNITS	
			1963	1964-5
Mattapony Manor	Baldensburg, Md.	Garden apts.	186	104
Mattapony Towers	Baldensburg, Md.	High-rise apts.	103	597
La Vale	Cumberland, Md.	Garden apts. & townhouses	106	unknown
Colony North	Rockville, Md.	Houses	75	75
Colony North	Rockville, Md.	Townhouses	none	90
Colony East	Montgomery County, Md.	Houses	100	180
Holiday Village	Seat Pleasant, Md.	2-family houses	20	none
Drum Point	Solomon, Md.	Vacation houses	40	390
Drum Point	Solomon, Md.	Garden apts.	100	140
Unnamed	Cocoa Beach, Fla.	Garden apts.	166	none
Carrollan	Prince George County, Md.	Garden apts.	225	450
Unnamed	Bethany Beach, Del.	Garden & high-rise apts.	none	300
Unnamed	Orly, France	Apts., townhouses	none	unknown
TOTAL HOUSING UNITS			1,121	2,326+

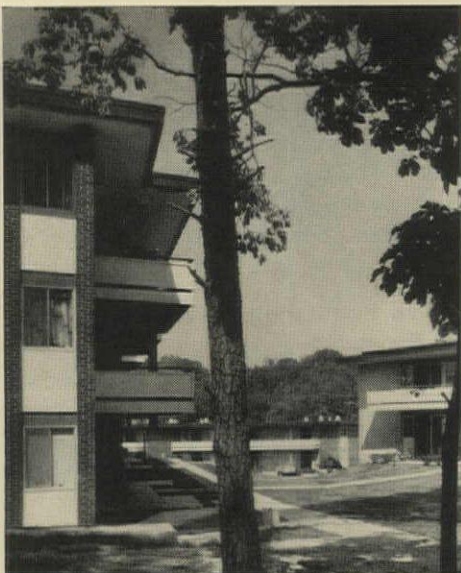
VARIETY OF HOUSING planned by Buchanan includes 11 projects in Washington area and Florida, others in Delaware and France in 1964.



Adams Studio

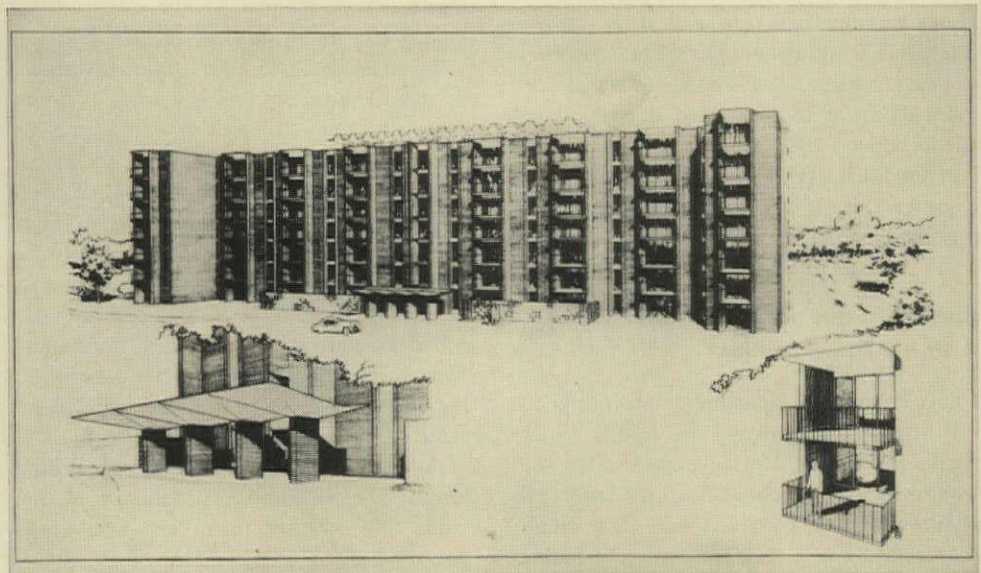


TWO-STORY MODEL at new Colony North tract has upstairs front porch, large rear sundeck (p. 87). This 2,306 sq. ft. house sells for \$38,500.



Robert Lautman

GARDEN APARTMENTS in Bladensburg, Md. are three-story 20-unit buildings. Stairwells to upstairs units are open to the outside.



HIGH-RISE APARTMENT will have 103 units, each with 8'x12' balcony. Designed by Architect Robert Calhoun Smith, it will be started in May.

continued

over budget, is each item that costs more than expected."

4. *He builds whatever way suits the situation.* The way to build varies with such factors as design, rent levels, financing, timing, and so forth. So one group of garden apartments is frame construction in which Bucky's crews supply wall components but trusses are bought elsewhere. Another garden apartment is masonry, a third is built with prefabricated components. Some houses are National Homes or Crawford prefabs, some are prefabbed locally by Kern Distributing Co. to meet Buchanan designs.

5. *He searches relentlessly for new construction methods and materials.* If the methods or product aren't available, Bucky asks manufacturers to invent them (examples: an economical floor joist, a combination deck and lintel, a decorative mesh for suspended ceilings and balcony rails and screens). He makes use of much that has come out of NAHB's Research Institute and other industry research projects. He has watched NAHB's 1963 Experimental House go up—at his own Colony North site—and expects to use the steel pier foundation to make a breakthrough in building vacation houses cheaper on rough wooded sites.

6. *He keeps in front of competition with his designs and floor plans.* At least this is his intention. As Bucky says: "We won't offer a standard plan unless our house is far under the market price. We won't use a design or plan used by anyone else. This pays off. Our colorful Mattapony garden apartments are all rented in an area of nothing but garden apartments, many half vacant. We're going to be the first in that area with high-rise. Some people prefer the prestige, services, and city-like atmosphere of high-rise living in the suburbs. We'll give it to them first—for almost the same rentals as in a garden apartment and at no sacrifice in exterior design." (Says Buchanan's apartment architect, Robert Calhoun Smith: "Buck wants to try everything. I have to hold him down. Some clients depend 100% on me for everything, but not Buck. It's give-and-take with him. I prefer this. It's more stimulating and it produces a better design.")

Bucky's sales strategy starts with his basic product

His houses and apartments are designed with the merchandising in mind. Floor plans are worked and re-worked with the architect. Non-essential features intended as lures are usually ruled out. The intent is to offer a house that is completely livable without need for extras at additional cost. Says Nat: "Some builders offer almost anything as an extra, and they mark up

the extras for handsome profits. There's something wrong with that. We'll make changes, but we try to discourage them."

Bucky and Nat get many ideas for their tract houses by visiting custom houses priced much higher. Bucky explains why: "Most people we sell to are homeowners. They know quality construction. They also are aware of what big custom houses are like. They want the same, but either can't afford it or don't want to take the responsibility for decisions in having one built. So we offer features those houses have. That's one reason we've been willing to go a little beyond the colonial eagles and brick in Washington and offer fairly contemporary elevations."

At Bucky's Colony North development (photos opposite), standard features in each of the \$33,500 to \$39,500 models include two separate central heating and air-conditioning systems, two ovens, shampoo sprays, built-in kitchen blenders, 150-amp. electric service, and other things usually offered as optional extras elsewhere. So far, Bucky says, no one has asked for one of the houses without these features.

Furnished, landscaped models are considered a 'must'

A good share of Bucky's advertising and sales budget—4% of his sales volume—goes to create strong curb appeal and strong inside appeal in the model house area. At Colony North, four of the five models are furnished by Interior Designer Maurice Blanco, who rents the furnishings to Buchanan at \$150 a month per house. This amounts to \$7,200 a year, but it's worth the cost to Bucky. Otherwise, he would have to invest about \$24,000 in furnishings, which he doubts he could recover or use again as suitably in later models. (He also has \$2,000 invested in carpets, drapes, linens, and the like in each model, and spends \$1,500 a year per model for maid service, electricity, etc.)

Most of the ad budget is for advertising in newspapers, so this is checked closely every month. When a community is opened, Bucky spends \$2,000 to \$8,000 in a splurge. Thereafter, ads must more or less pay for themselves in specific numbers of sales. Explains Siegel: "Say we plan to spend \$150 a month per house for ads. If we spend \$1,500 in a month but sell only eight or nine houses, it probably means the media selection is wrong, or the ads are weak, or our models are not right."

Ads run week in and week out, regardless of the weather. The theory is that, while bad weather may keep away prospects who are not in a hurry to buy, if they don't see ads every week they won't remember to come out when weather is good.

Parents are never discouraged from bringing their children into the models. No ropes block off furniture, no paper runners cover the carpets, and no pressure is put on prospects. Says Sales Manager Lang:

"We don't rush them. They know what to look for, so we let them take plenty of time. We can't sell them the first time out in any case. The more at ease they feel, the more likely they'll return."

To help put visitors at ease, Lang hires bright, attractive graduate students (photo opposite) from local colleges as demonstrators. They have been trained primarily not to exaggerate and to say they don't know when they can't answer a question. They simply welcome visitors and are there to be helpful hosts and hostesses. If a visitor expresses interest in buying, the demonstrator introduces him to the tract's sales manager.

Since prospects for the higher-priced Colony North houses are presumed to know quality construction, no emphasis is put on the basic construction. Instead, the emphasis is on the reputation Bucky has gained in his many years of building. The new slogan: "The background of your builder is your Guarantee of Confidence."

NAHB's affairs and his own will allow Bucky to do some traveling

The word "business" comes from "businessness", and this year Businessman Buchanan will live the word to the hilt. With so much to do, he and the industry are both fortunate that his GHQ is close to NAHB's National Housing Center.

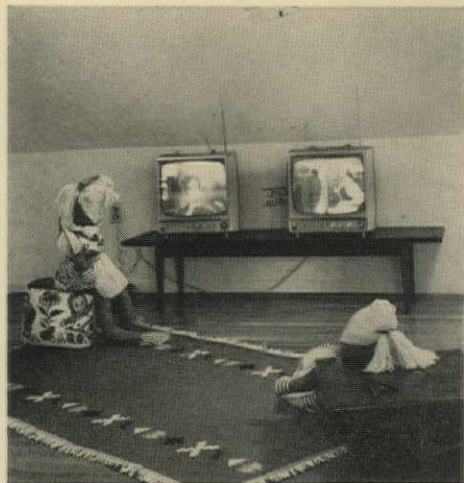
But, though he won't "ride the circuit" in time-honored fashion, Bucky will travel quite a bit. With his penchant for travel, this could be predicted. He has visited Europe several times and traveled this hemisphere from Alaska to South America. He learns wherever he goes, asking questions of everybody—and challenging the reasoning behind any it's-always-done-that-way thinking.

Some of his travel will be to regional NAHB conferences he hopes to hold, at which industry leaders will be helped to see how they fit into the national industry picture and how they can explain the importance of the industry to local audiences.

Last month, on the eve of his election, Bucky's mind was open to suggestions about new directions NAHB might take. He was convinced only that it must be directed toward more ambitious goals commensurate with the big growth the housing industry faces. He will move cautiously—but with willingness to step on a few toes if need be.

As one NAHB director said last month, "Bucky listens real good and learns fast. He'll get advice and ideas from everyone. Then he'll move." —ROBERT MURRAY

Merchandising and design ideas like these help Buchanan increase his sales



PLAYROOM is uniquely furnished so people will remember it. Two big dolls, one with ear set, "watch" TV sets tuned to different shows.



Donald I. Grimmer

DEMONSTRATORS, meeting with Sales Manager Boris Lang, right, are college graduate students. They get \$15 a day plus sales bonus.

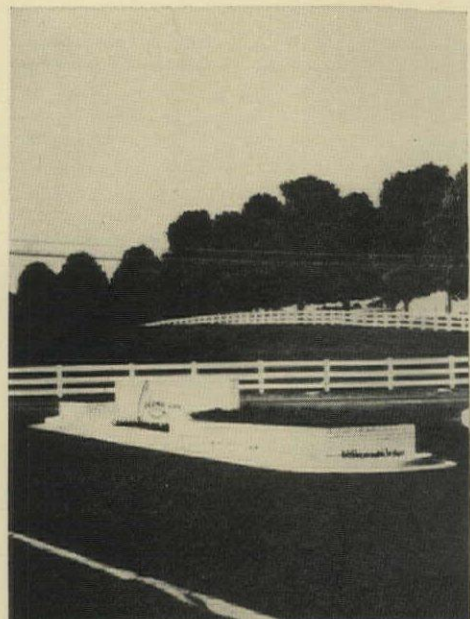


MASTER BEDROOM SUITE in model shown on page 79 has about 500 sq. ft. of floor space on two levels, includes bath, dressing, sitting areas.

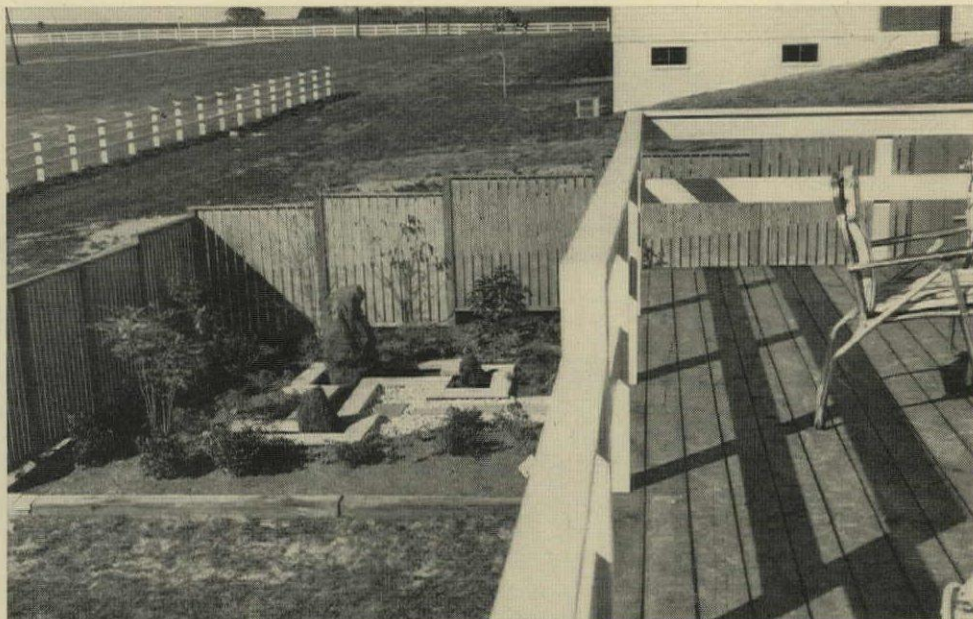
Adams Studio



SPACIOUS FOYER (110 sq. ft.) of \$36,500 split-entry model is outside rectangle of house, thus borrows no space from other living areas.



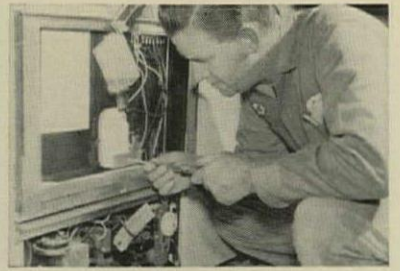
ENTRANCE of Buchanan's Colony North subdivision has a low white-bricked and landscaped divider strip in the center of the street.



SMALL JAPANESE GARDEN, seen from rear sundeck of model on page 79, is suggested in landscaping plans provided for every buyer.



ROOM ADDITIONS



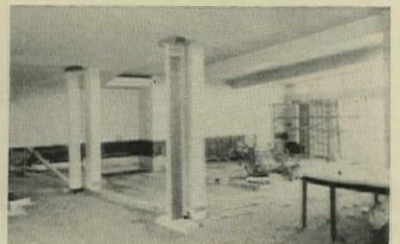
APPLIANCE REPAIR



CUSTOM-HOUSE BUILDING



HOME MAINTENANCE



COMMERCIAL REMODELING

Fred English

How to build a \$3 million business in 3½ years

The phenomenal growth of Homestead Inc., a repair, remodeling, and construction firm in Redwood City, Calif. is fresh evidence of the huge add-on and fix-up market lying largely untapped by the housing industry. Started in mid-1959, the company rolled up almost \$3 million in sales last year.

Homestead was started by two young Harvard Business School graduates—William R. Schulz and David N. Muirhead, both 29—who believed that home repair and maintenance offered a big business opportunity. They soon found an even bigger opportunity in remodeling. Today their company is doing 12% of all remodeling business on the San Francisco peninsula. From its home

service center (above), Homestead is now operating a network of residential and commercial remodeling services—85% of its business—that includes everything from modernizing kitchens and baths to enlarging plants and offices. The other 15% of the company's volume is in repairs and maintenance; and Homestead has just started some custom-house building.

"Despite our swift growth, this is not a 'glory' business," says Schulz, who is Homestead's president (Muirhead is on leave to the Air Force). "The highest possible net profit after taxes is probably no more than 7% or 8%. It took us about three years to break the profit barrier. By the end of 1962, we were making

a profit at a 3% a year rate, and I expect we'll do better in 1963." But although Homesmith's profits on sales have been low, its return on investment has been high—the company's original capitalization was \$100,000.

Homesmith's president sees eight basic reasons for the rapid growth of the company

1. "We organized the company around a basic market need." Intense research while he was still a graduate student at Harvard convinced Schulz that homeowners needed—and would pay for—a one-stop repair and maintenance service.

2. "We studied different market areas before selecting one." The San Francisco Bay region looked like a potentially strong market because it has a relatively high proportion of homeowners in the professions and the upper-income brackets. These people, Schulz reasoned, have little time for odd jobs and can afford to have someone else do them, "so we wouldn't be bucking a do-it-yourself trend with potential customers."

3. "We organized to manage repair and maintenance services—not to perform them." Homesmith's role, as Schulz saw it, was to market the services, coordinate them, see that customers were satisfied, and handle all accounting, billing, and other paper work. To do the jobs, Homesmith assembled a variety of building-trade subcontractors and artisans. Advantage to subs: freedom from overhead and sales costs. Advantage to customers: low prices based on high volume, plus the confidence of dealing with a large, well financed company.

4. "We invited local business leaders to serve on our board of directors." This helped establish the company in the community (the prestige of the businessmen rubbed off on Homesmith) and gave it the added benefit of advice by mature, experienced, and successful businessmen. Today Homesmith's board includes Melvin B. Lane, president of *Sunset* magazine; Charles A. Anderson, financial vice president of the giant Kern County Land Co.; and Herbert R. Smith of J. Barth & Co., big San Francisco underwriters and securities brokers.

5. "We got favorable newspaper publicity because we were able to convince business writers and editors that we were pioneering a new service sorely needed by homeowners." Wrote San Francisco *Chronicle* Financial Editor Sidney P. Allen a few days after Homesmith's formation was announced: "They [the company's partners] appear to be men of ideals as well as purpose—backed up by a board made up of men of high standing in the community."

6. "We trained business-school students to sell our service subscriptions." More than 7,000 homeowners subscribed at a \$10 annual fee (dropped in 1961 because it was a barrier to getting remodeling business). Subscribers were entitled to call Homesmith at any time, day or night, for prompt, reasonably priced repairs and maintenance by carefully selected tradesmen. Homesmith offered 300 different services ranging from fixing leaking faucets to hanging doors and kitchen cabinets.

7. "We introduced a call-back service to the repair and maintenance business." After each job was completed, Homesmith called the customer to find out if it was satisfactory: "Our subs were amazed that we dared to invite criticism, but our customers were highly complimentary, and the calls often led to additional business." Homesmith also offered emergency service at any time: "It cost us a mint, but paid off in good word-of-mouth advertising."

8. "We used our repair and maintenance service as a springboard to launch ourselves into remodeling." By the time Home-

smith expanded into remodeling, it had the loyalty of scores of subcontractors plus the confidence of thousands of homeowners. Their reputation was so well established that a leading homebuilder, Eichler Homes, gave Homesmith gift subscriptions to new-home buyers ("Homesmith . . . will assure you of quick service, a reliable contractor, and a fair price whenever you call on them."). This favorable reputation was a big asset in a business which, though growing in stature, still feels the lack of public confidence.

Homesmith's basic operating concept is to improve efficiency by putting all trades under one management—and one roof

The subcontractors who work out of the Homesmith service center are all independent businessmen, although they work almost exclusively on Homesmith jobs. They pay Homesmith a percentage on each job (5% if the company simply sells the job, up to 15% if the company handles all management details), but earn more money because they have no overhead and do a larger volume of business. The subcontractors are free to spend their time supervising productive tasks, leaving business management and selling to Homesmith. The company does all advertising, job scheduling, billing, and administrative work. Further, Schulz points out: "None of the trades can afford the equipment and services—office machines, radio-dispatched trucks, elaborate control systems, topnotch management and sales personnel—needed to achieve overhead economies and more attractive prices."



The physical layout of Homesmith's home-service center reflects the company's management and operating set-up. The 19,000-sq. ft. building—located at a busy crossroads—is divided into three major sections: a display room, shops for the various subcontractors, and administrative offices.



The 2,500-sq. ft. display room is the sales center of the operation. It includes full-scale mockups of two kitchens, two bathrooms, and a combination dining area and snack bar; six kitchen cabinet displays; a materials and product display; and an "idea library" of color slides and catalogs. The full-scale mockups, explains Schulz, "not only serve to give prospects remodeling ideas, but show the public the kind and quality of work Homesmith can do."

The materials and product displays—flooring, tile, counter-top laminates, and color chips—help homeowners decide from a wide range of optional colors and materials.

The idea library helps prospects stimulate their thinking about remodeling. This is a place where husband and wife can, at their

continued

leisure, go over hundreds of ideas on how they can make their home more attractive and livable.

"And," Schulz adds, "the display room—along with the shops and offices—serves as a sort of institutional advertisement for the whole idea of remodeling. It is, in effect, an exhibition of what the remodeling industry can be like and what the public should know about it. We encourage individual families and groups to tour the whole facility, and we talk to them about remodeling as an integral part of home economics."



Shops for independent contractors and staff tradesmen occupy most of the space in the center. There are separate shops for paving, landscaping, carpentry, painting, tiling, roofing, glazing, flooring, wiring, plumbing, concrete, appliance repair, and (shown above) television repair.



Administrative offices complete the center. Separate offices house the radio-dispatch operation (above), customer records, sales, general administration, accounting, and general construction.

A well organized administrative and sales setup helps Homesmith manage its unique business

The company is organized into six major divisions:

1. A construction division employing 40 carpenters, which performs all non-licensed-trades work on jobs costing over \$1,000. It accounts for 65% of company sales.
2. A special services division for single-trade jobs (like paving, tiling, painting, flooring, roofing, and glazing) performed by subcontractors; and carpentry jobs under \$1,000 performed by ten men on Homesmith's payroll. It accounts for 17% of company sales.
3. An appliance-TV repair division employing 25 repairmen. It accounts for 14% of company sales.
4. A mechanical division employing licensed trade subcontractors, which does all plumbing and electrical work. It accounts for 4% of company sales.
5. A marketing division of four people charged with the responsibility for creating sales opportunities for the four operating divisions.
6. A general administrative division which handles all billing, credit checking, financing, and accounting.



Strong management personnel and competent subcontractors are essential to the success of this kind of operation. And Schulz points out that because of Homesmith's volume—and the economies it enjoys in overhead and operating costs—it can afford to hire top-notch managers for each of the six divisions. "When we were first organized," says Schulz, "we were probably top-heavy on people who, though they were strong on theory of management, lacked actual experience. But they had enthusiasm, and sound training—plus a lot of new ideas and the courage to test them. We had many eager minds trying to make the service concept work."

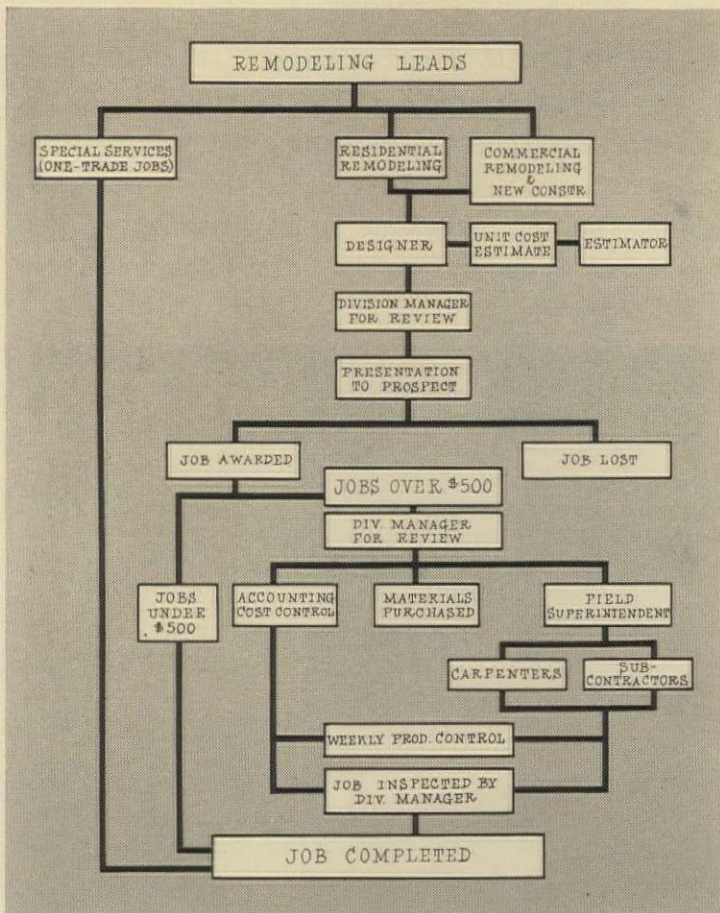
The other key members of the Homesmith team are the independent subcontractors who perform much of the work. "Under our system, we are developing the principle of subcontracting on a more sophisticated basis than is usually found in the housing industry," says Schulz. "But the subcontractors retain their own identity, so they retain the individual initiative and incentive to produce more efficiently and generate better profits."

Early in the game, Homesmith had to drop some subcontractors who didn't fit the company concept—"they had no sense of responsibility for work performed or lacked the competence our program requires." But today many of the subcontractors in the service center have bought an interest in Homesmith, and in turn Homesmith has bought into their businesses.

Homesmith has an elaborate and formal system to assure fast and thorough performance on every job. "Speed and follow-up are the toughest problems to lick in the whole business," says Schulz. "Every job—whether repair or modernization—must be consistently the same in performance. We've built checks into our system (see chart opposite) to alert us for the unexpected and to keep us from overlooking anything. Our system must be so well organized, so well controlled, and so well administered that problems are solved by the systems—and not by chance. In brief the home maintenance, repair, and modernization business requires standard operating procedures on the same level of dependability and performance as an efficient manufacturing plant."

Here is an example of how the system works: When a homeowner calls after seeing a Homesmith ad (or after visiting the service center), he is visited by a Homesmith salesman-estimator, who looks over the job, notes the customer's ideas, and promises to call back with a sketch and proposal. For big jobs (like adding a room, or remodeling a kitchen) Homesmith's designer will draft a plan. Sketches may show alternate and optional arrangements—all carefully costed by the estimating department, reviewed by the division manager, and submitted to the customer for approval. If the job is approved, it is turned over to the necessary trades for performance. A field superintendent schedules the job and makes progress reports. When completed, the job is inspected by a division manager who always checks to see if the customer is satisfied.

"We hardly ever bid a job on the spot," says Schulz. "Except for one-trade jobs like flooring and roofing, we'd be more likely to



lose a job with a quick estimate." Consumer financing has, to date, been no problem for Homesmith. Most customers need no financing, but salesmen are armed with information about Title I and bank-financing arrangements.

Schulz does not believe his systems are as efficient and economical as they must be: "We're now setting up standard bookkeeping techniques to pull standard unit costs on every job. If we can get all the costs involved in any job broken down on a standard basis, we can estimate jobs more quickly and accurately, and bill them more economically. We're six months away from using data-processing equipment to handle the whole job from costing to billing. We want to be able to cost out any remodeling job as quickly as an efficient merchant builder can cost out a new house."

George Jorgeson



A broad—and in many ways unique—marketing program helps Homesmith build its remodeling sales volume. Perhaps the most unusual Homesmith selling technique is to invite women's service clubs and other organizations to hold luncheons and other meetings in the display room (photo above). These meetings (visitors buy their own luncheons) generate many sales opportunities—either directly while the women are visiting the center or indirectly from publicity rising out of the showroom meetings.

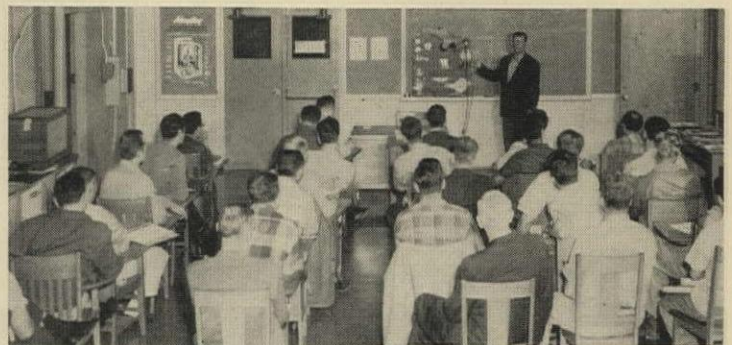
To broaden its market to owners of fairly new houses, the company advertises in a quarterly house organ published by Eichler Homes, one of the biggest homebuilders in the Bay area. The company also advertises in several business papers to get commercial and industrial remodeling jobs. And recently it began to advertise in the directory of the Central Coast Claims Assn. to get more fire reconstruction and other insurance business.

The biggest part (44%) of Homesmith's advertising budget goes into newspaper advertising. Homesmith ads usually show photos of completed jobs—an extra bedroom, a remodeled kitchen or bath.

Another 26% of the ad budget goes into the yellow pages of area phone books. The balance of the budget: 26% for sales brochures, envelope stuffers, and expenses incurred in setting up showroom lunches, and 4% for showroom displays.

Homesmith has recently cut down its advertising budget (except for yellow-page advertising), plans to spend the money instead on calling back every customer a few days after each job is complete, and calling every customer who has not used Homesmith for six months. "We believe," says Schulz, "that this technique will be very effective in building repeat business and referral sales."

The company makes frequent market surveys, found in one study that 50% of the people contracting remodeling services selected their contractors on the basis of recommendations by friends and that 55% of the respondents did not award their jobs to the lowest bidder. So Homesmith puts great emphasis on customer satisfaction and prefers to be known as the company that will do the best job, not the cheapest job—though you must be competitive."



Homesmith has established training programs for repairmen and building-trades mechanics to help assure the high performance that builds volume. The company's 25 appliance and TV repairmen are trained by factory representatives of all the major manufacturers. Homesmith also holds regular evening training course for plumbers, heating men, electricians, subcontractors, and tradesmen. In addition to refresher training in their trades the men are shown how to talk to customers to get more business and how to handle such administrative details as filling out reports and invoices.

Homesmith sees a bright future for the home-service center concept

Says Bill Schulz: "There is virtually no limit to the construction, modernization, and repair and maintenance business that we can reach through a service center operation." When he has polished the system for running his business, Schulz plans to expand by opening other service centers in the San Francisco Bay Area. Ultimately he hopes to expand nationally.

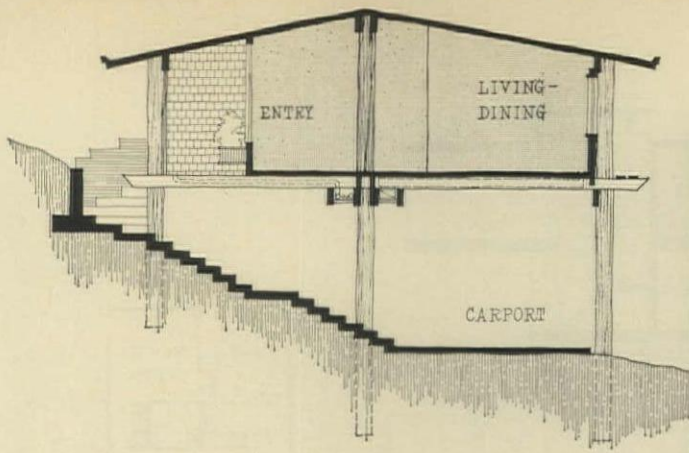
"But this won't be easy, and will certainly take a good many years. We have two more years to go before this first prototype center is fully developed. Others will go faster, but the big problem will be finding and training people. Only one thing is sure—the market is everywhere."

Four ways to capitalize on a hillside site

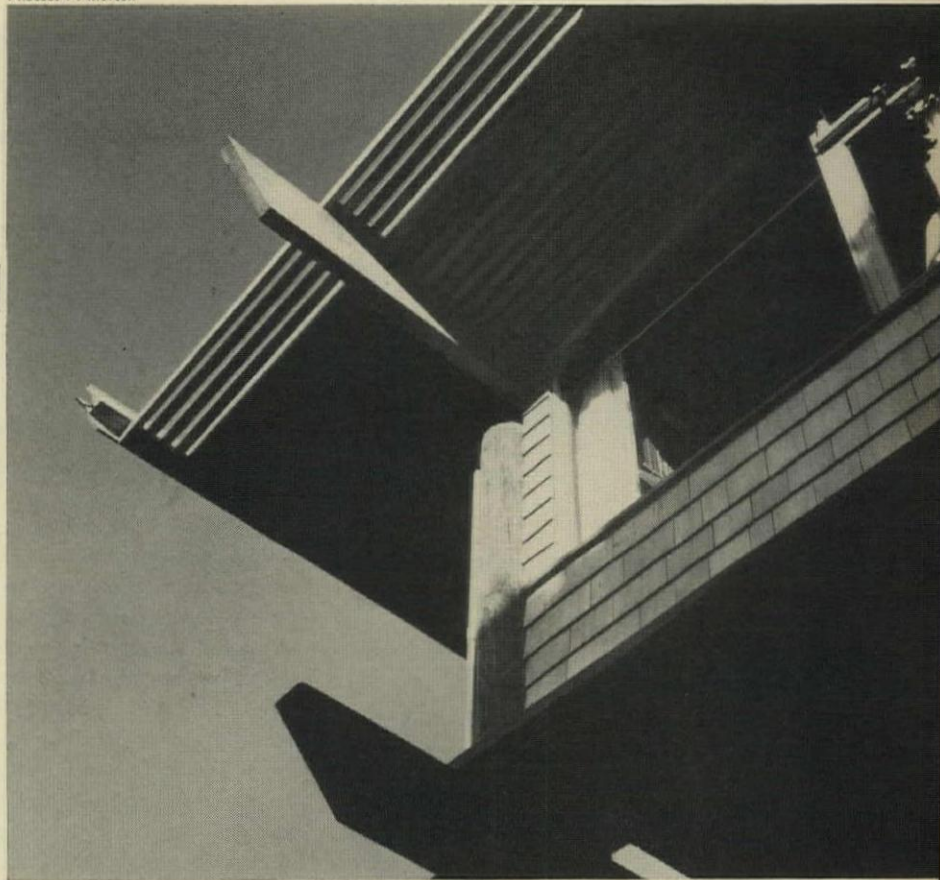
Taken separately, each solution shows a different approach to the problems of building on a sloping site—and most particularly shows a different foundation system adaptable to many different designs. Taken together, the four houses make a still more important point: They show the opportunity offered by hillside sites. In every case the architect took advantage of the site to create something special—something that makes living in these houses out of the ordinary. On both counts, these houses are worth study, because—in the years ahead—more and more hillside land must be pressed into use. The four houses are all award-winners in the custom-built class of the 1962 Homes For Better Living Program, sponsored by AIA, HOUSE & HOME, and LIFE.



Stone & Steccati



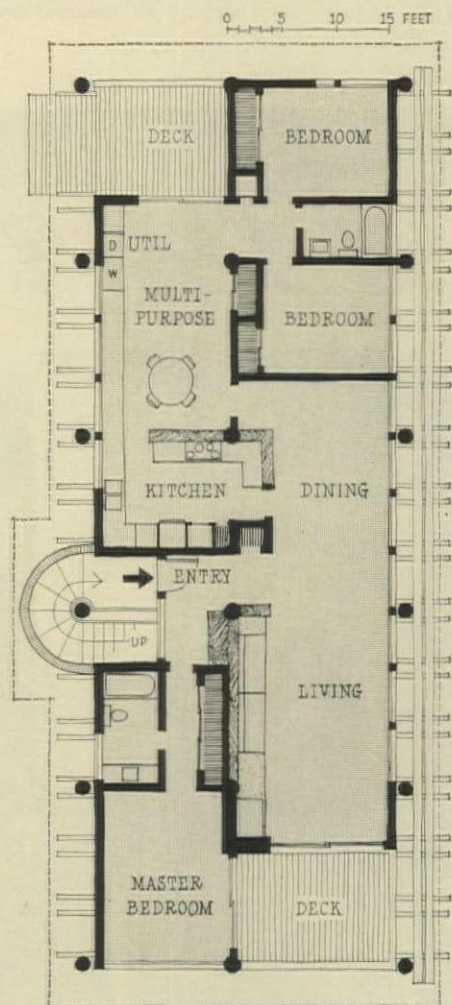
Photos: P. Molten



Solution 1: Raise the whole house above the site and its problems

The essential structure of this house is a grid of chemically treated poles (18 in all, on a 15' module) set in holes drilled in the ground. The big roof and the floor of the 1,800 sq. ft. living area are supported by long beams through-bolted to the poles. This structural system eliminates the costly problem of pouring foundations on such a steep site. And the poles are, in both form and color, an important element of the design. The character of the house, which begins with the clearly exposed structure, is everywhere suited to the rugged, wooded site.

Merit award. Architect: Henrik Bull, AIA. Builder: Skaggs & Kirchmann. Location: Mill Valley, Calif.



Plan zones adult and children's living areas. Living-dining room and its deck open to best view.



Structure of posts and beams is clearly expressed. Walls are set behind posts to avoid complicated (and hard to waterproof) connections.

Circular stairway winds around one of the structural poles, leads from entry door on main level to entry area and car shelter on grade below.

In living area, strong textured ceiling (laminated of alternate 2x3s and 2x4s) and wood paneling create a feeling of warmth and shelter.



continued

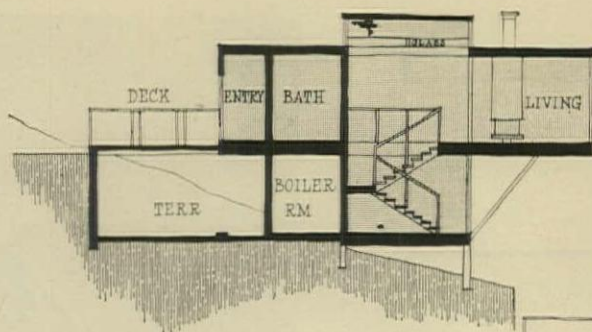


On downhill side, house seems to float above the site. Wall panels are glass or walnut siding.

Photos: Julius Shulman



On street side, a broad bridge connects carport area (foreground) with the upper-level entry.

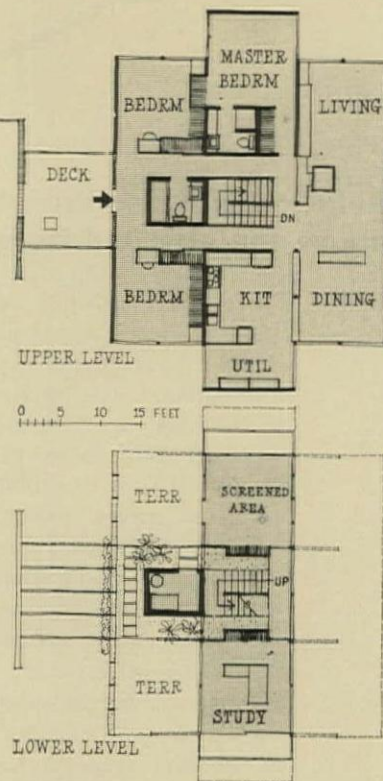


Solution 2: Cantilever the main level above a small core

The lower level of this house and the foundation beneath it is essentially a 12'x 36' rectangle. The main living level of the house, which cantilevers 12' from this structural base, is more than three times as big: 1,444 sq. ft.

Floor of the upper level is a stressed-skin plywood platform. To carry this load, the lower-level framing is steel. Extensive use of glass carries the eye to the trees outside, but there is a special point of interest in the center of the house: a 12'x 12' section of vaulted ceiling focuses light on the central stairwell.

Honorable mention. Architects: Crites & McConnell. Builder: Berger Construction. Location: Cedar Rapids, Iowa.



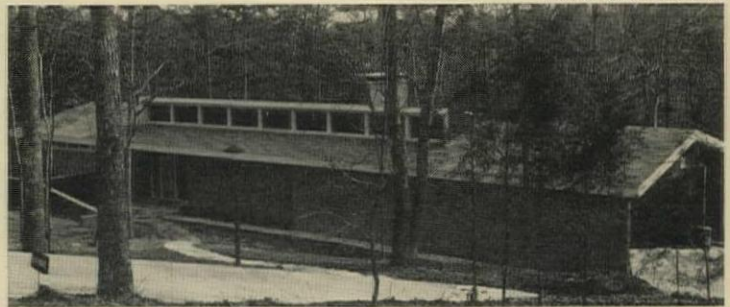
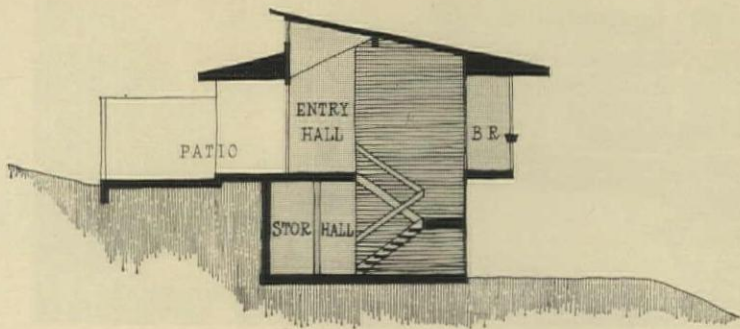
Plan of upper level is essentially a 36' square. Lower level terraces are sheltered under house.



Living-dining area has all-glass walls on three sides, and a striking treehouse view. Posts maintain 12' module used everywhere in the design.



In the entry and stairwell area, roof vaults add both light and design interest. Brick area encloses upper-level bath. Entry door is at rear.



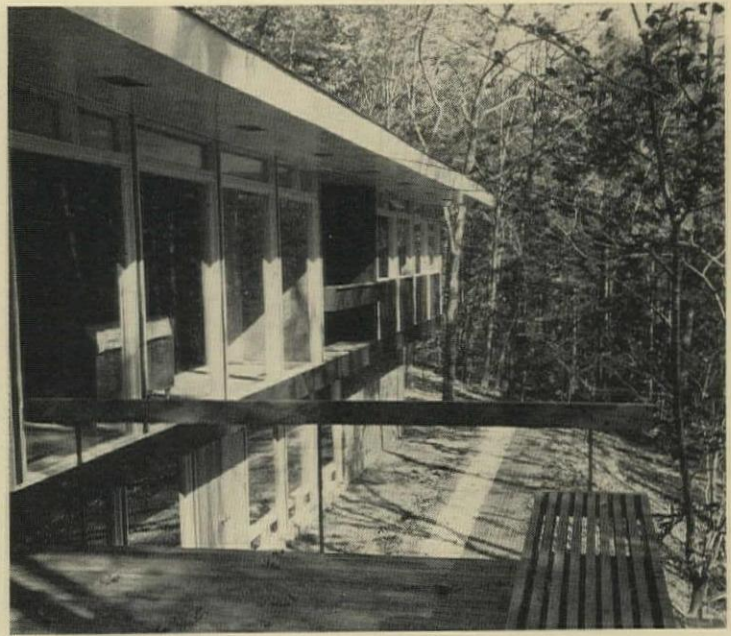
On uphill (and entry) side, house is one-story high, stretches out along the slope for 80'. Clerestory lights living room and central entry hall.

Solution 3: Notch the hillside to create a daylighted lower level

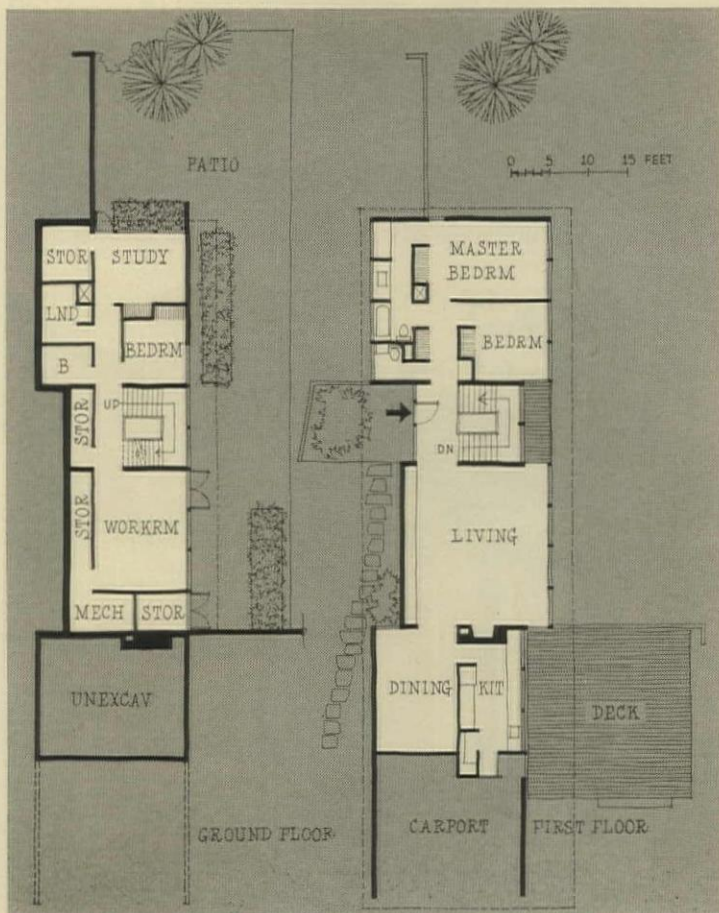
With a minimum of excavation, this long and narrow house was nestled into its sloping site—and a bonus of over 1,000 sq. ft. of lower-level living space was added.

In this house, the lower-level space is a workshop and study, though it could be extra bedrooms or recreation. The blank back wall of the area is devoted mostly to storage; the living areas are open through glass walls to the view and the patio. Outdoor living is provided on the upper level by a spacious wooden deck opening off the kitchen and living room.

Merit award. Architect: Charles H. Kahn, AIA, and associates Brian Schawcroft and Robert P. Burns. Builder: Triangle Home Builders. Location: Chapel Hill, N. C.



On downhill side, all-glass walls open both levels to the view. The deck (foreground) and a big patio beyond the house provide outdoor living space.

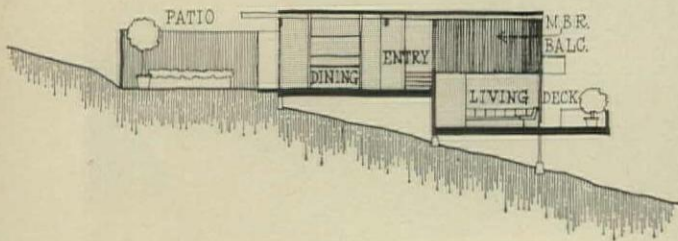


Two-level plan offers a total of 2,800 sq. ft. of living space. The upper level is well zoned by the central entry and stairwell.



Main living area has high beamed ceilings, massive brick divider walls, and a long vista down the gallery from the dining area to the master bedroom.

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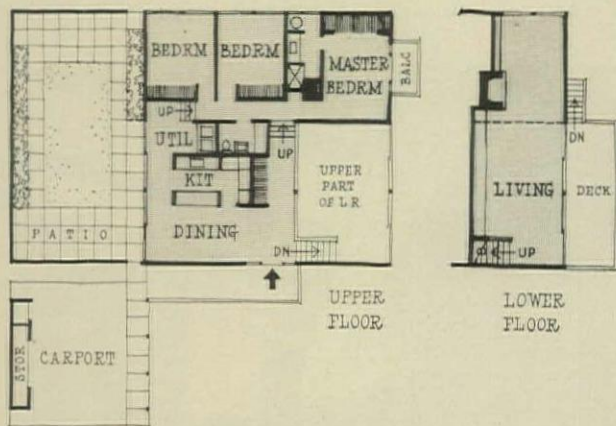


Front facade is closed to street except at front door on balcony at right. Door to enclosed family patio is at far end of carport, living-room deck at far right.

Solution 4: Let the slope establish the levels of the house

Although this three-level house is under a single roof plane, it follows the hillside site so closely that only the driveway, carport, and patio areas needed grading. The changing floor levels create constant changes in vertical scale—and this gives interest and character to what is essentially a square, compact (1,596 sq. ft.) house. Ceilings are low in the upper-level bedrooms, 10' in the mid-level kitchen, dining room, entry hall, and utility room, and a full two-stories high in the lower-level living room.

Honorable mention. Architects: Hall & Goodhue. Builder: Floyd O. Carter. Landscape designer: Georg Hoy. Location: Carmel, Calif.

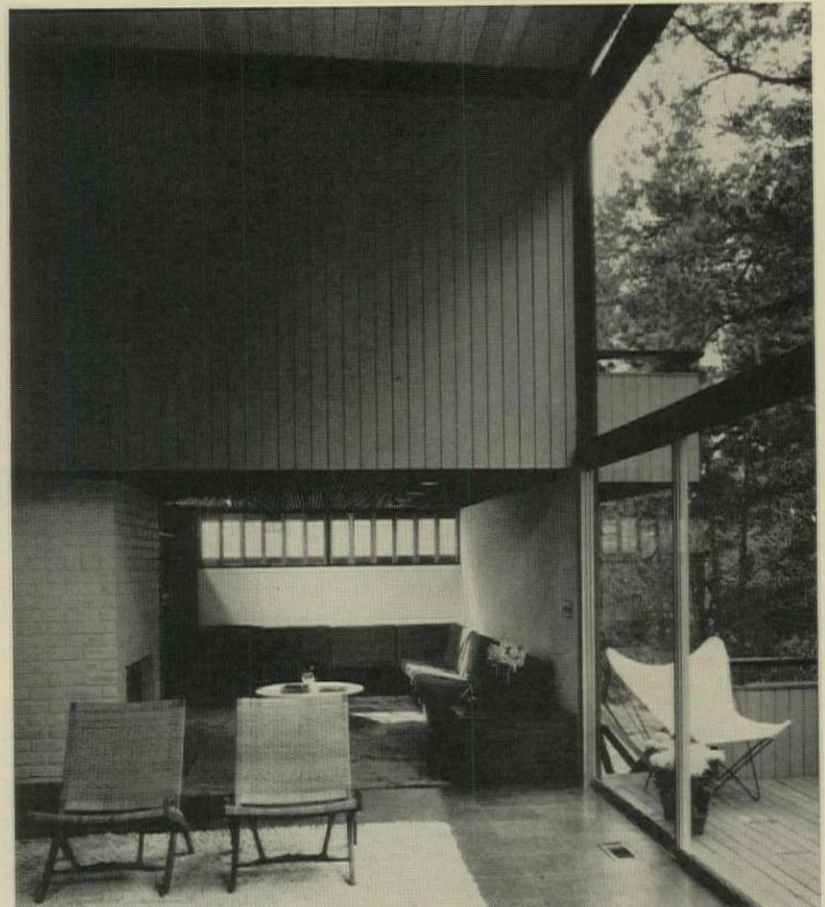


Three-level plan puts kitchen and dining room on middle level, bedrooms four steps up on top level, and living room nine steps down on bottom level. Privacy fence encloses partly paved family patio.

Photos: Al Weber



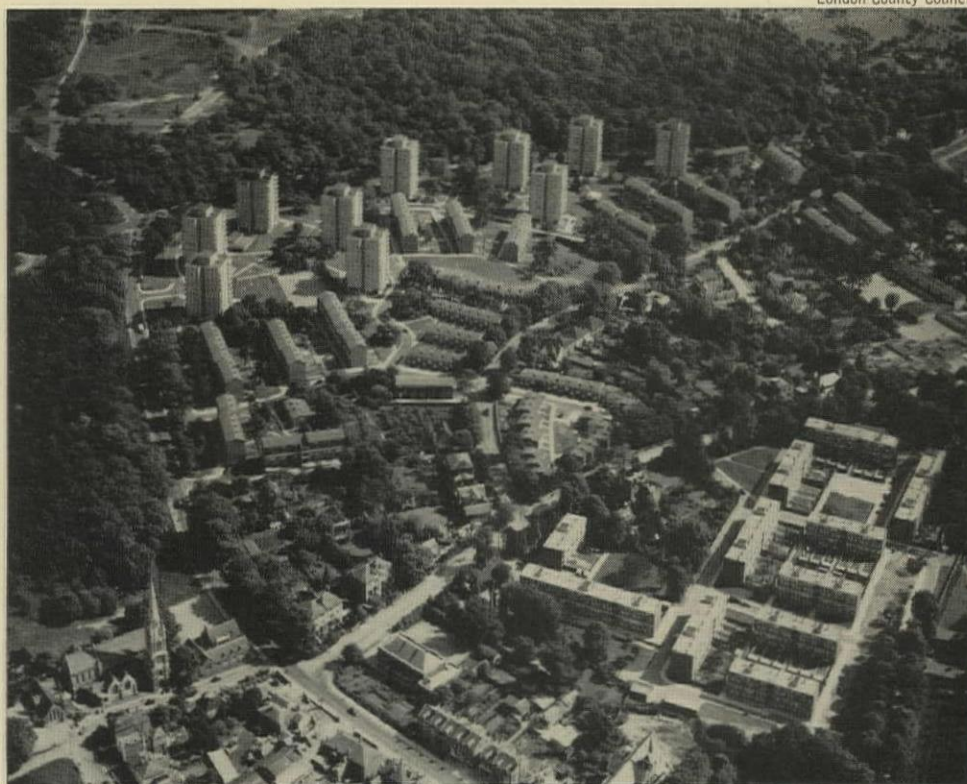
Entry hall on middle level (front door is in background) overlooks the lower-level living room.



Fireplace alcove, seen here from the two-story living room, is tucked under the master bedroom. Through glass wall at right are deck and private balcony off master bedroom.



Dining room has two outdoor views—one of patio in foreground, the other of woods beyond glass wall of the living room. One of two stairways to bedrooms is at left.



New housing in the Old World

European architects and planners have learned to live with a problem that this country is just beginning to face: an acute land shortage. The European solution—imaginative treatment of high-density housing—is well worth study by U.S. housing professionals.

That is the consensus of a group of leading American builders, architects, land planners, and other professionals who recently toured new housing in six European countries—England, France, Holland, Denmark, Sweden, and West Germany.

The visiting Americans saw a burgeoning housing industry. In an area about one-seventh the size of this country the Common Market countries and the United Kingdom are now producing as many dwelling units as the U.S. housing industry.

To pack so much housing into such a small area (population density in England is 18 times U.S. density), European planners and architects have come up with ideas that could well prove profitable in U.S. homebuilding. From European projects, this country can learn a lot about how to mix different building types, how to capitalize on the natural attributes of the land, how to integrate stores and other facilities into a community, and how to bring big projects down to human scale. European planning also teaches lessons in how to avoid urban sprawl, but these lessons are not so applicable in the U.S. because European success in blocking sprawl hinges on tough governmental controls that would hardly be popular here. U.S. observers point out, for example, that Europe's national and regional planning controls have fostered public housing at the expense of private homebuilding (in post-war England, it was not until 1959 that more houses were built by private enterprise than by public authorities).

What about European construction techniques? They offer little to American architects and builders, observers say, because they are based on a masonry vocabulary whereas in this country most housing is built with wood.

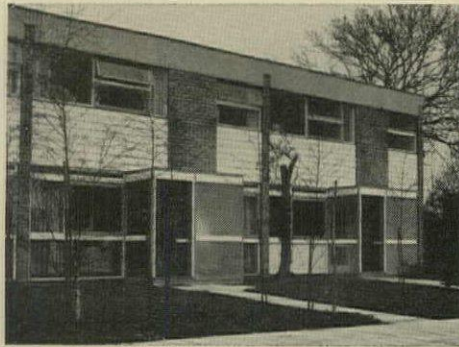
So the big ideas that U.S. housing can borrow from Europe are ideas that create an inviting environment in densely populated communities. For a look at these ideas, turn the page.



1. Townhouses in Copenhagen.



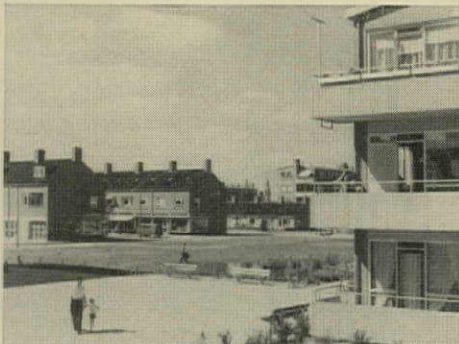
4. Medium- and high-rise housing in Paris.



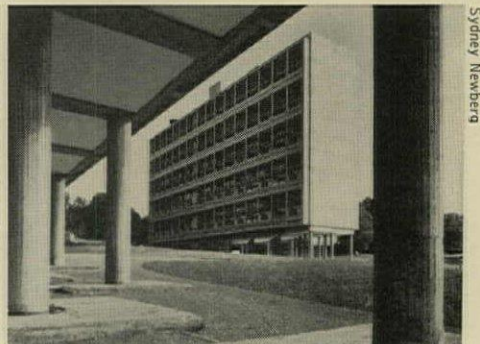
2. Townhouses in London.



3. Apartments in London.



5. Apartments, townhouses in Holland.

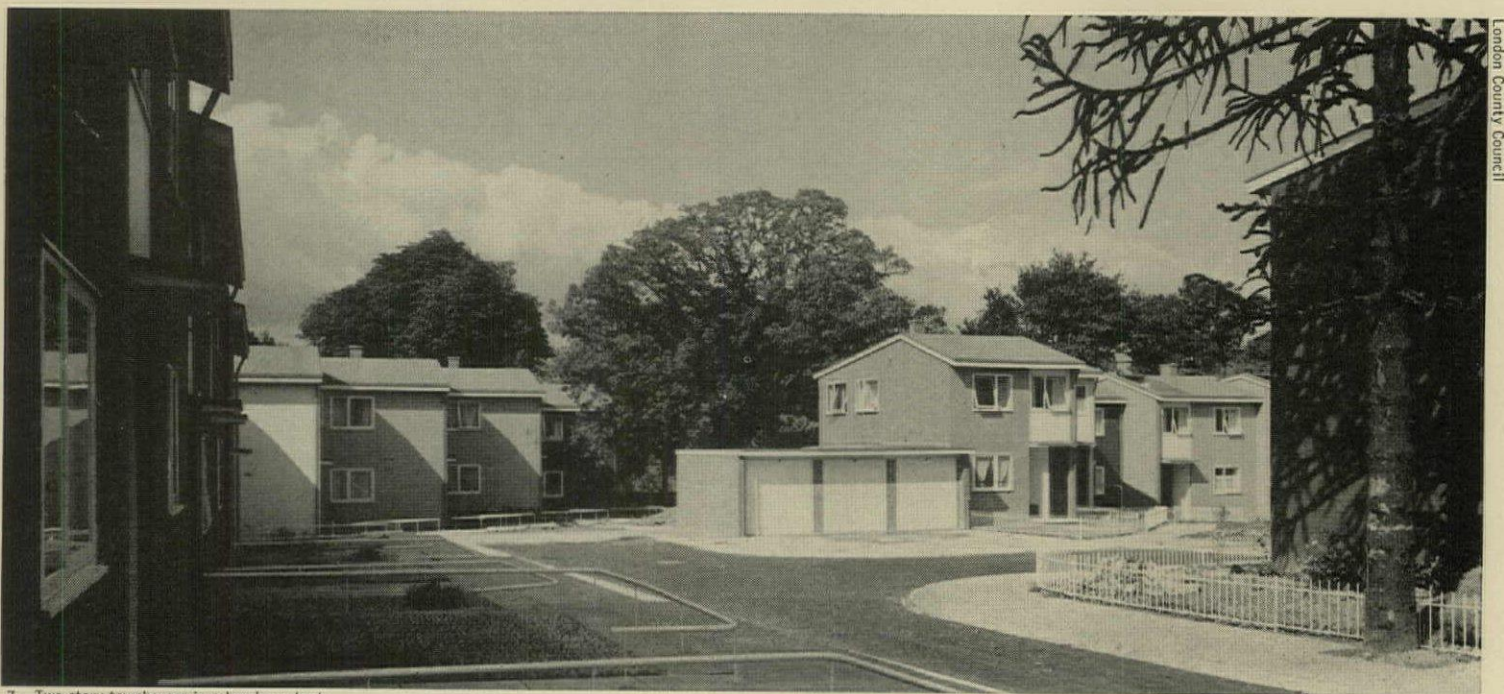


6. High-rise housing in London.

London County Council

Sydney Newberg

London County Council



7. Two-story townhouses in a London suburb.



8. Four-story apartments and two-story townhouses in London.

**Mixtures of building types, varied facades,
and artful siting enliven communities**



9. Staggered townhouses in Copenhagen.

H&H staff

Unlike many U. S. housing developments, West Europe's better communities are designed and planned to avoid monotony and to surprise the eye with constantly changing facades and vistas (7).

Although many building types—detached houses, townhouses, and garden and high-rise apartments—may be mixed in a relatively small area (densities are as high as 40 dwelling units per acre), the overall effect is unified and pleasant (5). Open spaces flow through a community—breaking up its building masses and, at the same time, uniting its elements (6, 7, 8). Buildings of the same type are arranged in clusters (1), but planners are careful not to put big buildings too close together—in some projects high-rise apartments are placed so the shadow of one never falls on another. Townhouses are stepped back from each other to get variety in depth and avoid long flat facades (7, 9). Surface materials are selected from what one architect calls "the same palette." A community may mix brick, stone, and unfinished concrete facades, but only one color of each material is used, and the colors of different materials complement each other.

This visual quality of European projects stems partly from the relative absence of rigid zoning regulations and partly from necessity: In high-density housing, it takes changing views and flowing exterior space to make living cheek-by-jowl tolerable. Says one British planner: "Barracks life is never tolerable no matter how nice it is inside the barracks. So to us the most important aspect of housing design is the outside environment" (3).

continued

London County Council



1. Trees amid high rise housing in London.



2. Old oaks in a common in Crawley, an English New Town.

The natural attributes of precious land are preserved—and often enhanced

In land-short West Europe land planning is a little like diamond cutting—it is approached with the same careful intent to capitalize on the quality of the raw material. Trees (1, 2), rock outcroppings (3), and natural contours of the land (1, 3) are saved. But, more important, efforts are made to check urban sprawl—the catch-as-catch-can development that typifies the outskirts of many U. S. cities—before it starts.

Prime examples of these efforts: the Green Belt and New Towns of metropolitan London. Established by Parliament in 1935, the Green Belt is a 28,000-acre strip of land which rings London and on which building is prohibited. The eight New Towns, established by the New Towns Act of 1946, were built to cope with the outward push of London's growing population. Located around the outside of the Green Belt, each is limited in size and surrounded by its own green belt, so here, too, urban sprawl is checked before it starts. Critics have cited one weakness in the Green Belt idea: Speculation in privately-owned land adjoining the green belts is greater and potentially more destructive than land speculation in the U. S.

Land planning in the rest of West Europe is not as tightly controlled as in the London area. But, unlike the U. S., every country has some form of national planning control—a national planning board coordinates the activities of regional boards; regional boards coordinate municipal boards.

Photos: H&H staff



3. Rock outcropping in Danish project's play area.



1. Shopping mall in a high-rise project in Rotterdam.

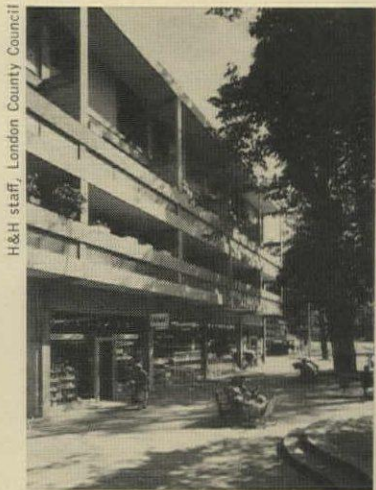
The planning of neighborhood facilities is integrated with the design of housing

In West Europe's new housing projects the street facade or, for that matter, the over-all aspect of a community is rarely shattered by the addition of a shopping center, just because people need shops, or by rows of utility poles, just because they need power. These and other community necessities are designed into the projects so that their elevations, their materials, and their very dimensions will not clash with the housing or with each other.

Neighborhood stores—along with schools, churches, theatres, and pubs—are built of the same materials used in the housing, or at least of complementary materials. In fact, they often occupy the ground floors of apartment buildings (2, 4). Shopping malls are paved and landscaped parts of over-all plans (1, 3). And power lines are frequently buried underground—in some English projects they are easily accessible beneath removable precast sidewalk slabs.

A particular strong point of Europe's community planning is that it provides plenty of parks for strolling and puts everything within walking distance. But this pedestrian-oriented planning ignores one current phenomenon: the proliferating numbers of automobiles in the Common Market countries. As recently as 1960, planners were designing new projects for an average of one car per household by 1980—about three times as many cars as there were in 1959. But the cars have out-paced the planners. And it now looks as if the parking and traffic problems expected no sooner than 1980 will materialize in a few years.

continued



2. Flats over shops in a London suburb.



3. Shopping center in Copenhagen.



4. Shops and pub in a London project.



1. Pedestrian shopping plaza paved with stone and block in Crawley, England.

**Texture, pattern, and street furniture
bring big projects down to human scale**



2. Separation of bicycle and foot traffic, Cumbernauld, Scotland.

And because of careful attention to human scale, even high-rise projects like those in the heart of Rotterdam (bombed out in World War 2) and on the outskirts of Paris are neither cold nor overpowering.

Part of this human-scale design is in the buildings themselves—in their materials and fenestration, for example. But, as the photos on these pages show, much of it is in the paving, landscaping, and furnishing of streets, sidewalks, and open areas. Textured pavements are brick, cobblestone, and pebbled concrete—often arranged and combined in interesting patterns and sometimes, as in the Scottish streetscape at left, separated by planting strips between roadways and walkways. Benches and bollards, the small concrete pillars that mark the line between parking and pedestrian areas, also give projects a human scale because their proportions are closely related to people. And, along with spots of landscaping and adroitly placed planters, they help to organize outdoor space in the same way that furniture helps to organize space in a room. Street-lighting standards, far from being eyesores, are slim, unobtrusive, and, at their best, graceful additions to streetscapes.

Small details? Yes—but they help create an atmosphere of intimacy and repose in plazas and streets that would give the eye no resting point if the strong horizontal lines of curbs and pavement were not interrupted by varied textures and patterns, and by landscaping and outdoor furniture. —RICHARD O'NEILL



3. Lighting, play areas, planters, bollards, bike stand, pavements and walks in England, Scotland, and Denmark.



THE PANEL

FEDERAL HOUSING ADMINISTRATION

Richard J. Canavan, *assistant commissioner for technical standards*

ARCHITECTS

James T. Lendrum, *FALA, dean of architecture University of Florida*

Herman H. York, *AIA, NAHB Research Institute*

BUILDERS

Alan Brockbank, *past president, NAHB vice chairman, NAHB Research Institute*

Thomas P. Coogan, *past president, NAHB*

Richard J. Fox, *president, Fox-Built Homes*

Robert Schmitt, *chairman, NAHB Research Institute*

Ralph Johnson, *research & technology director, NAHB*

Andrew Place, *NAHB Research Institute*

John Fischer, *president, Fischer & Frichtel*

Leon N. Weiner, *president, Franklin Assoc.*

COLOR CONSULTANTS

Howard Ketcham, *president, Ketcham Inc.*

INDUSTRIAL DESIGNERS

William Snaith, *president*

Raymond Loewy/William Snaith Inc.

INTERIOR DESIGNERS

Robert E. Sherman, *president, Model Interiors*

LUMBER DEALERS

Thomas T. Sneddon, *executive vice president National Retail Lumber Dealers Assn.*

HOME MANUFACTURERS

John Odgaard, *director of research & development Kingsberry Homes*

MORTGAGE LENDERS

Samuel Hawley, *past president, National Association of Mutual Savings Banks; president, People's Savings Bank, Bridgeport, Conn.*

Dale Wright, *architect*

Metropolitan Life Insurance Co.

Richard V. Baker, *vice president, Mortgages & Real Estate, N.Y. Life Insurance Co.*

Augur Towne, *architect, N.Y. Life Insurance Co.*

Horace Middleton, *architect*

Prudential Life Insurance Co.

John Schmidt, *AIA, construction specialist U.S. Savings & Loan League*

PAINT MANUFACTURERS

William E. Hood, *president National Paint, Varnish & Lacquer Assn.; president, Industrial Paint Manufacturing Co.*

Robert A. Roland, *executive vice president National Paint, Varnish & Lacquer Assn.*

G. R. Seidlitz, *president, ConChemCo.*

S. U. Greenberg, *president DeSoto Chemical Coatings Inc.*

E. F. Musterman, *vice president charge trade sales, Devoe & Reynolds Co.*

John W. Nestor, *assistant general manager Fabrics & Finishes Dept., E.I. duPont*

P. W. Neidhardt, *vice president Coatings & Resins Group, Glidden Co.*

B. M. Belcher, *president and chairman Benjamin Moore & Co.*

W. H. Lutz, *vice president, Pratt & Lambert*

E. Colin Baldwin, *president, Sherwin-Williams Co.*

F. J. Hughes, *vice president Pittsburgh Plate Glass Co.*

Clyde Smith, *president, ViCly Industries*

J. Mason Meyer, *manager, trade sales Martin Marietta Corp.*

OTHER MANUFACTURERS

William H. Hunt, *vice president Georgia-Pacific Corp.*

Gerry Prange, *vice president, technical services, National Lumber Manufacturers Assn.*

William Van Beckum, *chairman, NLMA Paint Committee; vice president, Pacific Lumber Co.*

Monroe Pollack, *vice president, sales U.S. Plywood Corp.*

Gene C. Brewer, *president, U.S. Plywood Corp.*

John L. Aram, *vice president, Weyerhaeuser Co.*

Kenneth M. Johnson, *manager, product engineering, Construction Research Dept., Stanley Works*

G. I. Stoddard, *assistant manager jobber sales, De Vilbiss Co.*

PAINTING CONTRACTORS

S. W. Kooperman, *president Painting & Decorating Contractors of America; president, S. W. Kooperman Inc.*

Ed. S. Torrence, *executive vice president, Painting & Decorating Contractors of America*

J. W. Zucker, *president, Shatz Painting Co.*

REAL ESTATE APPRAISERS

James V. Morgan, *executive vice president Society of Residential Appraisers*

MODERATOR

Perry Prentice, *editorial advisor HOUSE & HOME*

Because the communications breakdown between the paint industry and the housing industry has been so costly for all concerned, the National Paint, Varnish & Lacquer Association joined HOUSE & HOME and its sister magazines, TIME, LIFE, FORTUNE, and ARCHITECTURAL FORUM to sponsor a two-day inter-industry Round Table on the use of paint in tomorrow's house.

Representing the paint industry on the panel were the association's president and executive vice president and the chairman, president, or sales vice president of nine of the ten biggest paint manufacturers.

Representing the wood industries were the chairman of the Lumber Manufacturers Special Committee on Paint and Finishes, the president or sales vice president of three of the biggest lumber manufacturers, and the vice president for technical services of the National Lumber Manufacturers Association.

Representing the homebuilders were the chairman and the founder of the NAHB Research Institute, the research director of NAHB, and five of the most research-minded builders.

Also included on the panel were the assistant FHA commissioner for technical standards; the executive vice president of the National Retail Lumber Dealers Association; the president and executive vice president of the Painting & Decorating Contractors of America; the executive vice president of the Society of Residential Appraisers; the homebuilding industry's No. 1 construction expert; the No. 1 industrial designer; a famous color consultant; a prefabrication expert; and five representatives for the biggest mortgage lenders. The consensus of the Round Table follows:

The use of paint in tomorrow's house

The paint industry has made more progress since World War 2 than in all previous time. The paint equipment makers have developed new sprays and rollers that can cut the applied cost of a better surface at least in half. The paint manufacturers have developed a whole new paint chemistry of alkyds, acrylics, polyesters, epoxies, vinyls, latex, and titanium dioxide that has almost obsoleted yesterday's linseed oil and lead, and their new coatings promise much longer protection and much better color retention.

Cornerstone of this paint progress is a multi-million dollar program of product research, much of it by the paint manufacturers, much of it by the big chemical manufacturers who supply the paint manufacturers. The nine paint makers present on the round table panel alone spend well over \$20 million a year for research to improve their products.

But, alas!

Communications between the paint industry and the housing industry have been almost non-existent, so too little of this paint progress has been translated into lower painting costs or longer-lasting paint finishes on today's new house. On the contrary: Too few in the homebuilding industry know how much better the new paints can be; too few know how to use the right new paints the right way; and too few know how to make these better new paints a talking point and a selling point for the new houses they build. Equally important, too few in the paint industry recognize today's equally revolutionary progress in how houses are built, too few know how the builders' paint needs are changing, too few understand why even the best builders still have serious paint failures, too few have been aware of the builders' troubles getting good paint applied economically.

This communication failure is bad for the homebuilding industry and bad for the paint industry. It is just as bad for the wood and millwork industry, because most exterior paint and

much interior paint is applied to wood surfaces, so paint failure and too-high painting costs often discourage the use of wood.

As a first step towards correcting this communications failure, we urge the National Paint, Varnish & Lacquer Association to set up a joint committee with the Research Institute of the National Association of Home Builders, like its joint committee with the National Lumber Manufacturers' Association set up two years ago largely as a result of the lumber manufacturers' increased concern with the paint problem after HOUSE & HOME's Round Table on the use of wood in tomorrow's house.

This joint committee would have the two-way function of 1) getting the paint makers on target of the builders' needs and 2) helping the builders get the best possible paints and the best systems for applying them on properly prepared substrates.

But just appointing a joint committee will not assure good communications. The manufacturers can no longer rely on painting contractors and paint dealers to do the whole job of educating their market, for these contractors and dealers often have as much trouble as the builders understanding all the new paint formulations and their uses. Says Painting Contractor Brodsky: "It's getting to be almost a full-time job for us to keep up with all the new paints, and the contractor almost has to be a chemical engineer to understand what is going on."

So the manufacturers themselves should assume a much more direct and primary responsibility for explaining today's better paints and how to use them to all the housing professionals—architects, builders, contractors, dealers, mortgage lenders, and residential realtors—whose understanding is important to the sale of paint in the new house market (where five new houses out of six are now built for sale to an unknown buyer).

This new house market is more important to the paint manufacturers than they seem to realize, because 1) if less surfaces get painted in this year's new houses, there will be less surfaces to repaint five years from now, and 2) the new house sets the style

continued



RICHARD J. CANAVAN
"Paint failure was the No. 2 cause of home-buyer complaint to FHA."



HERMAN YORK, AIA
"Prefinished materials do not rule out the possibility of change."



ALAN BROCKBANK
"No smart builder uses cheap paint, because the paint itself is so small a part of the paint job cost."



THOMAS P. COOGAN
"The builder's paint problem situation has been critical for a long time."



RICHARD J. FOX
"Our problem is how to get better paint on the house at less cost."



ROBERT SCHMITT
"I didn't travel down here for two days to speak platitudes."



JOHN FISCHER
"We are talking about 15 and 20 million gallons of paint per year."



HOWARD KETCHAM
"You can get along very nicely with nine exterior colors."



WILLIAM SNAITH
"The manufacturers must give more thought to how their product is applied."



ROBERT E. SHERMAN
"Surface preparation and good quality paintwork go hand in hand."



THOMAS T. SNEDDON
"The lumber dealers sell \$400 million worth of paint a year."



JOHN ODEGAARD
"When you find the right paint company to work with you can get a happy result."

and standard for fixing up existing homes. Modernization means, by definition, making old homes look and live like new ones.

Furthermore, a bad paint job when the house is built makes an equally bad base for a good job of repainting.

Here are some of the important forward steps the paint makers have reported since 1945

They have developed new outdoor paints that can be site-applied to last twice as long as previous paints. ("But even the best paint is no good if it is not applied right," warns Paint Maker Herzog.)

They have developed new paints that can last even longer if shop-applied under controlled conditions that allow adequate time for drying.

They have developed new baked-on coatings for aluminum siding whose long life some manufacturers will now guarantee.

They have developed new outdoor paints that help solve the blister problem because they "breathe" and let the moisture out.

They have developed new white paints that will not turn yellow as linseed oil paints do (because the new paints use synthetic resins instead).

They have achieved color permanence in many colors where lasting color retention was impossible 15 years ago, including specifically pinks and clear yellows.

They have developed color-blending systems that offer a choice of up to 2,000 colors just by combining a white base with predetermined proportions of ten to twelve color additives.

They have developed new paints that lend themselves much better to the great economy of spray or roller application.

They have developed new paints that make clean-up a minor problem because they can be wiped off with a wet rag while drying.

They have developed new paints that dry so fast that they can be ready for the second coat within 30 minutes.

The paint brush is now an obsolete tool for anything except small detail work

Sometimes the best way to apply paint is with a roller, sometimes with a spray, preferably one of the new airless sprays. Except for small work like window mullions and trim in a different color, there is no good reason why any painter should waste his high-paid time with a brush. Builder Bob Schmitt saves \$200 a house by spraying his interiors, almost as much more by spraying his exteriors.

Said Painting Contractor Kooperman: "You will get more proper mil thickness of paint with a spray than with a brush." Said Paint Manufacturer Baldwin: "In one respect you can get a really superior job with a spray, because you can get a more uniform deposit of film without the peaks and valleys you get with a brush." Said Contractor Spokesman Torrence: "A home with a lot of gingerbread is not practical to spray, but the average built-for-sale house can be sprayed very satisfactorily. We recommend spraying for all shake material, and certainly no painting contractor would brush concrete block if he could spray it. It's high time more paint on new construction was applied by means other than a brush. Unfortunately, many areas are still backward about accepting the more efficient new painting tools."

Only caution against sprays was voiced by Paint Chemist Scofield. Said he: "It's perfectly possible to get a first rate job with spraying, but a spray gun lends itself gorgeously to cheating on the job; it's harder to apply a too-thin coat with a brush."

There is no excuse for union or other rules that obstruct the wise use of both roller and sprays. Such restrictions are just featherbedding. The National Association of Painting & Decorating Contractors is fighting them and the National Convention of the Painters, Decorators & Paper Hangers International Union voted not to approve any local contract that does not provide for



RALPH JOHNSON

"Today we need to get houses finished much faster."



ANDREW PLACE

"We'd be happy to pay twice as much per gallon for a good one-coat paint."



SAMUEL HAWLEY

"We lenders are delighted with any move to cut maintenance costs."



DALE WRIGHT

"People expect and demand relatively maintenance-free materials on houses."

the regulated use of both sprays and rollers on the job site.

Union locals that still force the use of paint brushes where sprays and rollers would save time are pricing their members out of the market and driving painting away from the job site to the factory. They should take warning from the sad fate of the plasterers, who let wet-plaster labor costs soar so high that builders everywhere switched to drywall and found it not only cheaper and quicker but also better. The new laminated film coatings that promise 20 to 30 years' maintenance-free protection make it just plain suicidal for any union local to obstruct the use of time-saving equipment that could help keep site-applied paint competitive.

Spraying paint a gallon a minute requires more skill than brushing on a gallon an hour, so the wage scale for spray painting should be substantially higher.

Some builders pay five times as much as others to get paint applied to their houses

Today's average builder pays five to ten times as much to get his paint applied as his painting contractor spends to buy the paint. So say the paint manufacturers.

No, say the painting contractors. The builder pays only three or four times as much for painting as his painter pays for paint.

But Builder Bob Schmitt spray-paints his houses inside and out for a labor cost roughly no more than his paint cost; i.e., he pays between one-tenth and one-third as much as other builders pay to get the paint applied. This is another way of saying that with today's new sprays and rollers, painting can be one of the most efficient and economic of all on-site building operations; but most house paint is still applied by such wasteful and archaic methods that many builders find their bill for painting labor almost as big as their bill for carpenter labor.

"Our problem", said Builder Dick Fox, "is not just paint; it's painters. Our cost problem is not the cost of paint in the can; our

cost problem is the cost of paint on the wall—and paint on the wall costs us much too much." Added Builder Place: "That's the crux of the cost problem. Most builders would gladly pay a lot more per gallon for a good one-coat paint that would cut our labor bill for painting; but we don't want to pay more per gallon until we can get the paint applied economically."

Said Builder Schmitt: "The paint manufacturers can't abdicate responsibility for the high cost of getting the product applied."

Said Industrial Designer Snaith: "If the manufacturers want to sell more paint they must give more thought to how it is to go on the wall."

Buying cheap paint is today's one worst way to hold down the too-high cost of painting

All the good paint needed to paint a 1,500 sq. ft. house inside and out costs the painter less than \$150.

So only a pound-foolish builder would spend good money for cheap paint because: 1) Better paints cut the applied cost by better coverage and easier application. Many builders find they can get a better job with two coats of good paint than with three coats of cheaper paint. 2) The much higher cost of getting paint applied offers a much bigger and easier target for cost-cutting. 3) Bad paint, indoors or out, is the hardest fault to hide for more than a few weeks. Other faults can lie hidden and undetected in the walls for years, but a bad paint job is right out where every passerby can see it; a bad outside paint job can be seen a long way off, giving the builder's whole tract a bad name. Bad paint jobs are the No. 2 cause of complaint to FEHA; even the best builders get more costly call-backs for paint failure than for any other cause.

Smart builders like Andy Place, Alan Brockbank, and Bob Schmitt not only insist on top quality paint; they buy the paint themselves to be doubly sure they are getting the best, and Place spot checks the paint pails on the job with a hydrometer to guard against dilution.

With a dozen national manufacturers and 1,800 local and regional manufacturers fighting for the painters' business, it is always easy enough to buy cheaper paint; but the cheaper paint is likely to cost many times more in the long run.

Says Builder Brockbank: "Any builder who buys anything but the best in paint just plain doesn't know his costs:"

If this were the best of all possible worlds this is what the builders would wish from paint:

Homebuilders use between 15 and 20 million gallons of paint each year to paint new houses. Rightly or wrongly, they believe the paint makers have been so preoccupied with the re-paint market that they have given too little study to the quite different needs of the new house market. Protested Builder Place: "The merchant builders can't afford to be told to use paints made to be sold off a shelf to a woman who wants to try a do-it-yourself touch-up job with a brush."

The paint makers thereupon asked the builders to list what they need, and Research Director Johnson answered:

1. A good blister-resistant primer for high-speed, fast-drying factory application to serve as the base for a 10- to 20-year maintenance-free exterior top coat applied at the site;
2. A 20-year maintenance-free opaque exterior finish for field application on wood products, preferably for one-coat applications;
3. An opaque, 20-year, maintenance-free textured coating that

continued



RICHARD V. BAKER
 "Why aren't the paint manufacturers working closely with NAHB?"



HORACE MIDDLETON
 "We'd take a hard look at a completely prefinished house."



JOHN SCHMIDT, AIA
 "Most lenders don't know enough about paint. Neither do most paint salesmen."



WILLIAM H. HUNT
 "We wood product manufacturers are in the same box as the paint manufacturers."



GERRY PRANGE
 "We must continue to improve the painting as well as the paint."



W. VAN BECKUM
 "If the original coat is cheap paint, you can look for trouble repainting with good paint."



JOHN L. ARAM
 "Most of our siding products are sold either treated or pre-primed."



KENNETH JOHNSON
 "A product isn't a product until it is applied and functioning."



G. R. SEIDLITZ
 "Perhaps we have underrated the home-building industry."



S. U. GREENBERG
 "We can lick almost any paint problem if we know what the problem is."



E. F. MUSTERMAN
 "In New Orleans the big problem is perhaps mildew. You must make sure the paint includes a lot of fungicide."



JOHN W. NESTOR
 "77% of all houses are painted white outside."

will hide the grain of Douglas Fir Plywood. This is a great building material in many respects, but it has a terrible finish problem;

4. An opaque, 20-year, maintenance-free finish for such products as carbon steel, aluminum, asbestos, and cement-clay products;
5. A 20-year, maintenance-free, textured opaque coating for flat surfaces such as hardboards;
6. A reliable short-term test method to predict the durability or weathering life of the combination of paint and substrate, in both typical and special climates;
7. A paint-product information service where builders can get more and better technical information on paint and paint products."

The wood industry spokesmen agreed, and Paint-maker Baldwin answered: "We are devoting much time and research into achieving these objectives, and we aren't too far from certain of them right now."

The builders also need and want new paints that can be applied in winter weather

When homes were built one at a time nobody worried much about cold-weather paints, because so few houses were built between October and April. But today more and more merchant builders are building twelve months a year and the need of a good cold-weather paint is becoming urgent.

"Building in winter costs a lot more money," said Builder Bob Schmitt, "but it costs a lot less than letting your good crews go in the fall and hiring green crews in the spring, and it costs less than carrying your overhead all winter with no production to show for it. So today one of my most serious problems is that

I have to wait for spring before I can paint the houses I build in winter."

"Last spring I had a whole neighborhood of 60 unpainted houses on my hands," added Builder Andy Place, "all drab and dull-looking with nothing but the primer on. Houses are hard to sell when they look like that, and it took me half the summer to catch up with my painting."

None of today's paints behave well in cold weather and the latex paints (which are the most durable, the most sun-fast, and the most blister-free) behave worst of all, because their vehicle does not coalesce to dry and form a continuous crackless paint film at temperatures below 40 F. "So," said Builder Schmitt, "I was told that all I could do was put on an oil primer, let it dry slowly, and wait for spring before I could apply the latex finish coat."

For want of a good winter paint, too many painters are unemployed four months of the year.

And the builders need better clear finishes to show the texture of redwood and cedar

Today 70% of all redwood and cedar siding is hidden under paint because the clear finishes that would show off the texture while protecting the surface are still (despite recent improvements) too expensive and too short-lived. They cost twice as much as paint; even the best of them peel and chip badly within three years; and then what is left of the film must be scraped and sanded off before fresh varnish can be applied.

Basic problem is that the sun's ultra-violet light can shine right through a clear finish to 1) destroy the bonding agent and 2) start unattractive chemical changes in the wood itself. Since 1959 the paint manufacturers have been trying to meet this problem by including ultra-violet filters in their varnish formulations, but



MONROE POLLACK

"We sold prefinished plywood with a life-time guarantee."



GENE C. BREWER

"Shipping our products with the final coat applied will present some packaging problems."



P. W. NEIDHARDT

"If you buy good dry wood and good paint you can get a good 10-year surface."



B. M. BELCHER

"Better paints cut the applied cost by better coverage and easier application."

they have yet to find a filter that is good enough and cheap enough.

Without some surface protection redwood shows discolored patches for five or six years before it weathers silvery grey. Because today's clears are not yet good enough, the siding producers recommend stains (optionally a stain pigmented the same grey to which the wood will naturally weather) as an alternate. Stains do not show off the wood quite as well as clears, but 1) they are cheaper and 2) a fresh stain is easy to apply when the first coat wears off.

Homebuyers want their houses maintenance-free and homebuilders want that added sales appeal

Homebuyers today are so maintenance conscious that in many areas they won't buy a house unless it is brick, because they forget about trim and think a brick house will never cost a penny to repaint. They are so maintenance conscious that aluminum siding sales are zooming, because its finish carries a long-time guarantee.

That's why sales-conscious builders are so interested in getting an exterior coating that will outlast their warranty by many years; and that's why the wood siding and mill work manufacturers are so concerned with paint, and working so closely with the paint makers to get better painting systems for wood products.

For exteriors homebuyers aren't much interested in repainting to change colors; they just plain don't want to repaint at all. Most houses are painted white and stay white through many repaintings. Most non-white houses likewise get repainted the original color.

Inside the house permanence is less important because 1) women often want to change colors to harmonize with new draperies, rugs, or furniture, and 2) interiors usually get re-

painted one room at a time, which is much less of a project and much less of a cost than repainting the whole exterior. But, said Architect Lendrum: "Fewer homeowners would repaint their rooms if the first colors lasted better and fewer women would repaint their rooms if the original colors had been chosen by a good color consultant." And Industrial Designer Snaith added: "Even if they are going to change colors, women don't like to feel they will have to keep repainting whether they want to or not."

Today's spray equipment is much better: Paint for spraying is better formulated

Paints are better because the paint makers grind them finer for atomization, and use faster-drying vehicles when they know the paints are to be sprayed.

Sprays are better because: 1) Compressors are smaller and lighter and therefore easier to move around. 2) New nozzles atomize paint with half as much air pressure, thereby lessening over-spray. 3) New nozzles permit spraying paint ribbons as narrow as 1" or as wide as 4'. 4) Pole guns make it easier to spray ceilings and gable ends without scaffolding, easier to spray floors and roofs without stopping. 5) Heated sprays, new eight years ago; use more concentrated, faster-drying paints, and 6) Airless sprays are the biggest advance of all, spray a gallon a minute with minimum over-spray.

Some of the time saved by spraying is lost masking surfaces that are not to be sprayed. The NAHB-Stanley Works time-and-motion study showed Builder Bob Schmitt how to cut this masking time in half by 1) installing kitchen cabinets after the kitchen was painted, 2) throwing standard masks over the bathroom fixtures, 3) hanging doors after the walls were sprayed, and 4) screening the millwork instead of masking it.

Today's rollers are also better than yesterday's best, partly because synthetic fibres like dacron and dynel have replaced lamb's wool, partly because special rollers are now available in many sizes for use on different surfaces, including even contour rollers for pipe.

Here are the ABC's of today's new paints and where and how they can best be used

In the past ten years more and more of the new house market, both interior and exterior, has switched to latex paints, first the styrene butadienes, later the acrylics and polyvinyl acetates. Advantages shared by all three are: 1) they are water-thinned, so they dry very quickly by evaporation and the second coat can be applied within an hour; 2) they are almost blister-free, because they "breathe" and let moisture escape; 3) they are very easy to brush on. Their disadvantages are: 1) they are all flat; so far no one has been able to give latex paint a gloss or semi-gloss finish; 2) they cannot be applied in cold weather to form a good film.

Indoors they all have two further advantages; 1) they are almost odorless, 2) they work better than other paints over sheet-rock because they lay the nap instead of raising it, so the spackle spots don't show up differently. But they are not as easy to clean as semi-gloss paints and should seldom be used in bathrooms or kitchens or where children are likely to mark them up.

Outdoors the vinyls and acrylics are being used on more and more new wood houses because they are much more durable than the older coatings, and because 1) they are almost blister-free, 2) they dry so fast that there is little time for sudden dust or insects to soil them, and 3) they are more permanent; once they dry they show no further chemical change. They should be applied

continued



WILLIAM E. HOOD
 "No building code includes any standards for paint, only FHA requires a 5-mil thickness for exterior paint."



ROBERT A. ROLAND
 "The new home sets the style and sets the real trend."



F. J. HUGHES
 "Sitting at this table is about \$20 million a year research in making better products."



W. H. LUTZ
 "What has been said here today has been a revelation to me."



E. COLIN BALDWIN
 "You can approximate a 15- or 20-year surface on wood under controlled conditions in the plant."



CLYDE SMITH
 "In Los Angeles the cheap paint job on the average tract house lasts only six months."



J. MASON MEYER
 "My company has learned how to sell better paints in the builder market."



S. W. KOOPERMAN
 "You will get more proper mil thickness from a spray than you will get from brush."



G. I. STODDARD
 "Less than 5% of today's paint is site-applied to houses with a spray."



ED S. TORRENCE
 "The average, built-for-sale house can be sprayed very satisfactorily."



J. W. ZUCKER
 "In most areas today you can use the roller applicator."



JAMES V. MORGAN
 "The appraiser must try to estimate deferred maintenance."

only over a solvent-thinned oil or alkyd primer to keep them from reacting with the water soluble stains in the wood.

The styrene butadienes are seldom used outdoors because they chalk too fast.

Latex paints are capturing a large share of the market held ten years ago by alkyds. Alkyd advantages still include 1) they are more scrubbable than latex, 2) they come flat, high-gloss, or semi-gloss. But they are less durable, they dry slower; they blister less than oil paints, but more than latex.

Linseed oil paints are still widely used outdoors because of their gloss and because they can carry certain pigments like zinc oxide that are important where mildew is a problem. They are slow drying and average about five years. They blister unless care is taken to be sure the substrate is dry before painting, that the wall behind it has a good vapor barrier, and the airspace behind it is ventilated.

By far the best time and place to apply paint is in a well-equipped factory, because

1. Painting costs much less with big sprays to float the paint on and by dryers to cure it. "Priming costs us only a quarter as much in our plant as it costs at the job site," said Prefabricator Odegaard. And . . .

2. Painting can be done much better under factory-controlled conditions. "As long as you have to worry about has the rain had time to dry or is there dew on the wall or is the wind blowing up dust or is the sun too hot, there is no way to be sure what kind of painted result you will get," said Construction Expert Lendrum. "The minute you take painting into the factory you can control the ventilation, the temperature, the curing time, the formulation, and the application and get a finish comparable to the industrial finish on an automobile."

"Factory application offers a real opportunity to combine paint and wood better and more economically," said Lumberman Van Beckum. "We can do things in the plant that can't be done in the field. We can utilize the newest technology faster, and eliminate variables. We can use high temperatures and fast-acting catalysts to cure the paint and improve its application. That in turn will open the door to new types of paint and finishes."

"There are plenty of paints right now that would put a lasting finish on lumber if the lumber industry would allow adequate time for curing paint films at a temperature wood could stand (150F vs. 350F used to bake enamel on metal)," said Paint Maker Baldwin. "This curing time is a problem we'll have to work out cooperatively with the wood industries." "Already," reported Lumberman Van Beckum, "We are getting much better fast-drying primers for factory application than a year ago."

"Before long we hope to have a whole prefinished system of exterior siding," reported Lumberman Aram. And Plywood Manufacturer Brewer added: "Prefinished paneling won its wide public acceptance because the prefinishing let us control its color and quality and reduce its in-place cost."

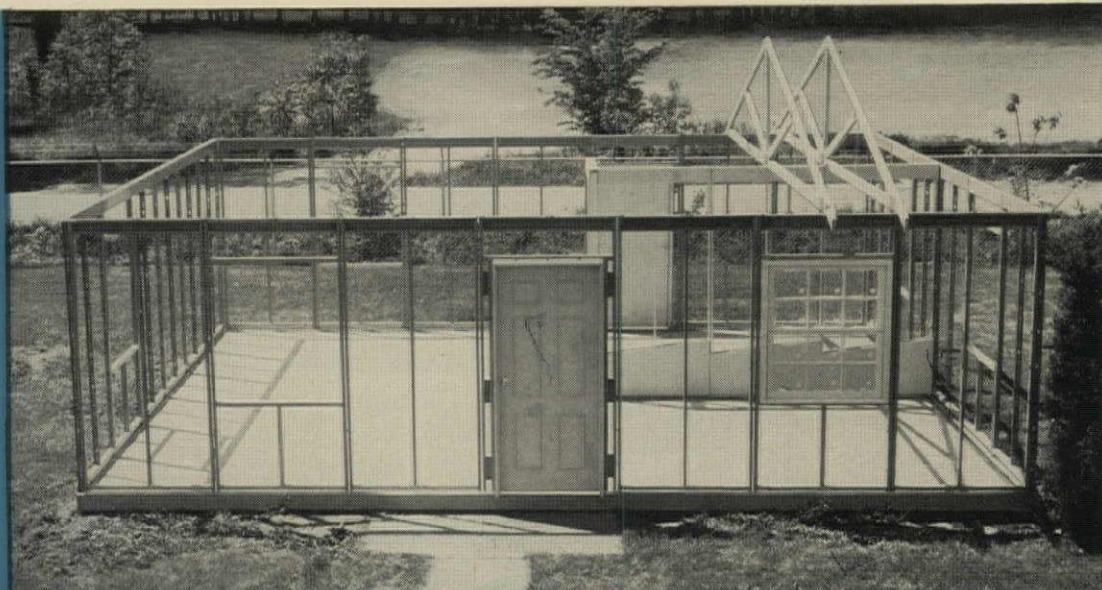
Some mills believe prefinished components can be shipped without wrapping; others say paper wrapping is well worth its cost.

Most builders want to build with factory-finished components to minimize on-site labor costs, so what is best for paint is also better for the builders. One main objective of NAHB's latest research house was to explore and demonstrate how good a home can be assembled from prefinished components that require no on-site painting at all.

As an alternate to complete prefinishing, some builders would prefer components just factory-primed, so as to retain color flexibility. But in that case they consider it most important to get a 3-mil primer so that only one mil would have to be site-applied.

Where wood is preprimed the primer formulation should be clearly indicated so the builder can choose a compatible finish coat.

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Structural
System...**



**is the
Heart
of every
U.S. STEEL
HOME**



it will sell more homes for you throughout 1963 because...

Only U. S. Steel Homes are built with this unique steel structural system, and that gives our builder-dealers a very saleable advantage in today's competitive housing market. They're able to offer the buyer a home that retains its like-new soundness longer, requires less maintenance and saves the owner money through the years. Here is the one structural system, for residential building, that will never crack, warp or rot.

U. S. Steel Home builders save time and money during construction, because the manufactured components go up fast and save on wasted materials. Their product is highly saleable, and they're able to concentrate more effort toward making sales. They carry less inventory and their capital turns over faster.

The U. S. Steel Homes package is the industry's finest, consisting of top-quality structural components manufactured in the U. S. Steel Homes plant under careful inspection and rigid quality controls. All the components arrive at the site at one time, ready to be erected or installed. In one day, a U. S. Steel Home can be put under roof, ready for finishing out.

U. S. Steel Homes' assistance and cooperation offered to its dealers is tops, too. Our dealers get (1) a comprehensive financial assistance program through U. S. Steel Homes Credit Corporation, (2) a complete advertising and marketing aid program, (3) expert assistance in planning their building program, (4) expert assistance in FHA and VA procedures and submissions, (5) complete engineering and plans service, and (6) comprehensive training for sales personnel.

1963 U. S. Steel Homes are available in a complete line of models — ranches, bi-levels, split-levels, split-foyers, story-and-a-half, and two-story models — one or more just right to fit your specific market. There's a U. S. Steel Home for every buyer, regardless of price, size or style requirements.

Find out how you can become a U. S. Steel Home builder-dealer, with one of the nation's most profitable building plans. Whether you build five or a thousand homes a year, it will pay you to write to U. S. Steel Homes, 2549 Charlestown Road, New Albany, Indiana.

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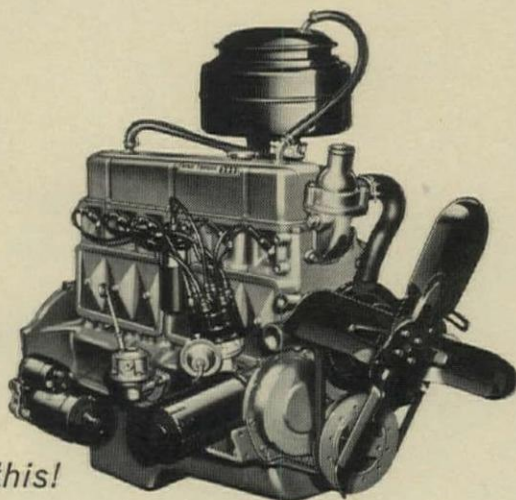


Blinding dust challenges performance as new High Torque 230 Six powers Fleetside pickup on Mexico's Baja Run.

New High Torque 292 Six in this big Series 60 Van ran trouble-free over 2,000 miles of Baja desert and mountains.



NEW CHEVROLET TRUCK 6-CYLINDER POWER



If you thought Chevy's famous truck 6's couldn't be better, just get a load behind this!

Tested where an engine has to take it or else . . . on Mexico's Baja Run! There was no turning back on the 2,000-mile run over the sun-baked Baja Peninsula . . . no service stations, no repair shops. There were dust and rocks and heat and mountains—a primitive trail winding through a seemingly endless desert. The new 292 six powered a medium-duty van model (lower left). The new 230 six was in the Fleetside pickup. These engines ate dust almost every mile of the way; stood up to the heat, the bumps, the long grinds up the mountains. *They never quit; they performed perfectly.* They demonstrated their new efficiency—showed what they can do about lowering costs on your job.

PERFORMANCE DATA		
	230 Six	292 Six
Piston Displacement	230 cu. in.	292 cu. in.
Compression Ratio	8.5:1	8.0:1
Gross HP @ rpm	140@ 4400	165@ 3800
Net HP @ rpm	120@ 3600	147@ 3600
Gross Torque @ rpm	220 ft. lb. @ 1600 rpm	280 ft. lb. @ 1600 rpm
Net Torque @ rpm	205 ft. lb. @ 1600 rpm	262 ft. lb. @ 2000 rpm

New efficiency for an old favorite. Bread-and-butter truck men swear by the Chevy truck 6.

So much so that they've made it the most popular and widely used power plant in the history of the industry.

And now, for '63, the Chevrolet truck 6 is more than ever the "truck man's truck engine."

Newly designed components and new manufacturing techniques add to traditional virtues—stick-to-it durability, good economy, strong pulling power and torque.

New cylinder heads and blocks have been produced through precision casting techniques. They're lighter, yet stronger, with new integral reinforcements. They result in less dead weight and lighter trucks (200 pounds lighter in the ½-ton line)—trucks that carry their payloads with new higher efficiency and economy.

New uniform-thickness water jacketing improves cooling system performance so that less coolant (and antifreeze) is needed. A new 7-main-bearing crankshaft is more durable. New efficiency stems, also, from new aero-type valve train, new integral full-flow oil filter, new standard positive engine ventilation and new standard Delcotron* 37-ampere generator.

AVAILABLE IN TWO VERSIONS. New High Torque 292 Six—the most powerful 6 ever built by Chevrolet. This one turns out plenty of torque (280 ft. lb. of it) and a hustling 165 horsepower to get big jobs done the quickest and cheapest way. Extra heavy-duty features add toughness: aluminized inlet valves, Stellite-faced exhaust valves, Moraine M400 bearings. Standard in Series 60 middleweights; optional, extra cost, in Series 50 middleweights and light-duty models.

New High Torque 230 Six—precision packaged efficiency for light-duty models. An all-muscle truck 6 that puts out more power per pound—reduces truck weight by up to 200 pounds for top payload performance. Provides the snap of 140 hp, pulls big loads through with 220 ft. lb. of torque. New improved valve-in-head design, alloy steel valves and hydraulic valve lifters add cost-saving efficiency. Standard in all conventional light-duty '63 Chevies.

Get the feel of this new Chevrolet truck 6-cylinder power for yourself; take a test drive at your dealer's today. . . . Chevrolet Division of General Motors, Detroit 2, Michigan.

*A General Motors trademark.

THE NEW RELIABLES—'63 CHEVROLET TRUCKS

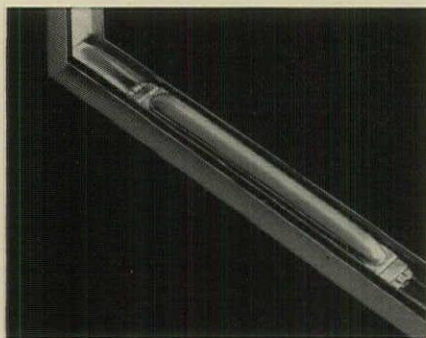


Take a "Check the Champ" demonstration drive at your Chevrolet dealer's!

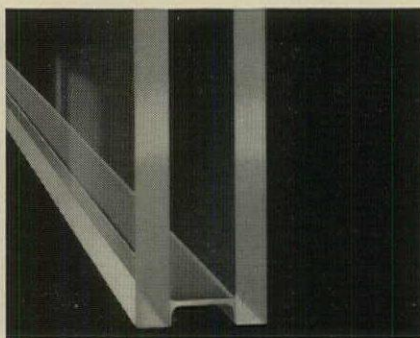


Only Thermopane® gives you this quality - plus 3 other features

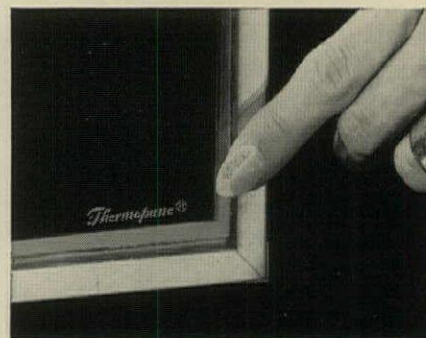
1. Finest quality glass. All *Thermopane* insulating glass is made of either polished plate glass or "A" quality sheet glass. This finer quality glass is better to look through. All clear glass used in *Thermopane* is made in the United States.



2. The captive air between panes is scientifically cleaned and dehydrated at the factory. To make it even drier, *Thermopane* has the exclusive Dehumitube (see picture) nestled on the metal seal.



3. Vapor-tight seal. Only *Thermopane* insulating glass has the patented *Bondermetic Seal*® that fuses metal to glass—unites them as one.* No "gluing" that can come apart, allowing air leakage.



4. The name that's known . . . advertised to home buyers continuously for 19 years. The *Thermopane* trade-mark is clearly etched in the corner of units. Look for it—buyers will.

We're Telling People! This exclusive combination of *Thermopane* features is being widely shown and explained in Libbey-Owens-Ford consumer advertising in leading national magazines. Your prospects recognize them . . . and appreciate the heat saving, the comfort and the convenience of "no storm sash". Point them out yourself and chalk up another gain for your reputation as a quality builder. Write for "Builders' Guide for ordering and installing *Thermopane*."

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**Thermopane* also is made in a range of smaller sizes with a fused glass-to-glass seal that also is impervious to moisture vapor.

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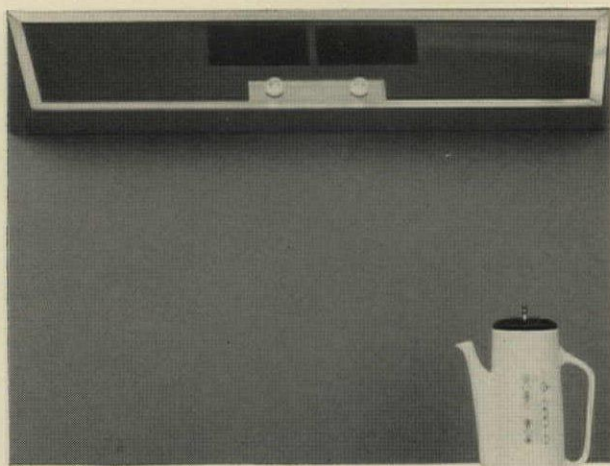
WITH *Trade-Wind*
THE QUALITY IS
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THE DELUXE—Tailored lines complement the newest appliances...bright, contrasting trim accents the picture frame molding...decorative—and practical—rotary switches for 2-speed ventilator and enclosed lighting...axial flow impeller is H.V.I. certified at 225 CFM...in Coppertone and Satin Chrome 30", 36", 42", and 48" lengths...

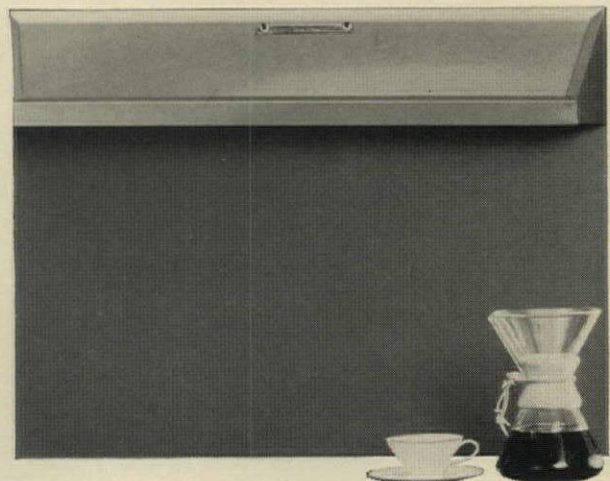
THE CLASSIC COLLECTION—Trade-Wind's new Classic Collection is characterized by a design that blends with any decor...giving a custom-made look. The Collection is distinguished by the smart recessed front panel...by under-hood ventilators with the highest CFM ratings...and by its competitive prices.

THE VENTLESS—Refreshed circulation where ducting to the outside is impractical...Classic styling with bright contrasting trim...Double filtration through large grease and activated carbon filters...2-speed axial flow fan and enclosed lighting...Coppertone or Satin Chrome finishes in 30", 36" and 42" lengths...

THE STANDARD—Combines beauty of the Classic design with down to earth price...Built-in 2-speed mixed flow ventilator...H.V.I. rated at 200 CFM! Push button switches...underhood light...center-mounted interchangeable discharge with damper...30", 36" and 42" lengths in Satin Chrome and Coppertone...



Designs by Sheldon Rutter

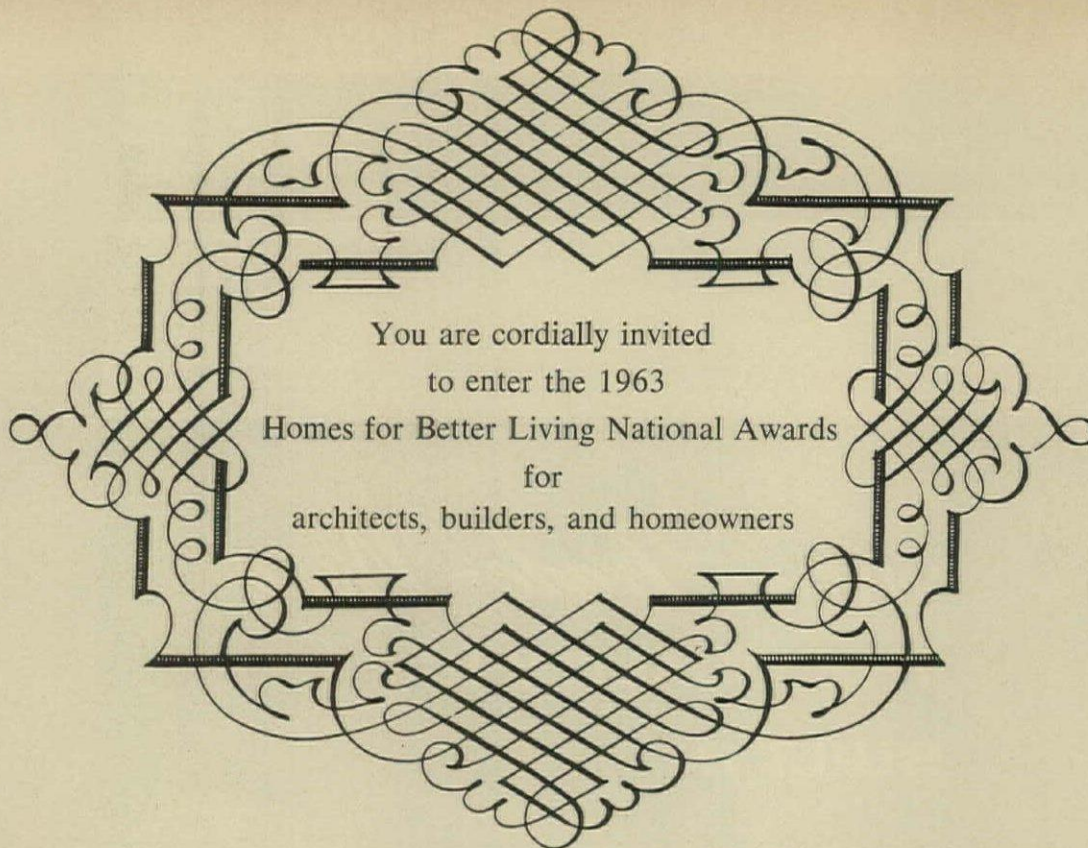


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Sponsored by the American Institute of Architects in cooperation with HOUSE & HOME and LIFE.

All the award winners will be published in HOUSE & HOME

A selection of the winning entries will be considered by LIFE and TIME

All the winning entries will be displayed at the AIA convention in Miami and at the Octagon in Washington, D.C.

Houses and apartments must be designed by a registered architect and built and completed since January 1, 1960 in any of the 50 states. Outstanding architects, housing industry leaders, and the editors of LIFE and HOUSE & HOME will judge the entries. Awards will be made on the basis of outstanding contributions to better living through residential design, site planning, and construction. Winners will be announced at the AIA Convention May 5 to 9, 1963. Awards will be made in three categories:

1. **CUSTOM HOUSES** designed specifically for an individual owner, in three classes according to size:

a) Under 1,600 sq. ft. of living space. b) 1,600 sq. ft. to 2,800 sq. ft. c) Over 2,800 sq. ft.

2. **MERCHANT-BUILT HOUSES** designed for a merchant builder and sold speculatively, in three classes according to sales price, including land:

d) Under \$15,000 e) \$15,000 to \$25,000 f) Over \$25,000

3. **GARDEN APARTMENTS** (walk-up) built for rent or sale. Buildings shall not be over three stories in height from grade, must comprise four or more living units, and may be single buildings or one of a group:

g) Single buildings (or townhouse blocks) h) Multi-building groups

Pertinent information shall be submitted on the registration blank below by January 13, 1963, accompanied by a payment of \$10 for each house or apartment entered. Any number may be entered. A separate registration blank must be submitted for each. Upon receipt of registration blank and fee, each entrant will be sent, for each house or apartment entered, an 8½" x 11" binder and full instructions for preparation. It must be completed and postmarked no later than March 10, 1963. It is imperative that the appropriate category be correctly designated on your original registration slip.

This registration slip and entry fee must be submitted by January 13, 1963. Make checks payable to: Homes for Better Living and mail to: Homes for Better Living Awards, HOUSE & HOME, Time & Life Building, New York 20, N.Y.

Enclosed is check money order in the amount of \$10 covering the entry below.

category: CUSTOM BUILT HOUSE MERCHANT-BUILT HOUSE GARDEN APARTMENT

location _____

owner _____ address _____

architect _____ address _____

builder _____ address _____

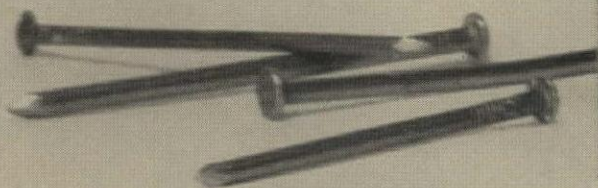
submitted by _____ address _____

Go together... fast, low-cost construction and Wolmanized pressure-treated lumber. Hammer it. Saw it. Glue it. Paint it. It's clean, odorless, fiber-fixed, non-corrosive to metal. Works like ordinary wood... prevents termite and decay destruction. Protection lasts a lifetime, cost is only pennies more per board foot. Just what homeowners like to hear. Tell them, too, that behind each board foot branded "Wolmanized" are the vast technical resources of Koppers... resources with research in depth that has made the name "Wolmanized" synonymous with "leader." Specify Wolmanized lumber wherever vital wood members are subject to ground, water or masonry contact, or within reach of termites.

Write for brochure "Safeguard Building Dollars." Wolman Preservative Dept., Koppers Company, Inc., 795 Koppers Building, Pittsburgh 19, Pa.

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**\$385,150 in sales
in 8 days by
Atlanta builder
King-Williams
again proves
Kingsberry Values
sell in
tough markets**

KINGSBERRY VALUE launched King-Williams' new "Hickory Acres" subdivision in Atlanta, Sunday, November 4, 1962. Eight days later 19 firm sales were tallied totaling \$385,150 (with deposits averaging \$500 each).

Star performer of King-Williams' sales program was the Kingsberry "Stratford", a split foyer design with five bedrooms, two baths, den, recreation room and workshop. In all, it's 2477 square feet of appeal-packed livability, completely finished, selling in Atlanta for \$20,000 (excluding lot)!

That's a real value in any market—\$8.07 per sq. ft. with a good sound profit to the builder.



Kingsberry means VALUE . . . and value means BUSINESS!

This is just one of the sales successes King-Williams has experienced since joining with Kingsberry, three years and 150 Kingsberry homes ago. And King-Williams is just one of the many building firms discovering the sales power of KINGSBERRY VALUE . . . sound profits at less than \$10 per sq. ft.



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Phone Atlanta: Area Code 404, 457-4301

Jerry Nowak, General Sales Manager
KINGSBERRY HOMES CORPORATION—Dept. HH-1
5096 Peachtree Road, Chamblee, Georgia

Please have your sales representative analyze my market and show me how Kingsberry Homes can help me offer EXTRA VALUE, increase my sales. I have _____ lots ready to build on. I have _____ lots being developed. I am interested in model home furnishings financing.

Your Name _____

Firm Name _____

Address _____

City _____ Zone _____ State _____

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Continued from p 71

LOF has agreed to buy \$3.5 million worth of Alside treasury common stock, make up to a \$3.5 million 15-year loan, and buy \$3.5 million more of convertible debentures. If LOF exercises all its conversion options it would wind up owning 16% of Alside.

"We think this is a sound investment opportunity," says an LOF spokesman, "I have never heard of a factory where computer controlling has been used as much as it is in the Alside plant. The labor content of Alside's house will be very low."

Johns-Manville has just set up a separate section to build, own, and operate private utilities anywhere in the nation to help builders put up subdivisions of 500 or more houses. The plan, only four months old, is proving to be a big hit. "Many developers lack the capital and engineering skills to handle their own utilities in addition to their subdividing problems, and this is retarding many housing developments," says Stephen H. Painter Jr., head of the J-M program.

A year ago, *Koppers* bought a 50% interest in General Homes, the Fort Wayne, Ind., home manufacturer, and announced plans to expand operations into 15 new major markets. *Koppers*, of course, hoped the move would expand the market for its Dylite plastic foam core panel system with component wall section, for which it built a large development plant in Detroit in 1960.

U.S. Plywood has just completed two experimental apartments, one at Lake Tahoe and the other in the Latipac-Perini community development in Marin County, Calif.

Rheem, Armco and U.S. Steel are all involved in making house

components. Rheemetal Div. of *Rheem Manufacturing* (water heaters) has built a prototype steel-component house that bolts together, costs only \$9 a square foot (H&H, Apr.). The houses are shipped to construction sites in large sections, installed by crane.

Armstrong Cork has been getting its feet wet in the remodeling field. It bought the contracting division of Linden Lumber Co. in New Jersey and Herb Richeimer's Levittown, Pa. home-remodeling firm.

Certain-Teed Products Corp., the \$150 million maker of roofing, sheathing and millwork, invaded the shell-house market early in 1961 with its Institute for Essential Housing, has now sold over 10,000 units for more than \$60 million, mostly through lumber dealers tagged as IEH "authorized" builders. Now, IEH is testing out a joint financing venture with local savings & loan associations to help sell a new line of homes priced from \$7,500 to \$14,000 (vs. its original line at \$4,500 to \$9,000). IEH makes collateral pledges to let the associations offer 95%, 20-year loans to buyers of IEH homes who own their own lots (or 90% loans for consumers who don't own lots).

Six months ago, *National Gypsum* put nearly \$1 million capital into a Bureau for Advanced Housing which aims to give vertical integration of house production—a concept of unified control from producer to builder—a new twist. The Bureau is signing up builders—112 so far—to put up a group of homes priced from \$15,000 to \$45,000 which the Bureau will design and promote. Builders will pay the Bureau 5% of the sales price on production homes (10% on models), but sponsors say builders should get this back through lower prices on materials in the Bureau's package. The Bureau has built four models at General Development's Port Malabar.

Home-grown housing giants: reaching for profit via diversification

The idea that homebuilding has become a separate industry from general contracting and owner-building gained wide acceptance in the housing boom of the early Fifties. Professor Sherman Maisel of the University of California, for one, espoused this view in his celebrated 1953 book, *Housebuilding in Transition*. "The overlap between house-builders and others in the industry is not great," he wrote.

That was yesterday. Professors James Gillies and Frank Mittlebach of UCLA say in their just completed study of southern California builders that "a detailed appraisal of the industry during 1955-1959 shows that builders of homes no longer build only homes, but move in and out of other types of buildings as market opportunities arise. Say the authors: "A questionnaire submitted to builders in 1956 indicated that 50% were exclusively in homebuilding in 1955. However, in 1957 and 1958, when the same group was again studied, it was clear that as a result of a decline in the demand for single-family housing, builders had switched over to public, commercial and industrial construction as well as the building of apartments. More persuasive evidence comes from 50 firms studied in detail. While 58% reported that their operations were diversified among different types of construction, only 42% reported that they concentrated their construction activity on one type of construction. In addition, of the 42% who were not diversified, more than half reported that sometime in the past they had a variety of other types of construction.

"A number of the very large builders studied had undertaken nothing except homebuilding prior to 1955. However, as housebuilding declined from a peak in 1955, many of these firms began operating in other markets, whereas few merely reduced their output of homes. In a short period of time a large proportion of builders found opportunities in apartment building or other building on a speculative basis. Others began to bid on commercial and industrial jobs. Clearly, firms have a much greater degree of flexibility than has been commonly attributed to them." Why? The same technology is involved.

"It appears that in the 1960's continued growth and stability for individual firms will come primarily from diversification of construction and the incorporation of activities related to, but not part of, the actual process of construction."

Cases in point

• The *Larwin Group* companies (brothers Lawrence J., 36, and William Weinberg, 34, owners) of Beverly Hills, in 1961 built and sold more than 1,400 homes in southern California. They also built and leased 200,000 sq. ft. of shopping center space, leased another 40,000

sq. ft. of future shopping centers, originated \$38 million in FHA and VA loans (servicing \$31 million), wrote \$16 million of homeowner insurance policies as agents, sold \$150,000 of building materials to builders. Last year Larwin started 1,343 homes (\$18 million volume.)

• *Louis Lesser*, 44, one time builders' angel, in nine years has built a business controlling \$60 million in real estate equities. Ingredients: 16 office buildings, 10 shopping centers, about 4,000 rental units including the just finished 750-unit Barrington Plaza apartment complex in Los Angeles, land for 5,000 houses, 20,000 acres to be subdivided and wholesaled to other builders and about 3.5 million sq. ft. of industrial property. Last October, despite the soggy performance of realty stocks, Louis Lesser Enterprises Inc. floated a 500,000 share issue of Class A common stock at \$10 a share.

• *Equitable Investment Corp.* of Columbus, Ohio, is a diversified \$125 million holding company headed by John F. Havens, 35 year old realtor, one time house remodeler, and past chairman of NAREB's Build America Better committee. Equitable, started in 1956 with \$50,000, netted \$666,000 after taxes in 1961 and may have doubled that in 1962. It owns a \$104 million savings & loan in Akron, a \$22 million Canadian company which sells savings certificates on the Investors Diversified Services pattern. Another subsidiary, Equitable Development Corp., is developing some 40 midwestern subdivisions plus land in the Bahamas. Equitable Properties Corp. deals in multi-family construction, rehabilitation, and management, is a joint venturer with Reynolds Metals in its renewal projects in Kansas City and Cincinnati and co-venturer with Builders Bollinger and Martin for their pacesetting urban renewal townhouses in Louisville (H&H, Mar, 1961). Another Equitable division develops industrial parks, is currently finishing two shopping centers, and is about to start on another one. Its mortgage banking company, Preferred Mortgage, helps originate for the Akron savings & loan, is not trying to build up servicing volume. Last June, Equitable acquired a title agency so it could pick up the profit of writing the title insurance on its own realty transactions. Havens does a little homebuilding—"as little as possible," he says.

"In the next ten years, lots of people are going to do the kind of thing we have done." Havens predicts, "There should be a lot more big combines in the real estate business."

• *California Financial Corp.* (president: John F. Peters), San Francisco-based holding company (listed on the New York and Pacific Coast Stock Exchanges), owns the Securities Savings & Loan Assn. (with nine Bay Area offices and assets of \$115 million), two title in-

Continued on p. 115

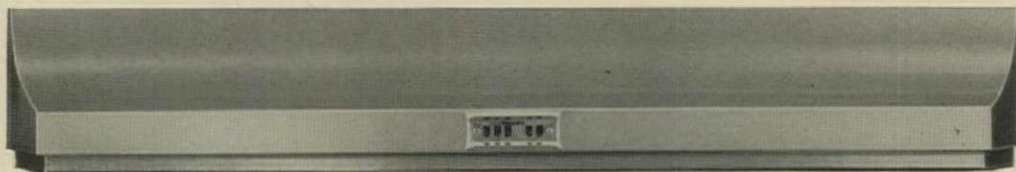
Broan's Workhorse Dual Blower Range Hood is so effective she hardly knows it's there!

The Broan Dual Blower is a workhorse all right. Two powerful squirrel-cage blowers tackle cooking odors, grease and smoke with a vengeance.

But the beauty of Broan is its value in overall kitchen design. The Broan Dual Blower comes in 10 colors and finishes to insure complete harmony with appliances and cabinets. Its handsome lines are not obvious for their own sake. They help to bring out the style of other kitchen design elements. The beauty of Broan's Dual Blower is that it does a king-size job without interrupting your design.

It's a quiet worker, too, so Mrs. Homeowner finds it a pleasure to use. Push-button controls, too, and spring-loaded damper to prevent draft and flutter; heliarc welded seams prevent grease traps under hood.

Ask us for complete information on the Broan line of range hoods, exhaust fans, and bath heaters. Broan Mfg. Co., Inc., Hartford, Wisconsin.



BROAN

Continued from p 113

insurance companies (Marin County and Walnut Creek), Security Underwriters, Corporate Agency, and Cal-Surety Insurance Agency, plus Pan-Pacific Investment Capital Co., a small business investment concern. In the first half of last year California Financial assets climbed 32% to \$122 million, revenues rose 43% to \$4.7 million and earnings before appropriations to reserves rose 46% to \$1.2 million.

• *Midwestern Financial Corp.* (president: H. Sanford Weaver) of Boulder, Col., is a holding company with these subsidiaries: four savings & loans, two mortgage companies, one custom sectionalized home manufacturing company, a small business investment company (an acceptance company for shell-home loan purchase), one national bank.

• *United Improvement & Investing Corp.* (president: Edwin Katz) is a

diversified New York City real estate company which has just announced plans to acquire All-Star Title Insurance of Milwaukee. United is in just about everything: land development, mortgage origination and servicing, property management, apartment construction (225 starts last year). In 1961 United earned \$520,000 or 30¢ a share on a gross income of \$5.1 million.

The list could go on and on. Big Builder John F. Long of Phoenix has just diversified into commercial construction, will build anything from a shopping center to an office building. Why? Says Long: "The only thing to do was get smaller or diversify." Temple Lumber Co., the Texas giant, has just started making roof trusses at the rate of 200 per day in Houston. Builders Fisher & Fritchel of St. Louis have diversified into prefabs, motels, commercial work, and even a nunnery.

Stock market: capital for growth, at a price

Back in the spring of 1961, before Blue Monday in the stock market, a topical wisecrack in profit-pinched homebuilding circles used to be: "Go broke, or go public."

Housing's rush to Wall Street started in 1959 with such early comers as Eichler Homes and Laguna Niguel. Even though securities underwriters usually took about 10% off the top of a public issue, the infusion of capital has helped many of the early comers to tighten their grip on their markets, or expand into more profitable fields.

The collective impact of publicly held building companies on housing starts is still small. A HOUSE & HOME survey indicates that they began some 25,000 units last year, or about 5% of the U.S. total. That is no more than National Homes, the No. 1 home manufacturer, produces in a good year. But their slice of the market seems likely to grow quickly. Prefab volume has swelled from 6% to 16% of private nonfarm housing since 1950.

Many builders go public to pay off debt, to boost working capital, or to buy land (or even to cash in their equity). But publicly owned companies like Eichler, Levitt, Kavanagh-Smith, and Kaufman & Broad look upon public ownership as a necessity for survival. Says Roger Kavanagh of Kavanagh-Smith which went public two years ago and now builds in 16 subdivisions in nine cities: "Going public is not a cheap way to raise money, but it does provide a base for more economic financing in the future." K-s recently raised \$1 million in debentures at 5¼%, a lot cheaper than most money builders borrow.

Adds Kavanagh: "The building business still has the highest rate of return of any business in the world on invested capital even if its return on sales is low. All of us in publicly held companies have a tough row to hoe, but most of us believe that public ownership is the only sound basis on which the building industry can grow. A builder who needs large sums of money, say, for urban renewal can't raise

what he needs unless he takes in partners and gives up 50% or more of his equity. But a publicly owned company has a base to do big things at lower costs."

At the moment, housing stocks are in low esteem in the financial community. HOUSE & HOME's two-year old index of 11 housing and real estate stocks (see p. 38) sank to a record low in November, for instance. Part of the trouble is the shakeout in shell housing, which has been plagued by overcompetition and recourse financing arrangements (in which the commercial loan company keeps the good loans and dumps the defaulted ones back on the unhappy shell producer). But a bigger part of the problem is probably the tarnish all real estate and housing is getting from the operations of some realty syndicators, of which something over 35 have now become publicly held companies. Even while vacancy rates in rental housing and office buildings were on the rise and real estate prices showed signs of topping out, syndicators have kept ploughing ahead. As *Barron's* has noted: "Under the pressure of sliding values and mounting competition, safe, high-yielding deals became nearly impossible to find. Much of the public's money wound up in marginal properties, which generated barely enough cash after expenses to cover projected distributions."

Now, some of the syndicate-based tax-sheltered public realty companies are facing real trouble (see p. 38).

Among publicly held building companies, the scene is brighter. Eichler Homes, for instance, which went public with a \$300,000 issue in 1959, now has 12 projects underway in northern California, expects to start 1,052 units this year including a first venture into high-rise renewal apartments in San Francisco. Eichler netted \$493,097 on sales of \$18,780,000 in 1961. Builder Bill Levitt, who went public with an \$6 million issue in 1960, has since branched out to Puerto Rico and is eyeing the Common Market as well as several new U.S. cities.

Who will build tomorrow's housing—giants or midgets?

Where will today's interacting skein of changes in the size and scope of homebuilding and community development leave the traditional merchant builder? Does he face a shrinking demand for his product? Must he adopt new ways of working to survive?

It is too soon to be sure, but the indications are strong that giants will dominate the market—probably more than they already do. Small custom builders should survive, but they will account for only a tiny fraction of the nation's housing output. Predicts Economist Trestrail of Stanford Research Institute: "Only builders who are large enough to plan the most efficient use of land available for development will be able to survive. The future of the industry is a future where large producing units will dominate. Like the retail grocery industry, there will be many small units in housing but they will be a small fringe, not the dominant element."

Says NAHB Economist Nat Rogg: "The trend seems to be towards larger volume per builder but a decrease in the total number of firms in the industry. But the statistics are so weak they don't give us even a reasonably accurate picture."

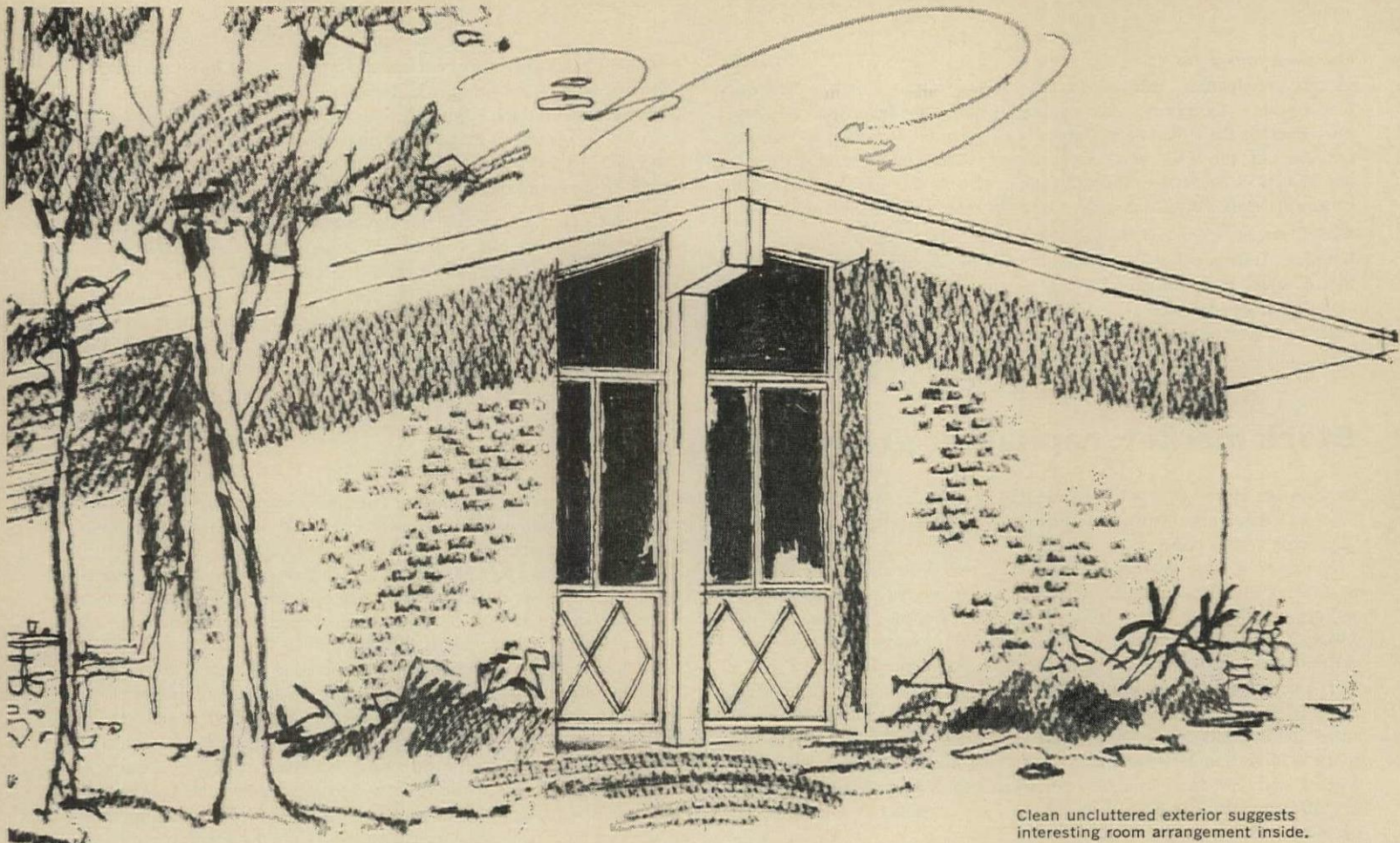
Such statistically-reliable surveys as there are show an ever-rising concentration of housing volume in the hands of the bigger operators. Back in 1949, the Bureau of Labor Statistics made the widest count yet of builder operations: 12,000 people who built houses. Of these only 6,500 were building professionals (others were owners, do-it-yourselfers,

part-time builders.) The professionals accounted for two-thirds of all houses built. But even among the professionals, 42% built only one unit, said BLS, and 19% of the professional builders put up 79% of the nation's housing.

BLS studied the situation again in 1956 and suggested that owner-builders had shrunk to only 15% of housing output, that professionals accounted for 85% of volume vs. 66% only seven years earlier.

The last big count was made in 1959 by the National Association of Home Builders, and covered 7,000 of its builder members—professionals all. It showed that builders of more than ten units accounted for 97.3% of housing starts; builders of more than 50 had 79.2%, and builders of over 100 units had 61% of the total market. The 13.5% of professional builders who started five or fewer homes in 1959 accounted for only 0.5% of the total volume. And the six-to-ten house builder did only 2.2% of the total.

A just completed HOUSE & HOME survey of its builder-subscribers (a sample of 927 builders) suggests the trend continues. Builders of ten or more homes did 97.4% of the volume (and builders of 100 or more 78% of it), although 43% of the builders reported starting nine or fewer units. The 100-plus ranks that do three-fourths of the business account for only 14.2% of the building companies. Who will build? Everybody but mostly companies big enough to afford solid management.—GURNEY BRECKENFELD.



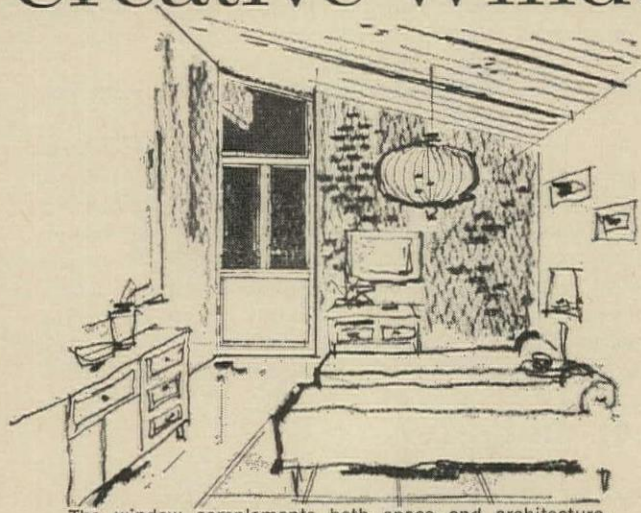
Clean uncluttered exterior suggests interesting room arrangement inside.

Creative Window Planning

from an architect's sketch pad

"The window is a dominant design element for both interior and exterior planning. It is primarily responsible for valuable first impressions your prospective home buyer receives; it is equally responsible for effective furniture placement, privacy, light and ventilation within the home.

"In the example above, the conventional placement of windows for two bedrooms has been avoided by the centering of a single element that services both rooms. Drama has been added with glass to the roof line. Inside, there is ample space for all bedroom furniture, excellent ventilation and privacy."

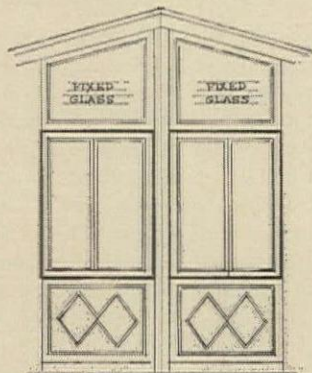


The window complements both space and architecture. Casement windows combined with fixed glass and color panels below provide excellent design interest.

MALTA wood windows... focal point of good design!

For new and original sales appeal, Malta Wood Windows offer the greatest bargain any builder could want: the warmth of wood, quality Ponderosa Pine, a quality appeal for home buyers. Malta has the line and the design to help you convert the ordinary into exciting new areas of interest. Score better appearance points on the outside — new heights of good taste within each room.

And the Malta Quality Label expresses your good judgment. Use Malta Windows with confidence; recommend them with pride. Your prospects will sense the difference. Send for Malta's Idea Kit and Catalog of window types and *ask about the Vinaline — newest concept in windows!*



Malta 2N5 Casement Windows are ideally suited for designs of this type.

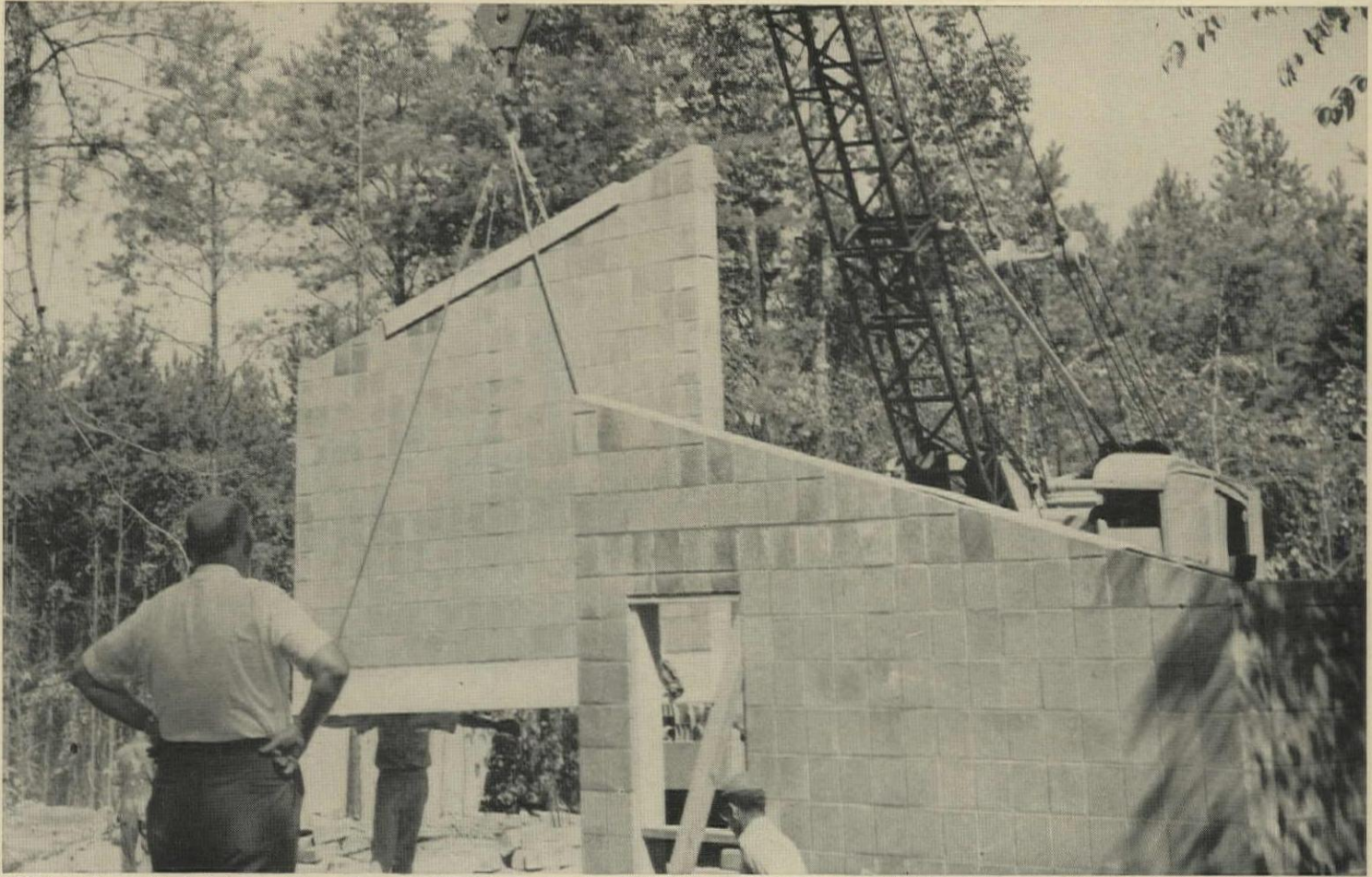
Fast becoming *FIRST* in creative window design

THE MALTA MANUFACTURING COMPANY

120 MILL STREET, GAHANNA, OHIO • PLANT FACILITIES: MALTA, OHIO



M630



WALL PANEL with built-in grade beam is set on footings. It costs more than conventional masonry (\$1.25 vs. \$1 a sq. ft.) but saves time and is stronger.

These easy-to-erect wall panels are prefabbed with concrete block



Using 11 of the new wall panels, plus 40 new precast concrete roof panels (below, right), Knoxville Builder Howard Cockrum closed in a 1,600 sq. ft. house in seven hours and completed it in two weeks.

The wall panels of concrete blocks, each scored to look like a stack bond, and the roof panels, precast concrete channels, were prefabbed by Southern Cast Stone Co. of Knoxville, which has found that masons worked

twice as fast in a plant as in the field.

In the plant (left), wall panels were laid up on concrete grade beams, with holes in the ends to simplify handling and leveling (below, center), and reinforced with $\frac{3}{8}$ " bars over doors and windows and down the sides and centers. At the site, $\frac{3}{8}$ " plywood spacers were placed between panels to leave a joint for caulking. Block cavities in outside walls were filled with vermiculite for insulation.



SPECIAL TRAILER carries finished wall panels, stacked like plate glass, from plant to site. Biggest panel weighs 3 tons and is 11'4" high.




LEVELING DEVICE—a bolt-and-rod jack—is inserted in holes in grade beam to adjust panel in final position. Dry concrete is packed under beam.



ROOF PANELS—16' or 20' long, 2'8" wide, and 8" deep—are positioned, then topped by 2x4s 24" o.c., insulating batts, sheathing, and shingles.

Technology continued on p. 119



The
pipe of
tomorrow
is here
today

...and a drain, waste and vent system
of ABS pipe can save you \$100 per home!

CYCOLAC[®]
BRAND

TOUGH, HARD, RIGID POLYMERS
FROM BORG-WARNER

Many of the materials used in the spectacular Century 21 "House of Living Light" at the recent Seattle World's Fair are still in the "dream" stage. But, its trouble-free drain, waste and vent system is not! Constructed of ABS pipe and fittings, it's available today in homes approved for FHA financing. A two-year test of an ABS system made of CYCOLAC brand polymers proved the pipe's low-cost installation, durability and resistance to clogging, household acids, detergents, rust and corrosion. To discover how this system can save you up to \$100 per average six-room house, contact your local pipe supplier . . . or write to us today!

New illustrated manual describes the advantages of ABS pipe and fittings in residential D.W.V. systems. *Free copy on request!*

MARBON CHEMICAL DIVISION BORG-WARNER WASHINGTON, WEST VIRGINIA

© Copyright 1962 Borg-Warner Corp.

CYCOLAC IS A REGISTERED TRADEMARK OF BORG-WARNER





FRONT PATIO, enclosed by redwood fence, is a popular feature of 1,368 sq. ft. house.



PREFINISHED CABINET DOORS and self-jigging cabinet frames (H&H, Sept.) cut kitchen costs.



PREFINISHED WALL PANELS and ceiling-high prefinished doors are used throughout house.

This house is a cost study in easy-to-finish materials

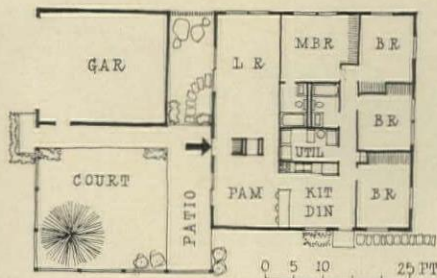
It was built by Bob Schmitt of Berea, Ohio to test the in-place cost and market appeal of prefinished materials and materials that need minimum finishing.

Outside, all siding and fencing is roughsawn redwood requiring just one coat of stain that can be applied quickly in any weather. Inside, all walls are prefinished plywood, ceilings are acoustic tile, and floors are tiled or carpeted wall to wall. Trim is prefinished, and sashless windows have grooved redwood frames with ground-edge sliding glass. Only one quart of

paint—outside white for the fascia strip at the eave and gable rake—was used.

Results? Schmitt, who uses the house as a combination office and model, says direct costs were equal to or slightly higher than those of comparable houses with interior drywall and painted siding (i.e., lower labor costs were offset by higher materials costs). But, he adds, there were two other results: 1) Scheduling problems involved in repeated taping, spackling, and painting were eliminated; 2) buyers liked the prefinished (and low-maintenance) materials so much that Schmitt is now using more redwood and prefinished paneling in his other houses.

Schmitt says visitors also like the way the house was planned for lots no more than 60' wide. The almost-square plan has four bedrooms and two baths, provides private indoor-outdoor living, and, of course, permits the sideyard setbacks required by local zoning. The front patio, formed by the front garage and redwood fencing, has proved so popular, Schmitt says, that he is using more fencing like this with his other models. He has also built six houses with the same plan and exterior but not the same interior finish.



ALMOST-SQUARE PLAN (38'x36') works around back-to-back baths and central utility core.

TAMAP engineers offer help in building-products improvement

The industrial engineering team formed by NAHB and The Stanley Works for Project TAMAP, a step-by-step study of the building process (H&H, Sept.), is now available to building-project manufacturers.

Through a new consulting service, Stanley industrial engineers are offering to make field studies to guide manufacturers in both product development and sales. NAHB Research Institute members will make their houses available as test sites. NAHB says the new program can help manufacturers by developing: 1) better design for the market, 2) better packaging, 3) better instructions, 4) more accurate installed costs, 5) better builder and consumer appeals, and 6) better identification of features to advertise.

New in plastics: a tough adhesive and a long-life caulking compound

The adhesive—called "phenoxy" by its developer, Union Carbide Plastics Co.—is a formation of a phenolic and an epoxy. As a structural adhesive, it could be used for gluing almost any materials, according to Union Carbide. In other forms, phenoxy can form tough protective coatings for wood or metal, can be molded into rigid shapes that might be used for hardware or other finished parts, and can be extruded into strong sheets and contours for structural use in sandwich panels and thin shells.

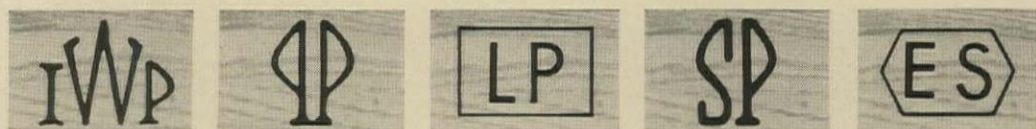
The new caulking compound, developed by Mobay Chemical Co., is a two-component urethane elastomer formulation. Test applications show that the urethane sealant 1) adheres to surfaces like masonry, glass, aluminum, and stainless and structural steel; 2) maintains a tight seal under varied weather conditions; 3) can be applied with conventional caulking equipment; 4) does not "run" on vertical or horizontal surfaces; 5) does not stain; 6) is odorless; 7) has a low material cost; and 8) can be easily colored.

New for gas ranges: pre-adjusted burners and a baking-broiling oven

The natural-gas burners, developed by Caloric Corp., are designed to need no adjustment during installation and use and are being field-tested by gas utilities. Caloric points out that burners now need up to 30 adjustments when a range is installed, and notes that the new burners will cut installation time and minimize callbacks if they prove themselves in the field tests.

The baking-broiling oven, a prototype developed by Hardwick Stove Co., has a single control that ignites both an upper infra-red broiling burner and a lower baking burner. When the control is turned to any selected temperature, the burners ignite simultaneously and stay on until the oven reaches 50F below the selected temperature. Then the broiling burner shuts off automatically to prevent "overshoot," and the baking burner maintains the temperature. If the control is turned to broil, only the broiling burner ignites.

Technology continued on p. 121

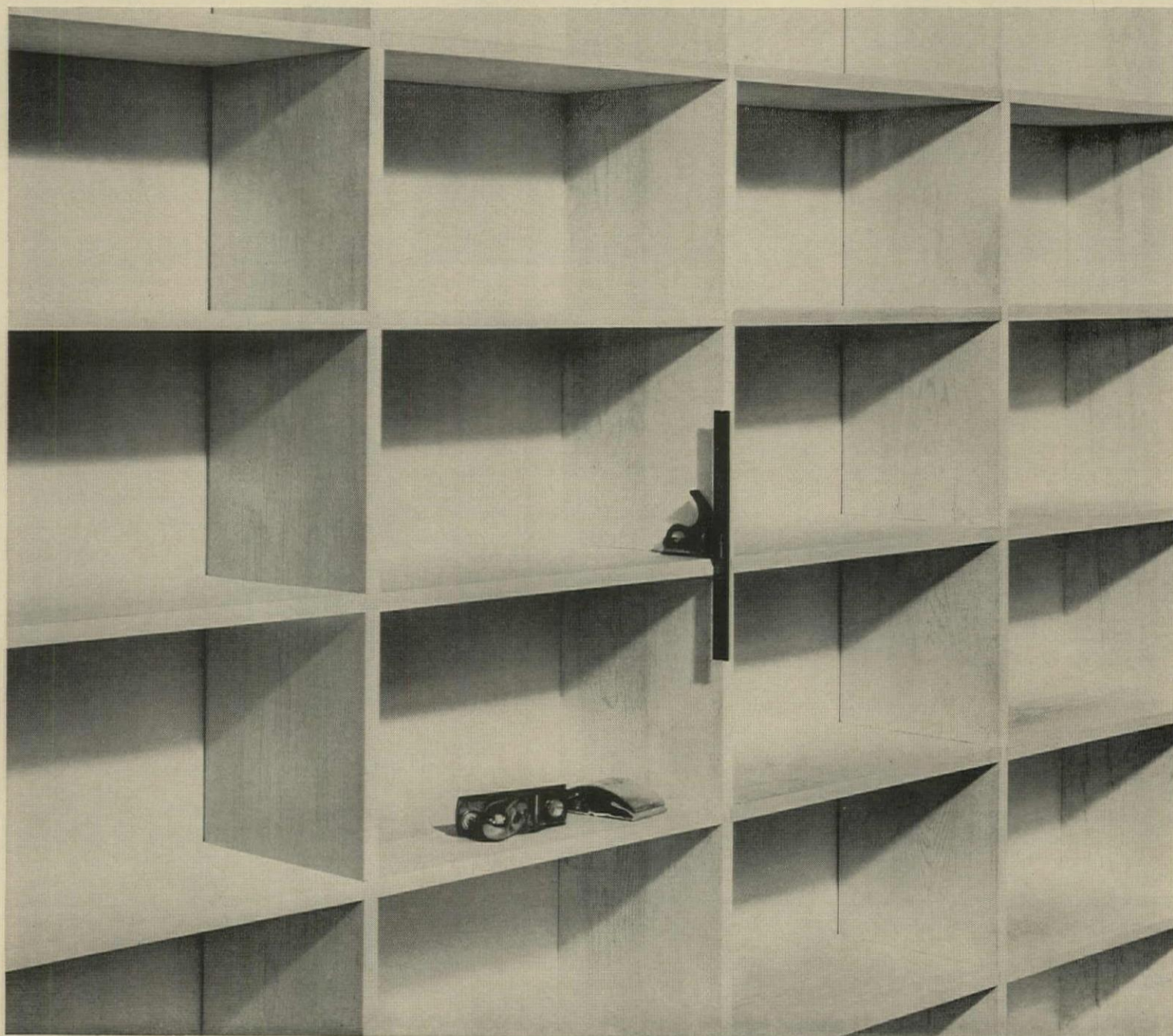


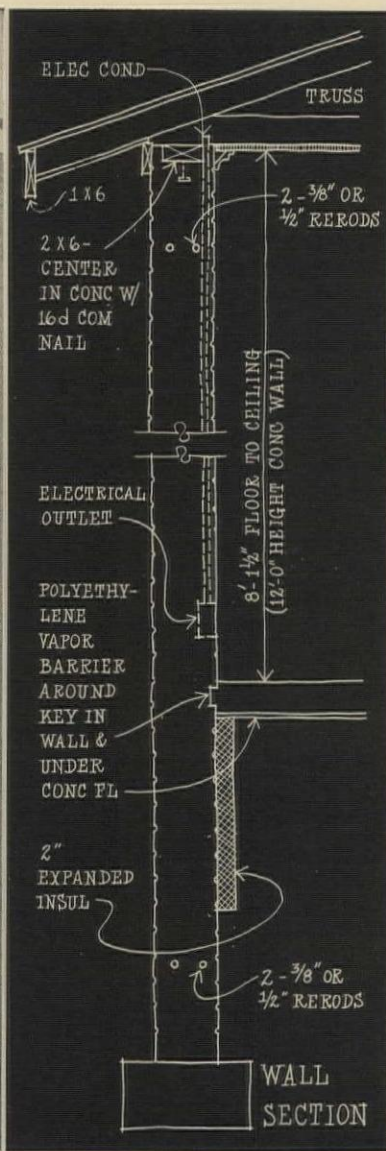
BEAUTIFUL & WORKABLE

Beautiful and workable are the words for the Western Pines and Engelmann Spruce produced by Western Pine Region mills. These appearance woods are without equal in their working qualities . . . ideal for finish and paneling uses. Their soft, even texture cuts smoothly, accepts nails and screws easily, takes any paint or finish readily and beautifully. Western Pine member mills pre-season these woods for stability, and carefully grade them. Your search for satisfaction is rewarded when you see the WPA grade and species marks.



PRE-SEASONED IDAHO WHITE PINE PONDEROSA PINE • LODGEPOLE PINE SUGAR PINE • ENGELMANN SPRUCE



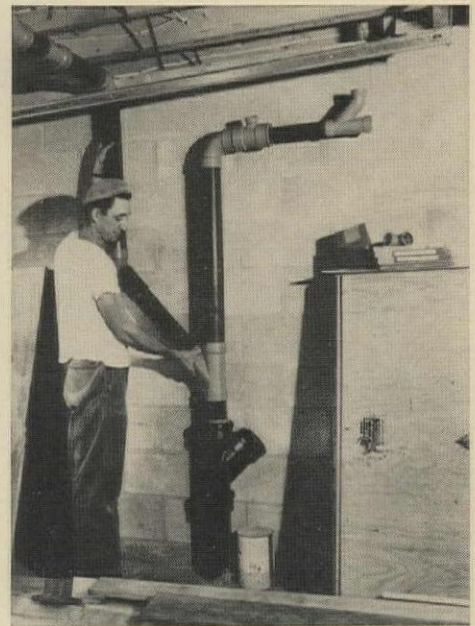


New way to cut wood: vaporize it with a hopped-up light ray

Judging from a report by the U.S. Forest Products Laboratory, the death-dealing rays of science fiction may have nothing on wood-working tools of the future. FPL says its scientists are working with a ruby-red light ray that strikes a piece of maple with enough force to vaporize the wood fibers and leave a 1/16"-deep hole.

Secret of the process is a "laser"—"light amplification by stimulated emission of radiation." The laser is a pencil-shaped synthetic ruby rod encased in a special flash tube. Intense light in the tube excites chromium atoms in the rod. Simulated electrons in the atoms emit photons of light which are reflected back and forth in the rod. The whole process builds up until a lightning-fast flash of red light bursts from the end of the rod.

Says an FPL spokesman: "If we could get a continuous beam of this light, we could put a hole through a 30" log in one-twentieth of a second.



Plastic waste systems saves 40% of plumber's time in custom house

It took Plumber Daniel Conn and his helper 30 hours to install 300' of plastic drain, waste, and vent pipe, plus 127 plastic fittings for three bathrooms, two half baths, a kitchen, laundry, and utility room in a \$50,000 house in Lewistown, Pa. With conventional pipe and fittings, Conn figures the job would have taken 50 hours (materials costs were roughly equal).

Waste and vent assemblies like the one above were put together on a work table at the site and then installed. Pipe was cut with a carpenter's hand saw, and joints were solvent-welded. Solvent was brushed on the male end of the pipe and the female end of the fitting, and pipe and fitting were shoved together. The solvent set hard in a few seconds.

Conn used Republic Steel's SRK plastic which meets the FHA standard (Bulletin UM 33) for plastic waste pipe inside a structure. Pipe diameters were 1 1/4", 1 1/2", 2", and 3".

Foamed-concrete walls help cut house costs to \$7 a sq. ft.

The brick-patterned concrete walls, demonstrated in a Des Moines house, were poured in forms made of brick-patterned aluminum panels like the one held by the worker above. Both loadbearing and insulating, they are 8" thick, were poured 12' high atop the footings (detail, above), and were finished inside and out with a coat of paint. The 864 sq. ft. house (below) cost \$6,000 without land.

Pax-Products of Des Moines developed the new wall system. The concrete—a mixture of sand, cement, and a foaming agent called

Pax-Cell—can be poured by chute or pump and hose. Aluminum forms, made in basic 2'x2' panels, are bolted into 2'x8' or 2'x12' sections at the factory (they also come in widths down to 2" for filler and corner strips). Spreaders permit wall thicknesses from 6" to 10" (insulating value, not strength, determines the thickness needed).

Other labor-saving features of the demonstration house are a truss roof, floor-to-ceiling doors, and partitions of spiral-core, drywall-faced sandwich panels.



FOAMED-CONCRETE HOUSE, built by Frank Paxton Lumber Co., is 24'x36' and has three bedrooms.

Technology continued on p. 123

So easy TO MAKE YOUR HOMES faster selling at a better price!



A zoned *Hydro-Flo* System keeps bedrooms at a cooler temperature.



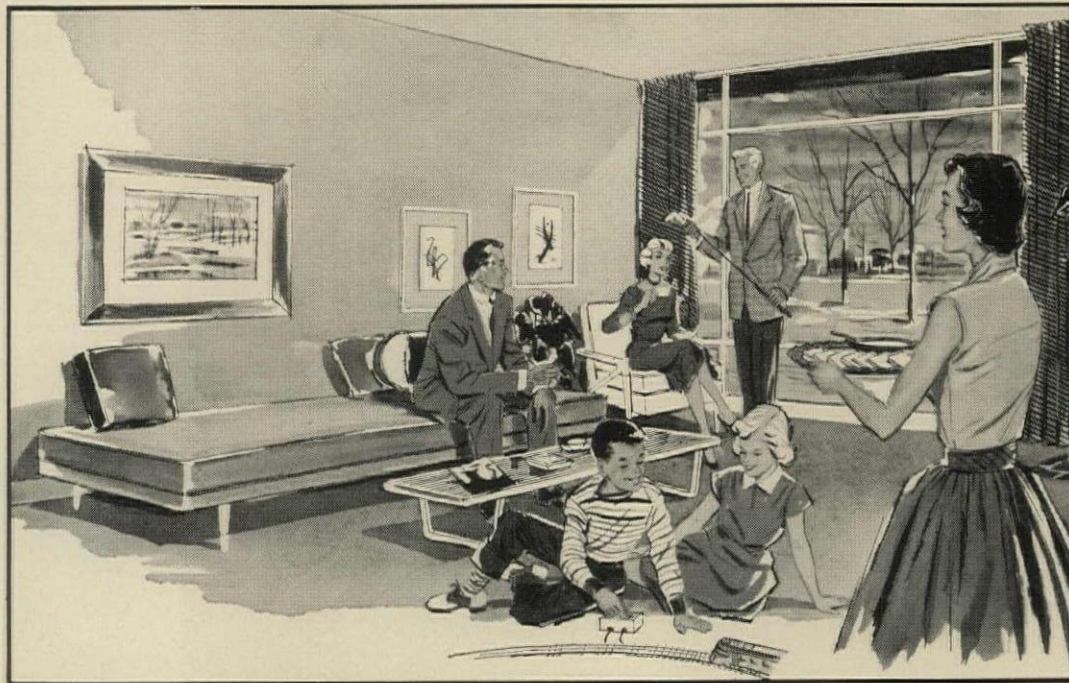
Year 'round hot faucet water can be heated by the house heating boiler.



No more chilly mornings—the home is warm upon arising.



No opening windows—the *Hydro-Flo* System adjusts the heat to the weather.



B&G *Hydro-Flo* HEATING BLANKETS EACH ROOM WITH RADIANT, SUNNY WARMTH, CONTROLLED TO MATCH THE WEATHER

To attract today's critical home buyer takes visible *extra value...demonstrable extra quality!*

A B&G *Hydro-Flo* Heating System does just that...*adds a genuine quality touch...assures the buyer of more value for his money. It's a matter of record that in thousands of installations, this forced hot water heating system has proved a sales clincher!*

No other equipment can offer so much immediate comfort or so many possibilities for more gracious living in the future. The B&G *Hydro-Flo* System endows a home with all the essentials of good heating... the right *quality of heat...operating economy...and long-life of equipment.*

It's *cleaner* heat—doesn't soil walls and draperies. It's *quiet* heat—no fan hum. If desired, the same boiler that heats the house can be equipped to furnish year 'round hot faucet water. *And the B&G Hydro-Flo System can be easily zoned—a particularly important advantage in heating split-level homes!*

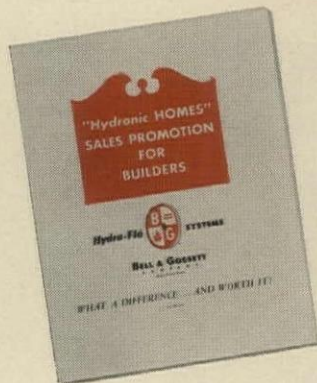
B&G *Hydro-Flo* Heating really gives you something to talk about!



B&G BOOSTER

SEND FOR YOUR FREE COPY

"Hydronic Homes" sales promotion for builders is a comprehensive program of ideas and sales helps for utilizing the outstanding and exclusive advantages of *hydronic* heating. There's no obligation in getting all the facts—write today.



Hydro-Flo® SYSTEM

BELL & GOSSETT

COMPANY

Dept. HK-10, Morton Grove, Illinois

Canadian Licensee: S. A. Armstrong, Ltd., 1400 O'Connor Drive, Toronto 16, Ontario



New lab has removable walls and roof

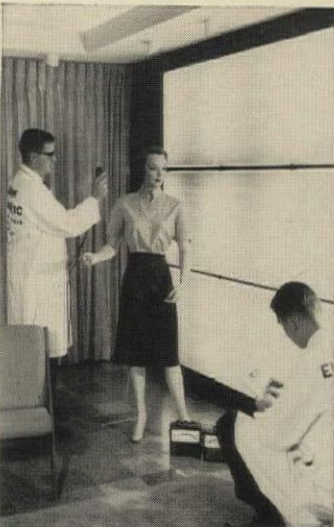
The new building-products laboratory at left, built by Homebuilders Fischer & Frichtel for Emerson Electric Co. of St. Louis, is suspended from steel roof bents that rest on piers. So the walls, partitions, and roof can be replaced at will to permit testing of different construction systems and of products under different conditions. Inside the lab (below) is equipment for measuring heat loss, heat build-up, humidity, odor removal, and noise levels. The new testing center (Emerson calls it a "Living Effects" laboratory) is also being used to check the effect of a variety of electrical equipment on the general climate of a house—for instance, how ceiling-mounted spotlights affect the heat-loss characteristics of exterior walls.



ODOR REMOVAL by range hood is checked visually with photo sequence showing smoke patterns.



HEAT LOSS can be checked in summer by producing "winter weather" in lab's refrigerated room.



LIGHT from fluorescent tubes sandwiched between plastic wall panels is measured on mannequin.



HEAT produced by electric system (plus lights) is checked on mannequin wired with thermocouples.



HEATING EFFECT of cooking and lighting is recorded, foreground, by use of thermocouples suspended over kitchen counter and range.

New products start on p. 125



An unusual advantage of Westborough Homes is "Bonus Living Space"—an unfinished first-floor area, ready when a family decides to expand its living space. The home also features three bedrooms with two baths on the second floor, plus a recreation room with fireplace at ground level.

In San Francisco, this home sells for \$28,700

("...and features like concealed telephone wiring help sell it," says Frank B. Perkins)

"We've featured concealed telephone wiring ever since we started our community," says Mr. Frank B. Perkins, General Manager of Westborough Homes, Inc.

"We consider concealed telephone wiring a 'years-ahead' feature. And this is how our salesmen present it as part of our

'Outlook '70' promotion theme. With features like this, customers feel they are investing in a thoughtfully designed, well-planned home and community.

"Color phones are on display in various rooms of our homes. These underscore the value of concealed wiring by showing how convenient

it is and how it protects interior beauty."

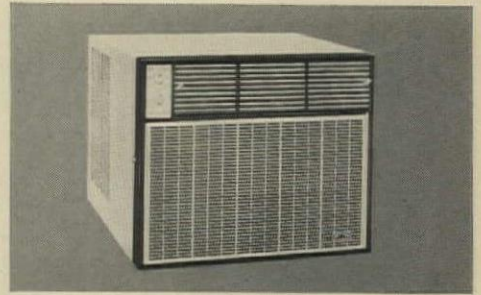
.....

For more information on concealed telephone wiring and other telephone-planning ideas for builders, just call your Bell Telephone Company and ask for the Architects' and Builders' Service. And see Sweet's Light Construction File, 11c/Be. For commercial installations, Sweet's Architectural File, 33a/Be.



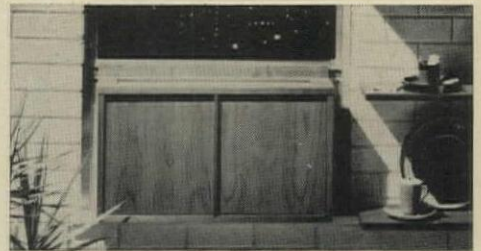
BELL TELEPHONE SYSTEM

Air conditioning



High-capacity room air conditioner, NEMA-rated at 28,000 BTUH, is biggest unit in a new line of 39 models with capacities ranging from 6,500 BTUH. Heat-pump models, top-discharge units, a casement window unit, thru-the-wall and curtain-wall models are included. Amana Refrigeration, Amana, Iowa. For details, check No. 1 on coupon, p. 141

Furniture fronts for air conditioners are available in four styles (left and below). They fit snugly over most standard Westinghouse 1963 models, muffle operating sounds, eliminate direct drafts. Air is channeled to room through cabinet top. Doors open only to set controls. Westinghouse, Pittsburgh. For details, check No. 2 on coupon, p. 141



Fireplaces



Gas fireplace is fully prefabricated, including built-in logs and fireplace screen. It has an automatic pilot light and Minneapolis-Honeywell safety controls. It is UL and ICBO approved for installation with a 4" vent. Available with three styles of hoods. Dyna Mfg. Co., Los Angeles. For details, check No. 3 on coupon, p. 141



Modular fireplace unit is available with or without matching wood box and cherry tabletop sections. Model 5500 is easy to install: Fireplace is positioned, refractory liners inserted in firebox, and the chimney attached. Expanded aluminum sleeve surrounds smokepipe. Vega Industries, Syracuse, N. Y. For details, check No. 4 on coupon, p. 141



Low-cost fireplace was designed for vacation houses, recreation rooms, and patios, lists for \$99 without smokepipe. The Woodsman is made of 14-gauge steel with a 12-gauge floor and has a one-piece smoke shelf and rear wall baffle to assure efficient operation. Space-Planner Co., Tucson. For details, check No. 5 on coupon, p. 141

New products continued on p 127

FROM GM-DELCO ↓ NEW ANSWERS TO BUILDERS' NEEDS

NEW GM-DELCO 2- & 3-hp REMOTE AIR CONDITIONERS GIVE YOU BUILT-IN QUALITY 3 WAYS!

1 BUILT-IN COST SAVINGS

One example: electrical controls are in compact cluster, completely enclosed and inside casing.



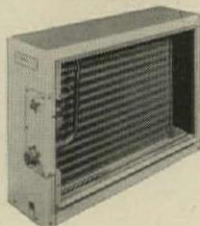
2 BUILT-IN INSTALLATION SAVINGS

Examples: variety of cooling coils enables you to "custom-design" each installation. Optional quick-connect fittings lower installation costs.



"A" COIL

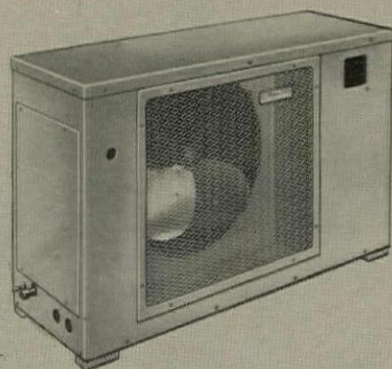
COIL-BLOWER



HORIZONTAL COIL

3 BUILT-IN SPACE SAVINGS

One example: new slender silhouette lets you install unit close to the house.

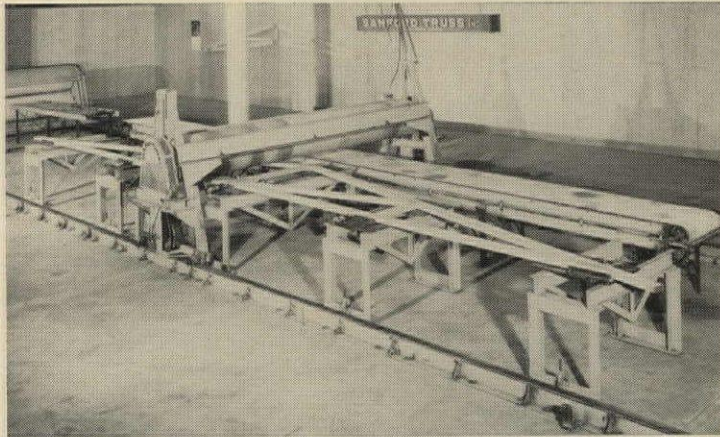


Built by GM-Delco, these new 2- and 3-hp remote units offer built-in quality from initial purchase to long after the installation. They save in COST, save in INSTALLATION, save in actual OPERATION. They meet cooling needs up to 34,000 Btu/hr—General Motors Certified Ratings. End result: these GM-Delco remote air conditioners assure your customers of peak engineering efficiency, in-use satisfaction—make *your* jobs as simple and profitable as possible! FOR ALL THE FACTS write Delco Appliance Division, Dept. XB-4, General Motors Corporation, Rochester 1, N. Y.

GM Delco 365
CONDITIONAIR

DELCO APPLIANCE DIVISION • GENERAL MOTORS CORPORATION • ROCHESTER, NEW YORK

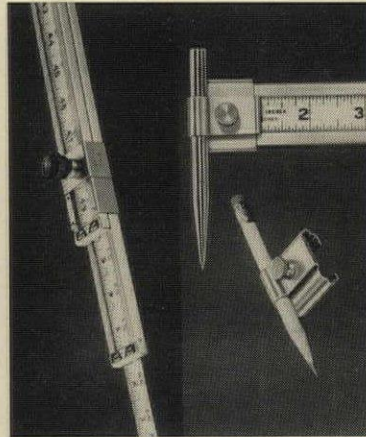
Tools



Truss machine turns out a finished truss every two minutes. Called the Roll-A-Master, it squeezes toothed metal truss plates into both sides of the truss members simultaneously (the connectors do not need to be nailed down). In this new unit, instead of the truss moving through fixed

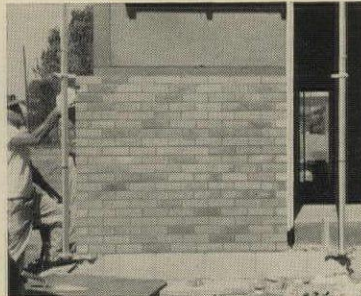
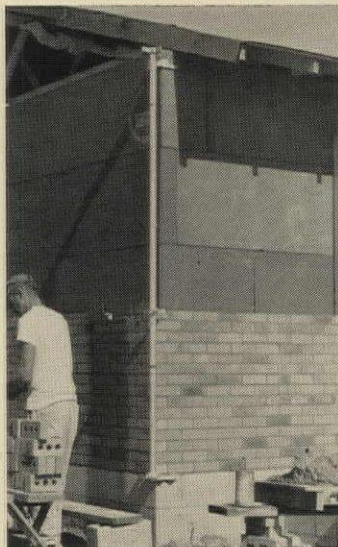
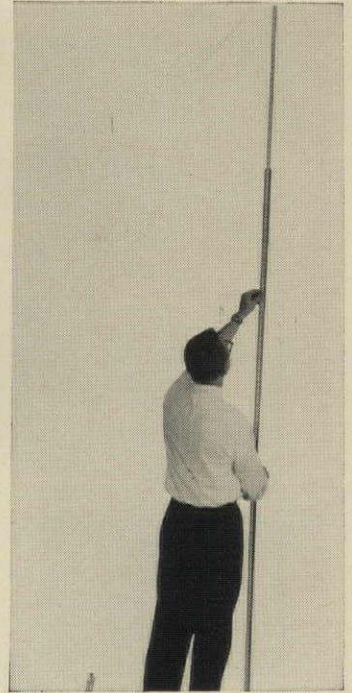
rollers, a roller press moves over the wood members on 40' tracks. A two man crew can fabricate 240 trusses a day with this set-up. And by adding extra track, a single press can produce 1,800 trusses a day. Sanford Truss, Pompano Beach, Fla.

For details, check No. 6 on p. 141



Telescoping rule, for vertical or horizontal measurements up to 16' (and for laying out circles up to 24' in diameter) can be used by one man. Rule is only 50" long when closed. It lists for \$27.75 complete Tele-Scale Inc., Buffalo.

For details, check No. 7 on p. 141



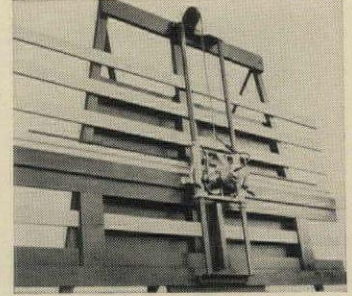
Metal corner pole, developed by Structural Clay Products Research Foundation, is said to increase bricklayers' production 35%. Poles are marked with brick, inch, and modular rules; retail for \$159. Masonry Specialty Co., New Kensington, Pa.

For details, check No. 8 on p. 141



Carry-all scraper for earthmoving and ground leveling has 3½-cu. yd. capacity. It is designed to make full use of power and hydraulic systems of wheel tractors; has hydraulic dumping control, front apron, and gate. Soil Mover Co., Columbus, Neb.

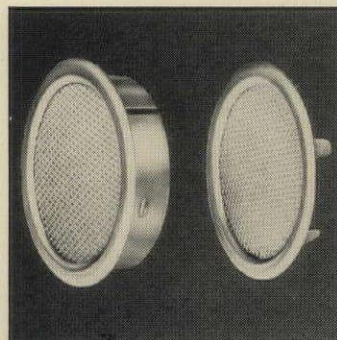
For details, check No. 9 on p. 141



Panel router reduces time needed to dado and rabbet sheet materials, and it needs only one-third the floor space of a flat bench. Router is counterbalanced, can be locked in position for lengthwise routing. Herrmann & Safranek, Atascadero, Calif.

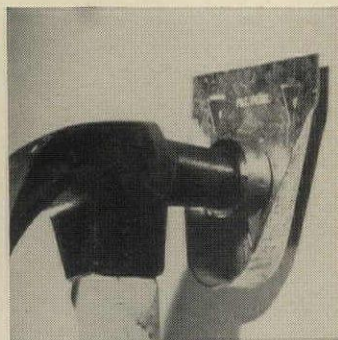
For details, check No. 10 on p. 141

Hardware



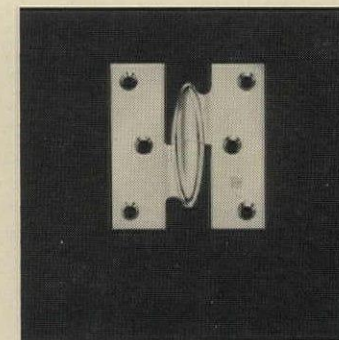
Ventilating louver, in 1" to 6" diameter sizes, is especially useful for ventilating walls where dust is a problem—for example in house trailer walls and in dust bowl areas. It has a dynel filter set between two screens. Midget Louver Co., Norwalk, Conn.

For details, check No. 11 on p. 141



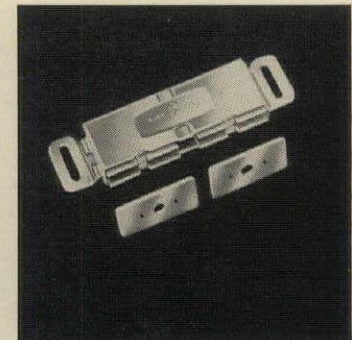
Closet pole bracket for dry-wall construction has stamped metal teeth which hold it firmly in place. Teeth are designed to use the structural strength of wallboard, need not be fastened to studs. Hammer blow sets bracket. Evon Industries, Newark.

For details, check No. 12 on p. 141



Olive hinge, similar to expensive solid brass models, is priced to compete with standard butts. 3" hinge has round or square corners and nylon bushings for quiet operation. In brass, chrome, and dull bronze. C. Hager & Sons, St. Louis.

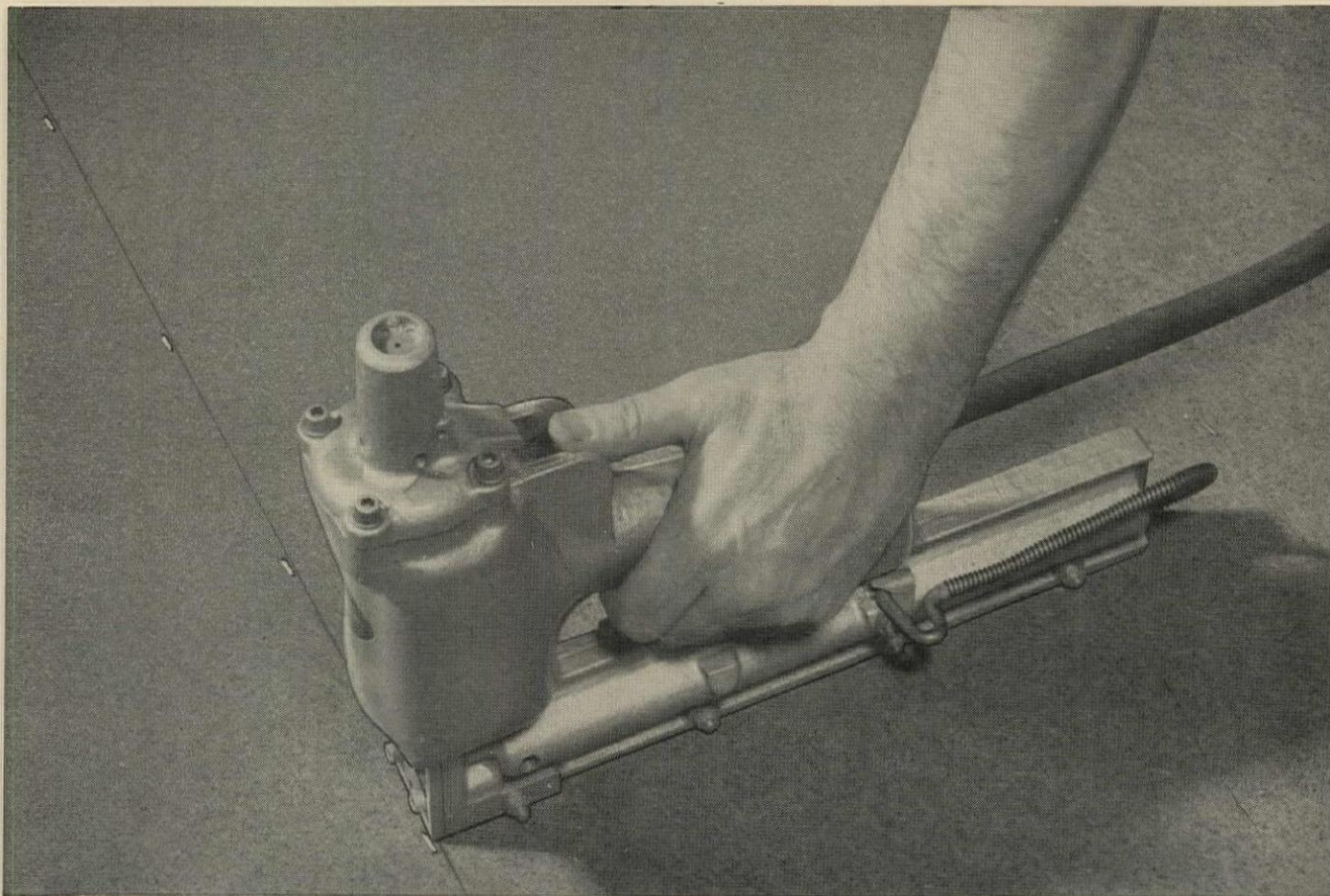
For details, check No. 13 on p. 141



Dual magnetic catch holds two cabinet doors at once. Cuts installation time since only four screws are needed to mount parts. Also works as a single heavy-duty catch. Aluminum or wood-grain finish. Ajax Hardware Corp., City of Industry, Calif.

For details, check No. 14 on p. 141

New products continued on p. 129



NAIL DOWN PROFITS

... WITH SPOTNAILERS Every time a carpenter fumbles in his apron for a nail and drives it with a hammer you lose money. Efficient builders on the jobsite and home manufacturers in the factory are driving fasteners up to 2½" long with the touch of a trigger or pushbutton. They are cutting costs, reducing worker fatigue and erecting homes in all weather with automatic Spotnailers—how about you? Compare the cost savings below and estimate how much you can save.

An eastern contractor's crew applied sheathing 4-5 times faster with a Spotnailer.

A contractor found he could Spotnail plywood at 25% of his hand nailing costs.

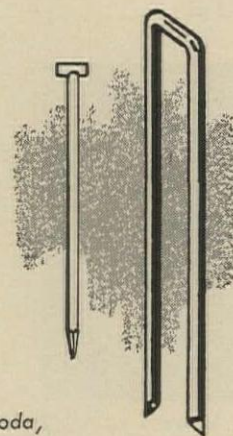
A Pennsylvania contractor saved \$125 per house by Spotnailing sub-floors, interior walls and the roof.

An Ohio builder doubled production of roof trusses just by giving the same crew a Spotnailer and box of staples.

A California builder found he could consistently Spotnail 3 times faster on 4 different rough sheathing jobs and on other finishing work.

An Oregon builder applied roof shingles 6 times faster with a Spotnailer.

Send for our "Builder Brochure" with F.H.A. Standards and 14 Illustrations of Spotnailers cutting costs.



SPOTNAILS, INC.

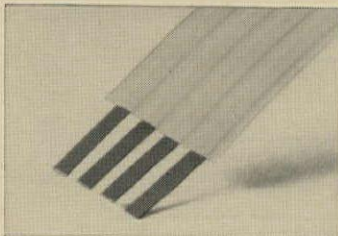
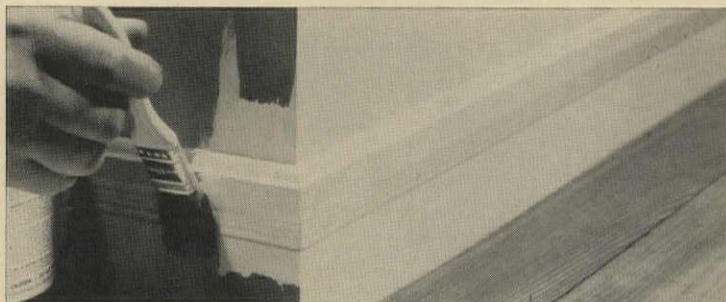
Write or call today,

1100 Hicks Road, Rolling Meadows 174, Ill.

Clearbrook 9-1620

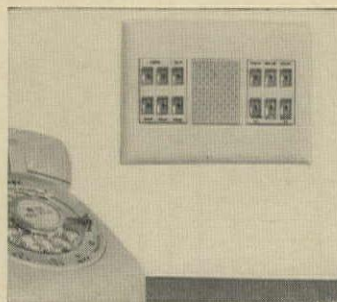
BRANCH PLANTS: CLARK, NEW JERSEY • LOS ANGELES, CALIFORNIA • AGENTS IN PRINCIPAL CITIES
Spotstaples meet F.H.A. Standards for subfloors • wall sheathing • roof sheathing • gypsum lath • floor underlayment • asphalt shingles

Wiring



Low-voltage wiring tape is 11/16" wide, only .015" thick. It has copper conductors sealed between two layers of Mylar plastic, and a pressure sensitive backing. It is used to surface-wire intercoms and remote-control switches. Koiled Kords, New Haven.

For details, check No. 15 on p. 141



Compact intercom is designed so the master station (above), any substation, and the amplifier-power supply each fit in a standard 3-gang switching. System is powered by standard bell transformer, uses ordinary intercom cable. Touchmaster, Hollywood.

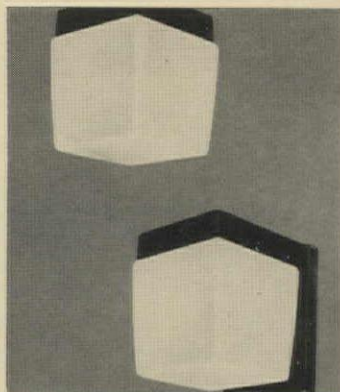
For details, check No. 16 on p. 141



Automatic timer has 24-hour dial that can be set to turn lights on or off at any predetermined time. Toggle switch on a flush-mounted cover permits manual control without affecting the settings. List price: \$21.95. International Register, Chicago.

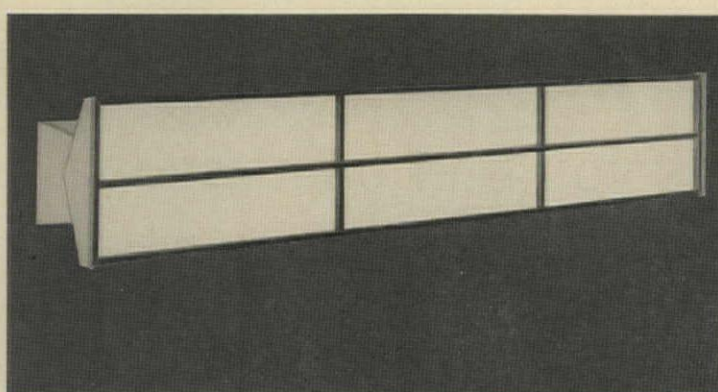
For details, check No. 17 on p. 141

Lighting



Lighting fixtures for indoor and outdoor installation have satin opal glass cubes for diffusers. Cubes are 4 3/4" square. For ceiling unit, mount is 4 5/8" wide, for wall unit it is 4 1/2" wide by 6" high. Prescolite Mfg., San Leandro, Calif.

For details, check No. 18 on p. 141

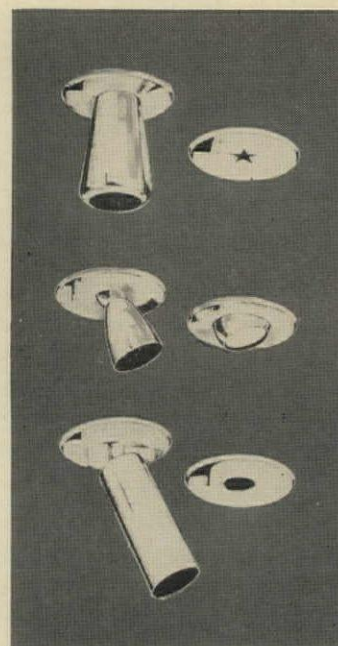


Wall lighting strip is open at top and bottom to flood wall and ceiling with light. Unit is 8" high, only 5" deep. Made in 2', 3', and 4' lengths for one or two fluorescent bulbs. Walnut finished frame. Fiberglass diffuser. Silvray, New York City.

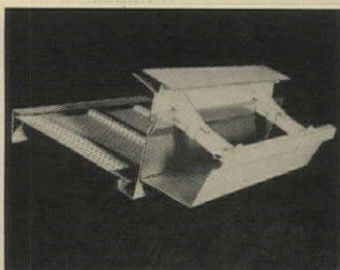
For details, check No. 19 on p. 141

Low-voltage lighting units draw only 12 volts, are small size for inconspicuous installation. Low-voltage units can be wired without conduit in most code areas. Six styles available. All use 20-watt R-12 reflector lamps. Halo Lighting, Chicago.

For details, check No. 20 on p. 141



Other products



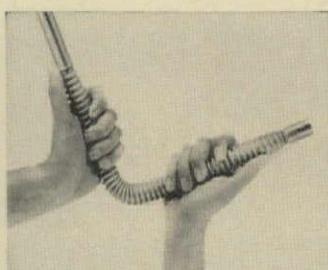
Prefinished soffit system is made of aluminum, includes drip cap, fascia cover, gutter hangers and gutter, and ventilated self-supporting soffit. Parts interlock, snap together, or are held in place with fold-over tabs. Metal Engineering, Easton, Md.

For details, check No. 21 on p. 141



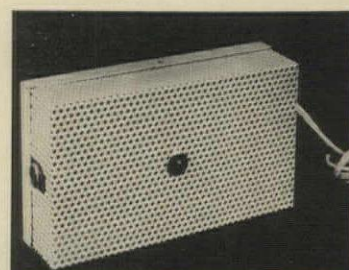
Vertical blueprint file has tubular steel frame on ball bearing casters. It holds 12 Plan Hold Type "S" Binders for filing up to 1,200 sheets in sizes up to 36"x48". Rack sells for \$19.95; binders from \$4.40 up each. Plan Hold Corp., South Gate, Calif.

For details, check No. 22 on p. 141



Flexible metal connector can be used to replace multiple elbows in plumbing and hydronics. Comes in 1/2" to 1 1/4" diameter sizes with 8" to 16" flexible sections (total length varies). For 35- to 75-psi working pressure. Cobra Metal Hose, Chicago.

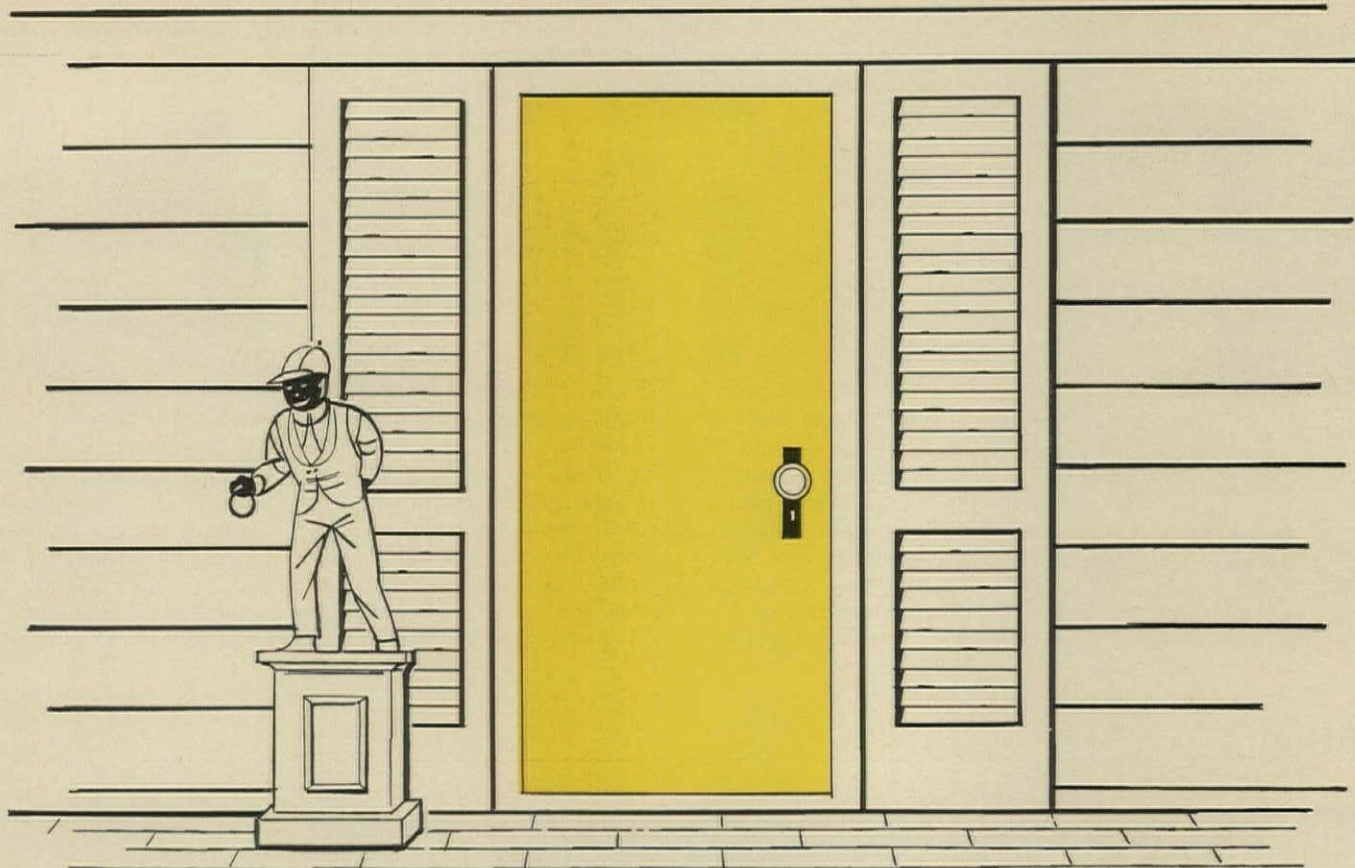
For details, check No. 23 on p. 141



Smoke and fire alarm is designed for home use. Unit is 4"x7 1/2", 2" thick, operates on 120-volt current. It emits a loud howling noise when smoke or temperature reaches dangerous levels. Fire Alarm Thermostat Corp., New York City.

For details, check No. 24 on p. 141

New products continued on p. 131



Doors you can paint and forget

Weldwood Duraply® Exterior Doors end call-backs for adjustment—make a good paint job last up to five years

An exterior door is a showpiece as well as a utility. Used and seen constantly, it is a source of either pride or exasperation. If sun, rain, snow or sleet make it stick or warp, you are called back for adjustments. If the paint fails prematurely, your reputation and pocketbook suffer further.

Weldwood Duraply Exterior Doors are

specifically designed to remain a source of pride. For extra protection from the elements, they have a special resin-fiber overlay. This is the same "skin" used for painted boat hulls. Two coats of quality paint can last up to 5 years. In addition, Duraply doors have edges of factory-sealed cedar heartwood, which has outstanding resistance to rot and decay.

These special construction features give Duraply doors the great dimensional stability that prevents the need for adjust-

ments. Properly maintained, these doors are guaranteed for the life of the installation. You simply hang them, paint them, and forget them.

There's a Weldwood door for every opening—interior as well as exterior; wood and high-pressure laminate faces, acoustical, and fire doors for commercial and public construction as well as residences. Each has a construction engineered to fit its function. Each is backed by United States Plywood. Get the full information today.



Weldwood Duraply Exterior Doors are ideal for commercial and institutional use. They stand up under heavy traffic and heavy weather—keep maintenance costs low. They are shown in the Connecticut Yankee Inn, Niantic, Connecticut.

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United States Plywood
55 West 44th Street, New York 36, N.Y.

Please send me your new 20-page catalog, "Weldwood Doors," #2240

Name.....

Firm.....

Address.....

City.....Zone...State.....

Materials



Epoxy-based coating (left) can be sprayed, brushed, or rolled over almost any surface including masonry, wood, metal, ceramic tile, etc. The tough glossy finish, which resembles tile, costs about 30¢ per sq. ft. Solid colors can be decorated (as shown) with second-color splatter. O'Brien Corp., South Bend, Ind.
For details, check No. 25 on p. 141

Concrete bonding agent assures strong connection between new and old concrete. Called Uniweld, it has an epoxy base. Permagile Corp., Plainview, N.J.
For details, check No. 26 on p. 141

Polyurethane floor enamel, a one-package synthetic finish, is highly resistant to abrasion, oils, acids, and chemicals. For wood or concrete, indoors or out. It comes in clear and seven colors. Breinig Brothers, Newark.
For details, check No. 27 on p. 141



Solid-vinyl floor tile has chips of colored vinyl suspended in a field of clear vinyl. Applause is 1/8" thick, is available in 19 colors, and is made in 9"x9", 12"x12", and 36"x36" squares. Robbins Floor Products, Tusculumbia, Ala.
For details, check No. 28 on p. 141



Soffit board, made of resin-bonded hardwood fibers, is check-and-splitproof, comes in 8' lengths, 16" or 24" wide, and is 5/16" thick. It is factory primed, easy to install, has high dimensional stability. Armstrong Cork, Lancaster, Pa.
For details, check No. 29 on p. 141

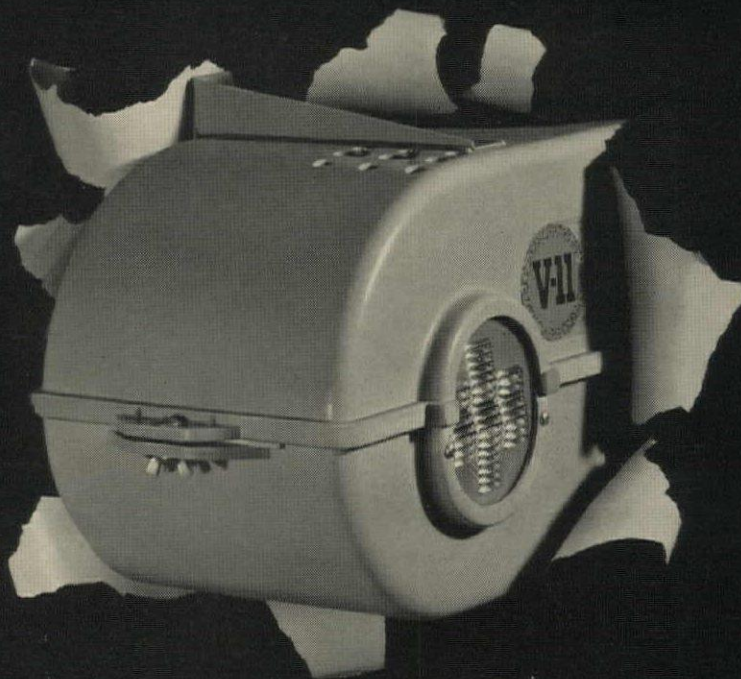


Prefinished hardboard comes in six woodgrain reproductions: two shades each of cherry, walnut, and oak. 4'x8' panels are 1/4" thick and retail for about 25¢ per sq. ft. Called Weldwood Hearthside, it is stain and fade resistant. U.S. Plywood, New York City.
For details, check No. 30 on p. 141



Thin brick veneer costs less than conventional masonry and requires no special footings. Each brick has guide pins which rest in sockets formed in the wire mesh. The mesh, in turn, is nailed to the substrate. Vesta Mfg., San Jose, Calif.
For details, check No. 31 on p. 141
New products continued on p. 132

BREAK-THRU

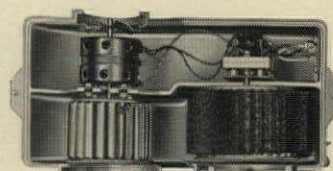


FOR THE FIRST TIME IN YEARS... A NEW PROVED CONCEPT IN FURNACE POWERED HUMIDIFICATION—THE V-11 VAPOR-WHEEL

The Vapor-Wheel is a power humidifier that provides positive action all winter . . . humidity rate is adjustable from 3 to 11 gallons per day. This is how the thoroughly tested V-11 Vapor-Wheel works: Air is drawn into the unit by a powerful pressure type blower unit and forced thru a saturated media on the Vapor-Wheel. This moisture laden air is then forced into the heating duct system and carried throughout the house. The media is attached to a drum which constantly rotates thru a bath of water. This assures maximum air saturation with no lime dust. Media can be removed and washed or, if necessary, economically replaced. The unit's attractive fiberglass case contains the finest quality parts and workmanship. The V-11 easily installs and operates on any and all furnaces . . . even gravity types. See your Lau Distributor for complete details.



Media Wheel



Quality Construction



Send for free Catalog

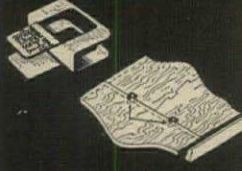


HOME COMFORT PRODUCTS DIVISION
THE LAU BLOWER COMPANY

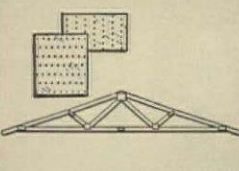
2027 Home Avenue

Dayton 7, Ohio


TECO H-CLIP
Plywood Supports



TECO TRUSS PLATES
For Single Plane Roof Trusses




TECO-U-GRIP
Joist and Beam Hangers



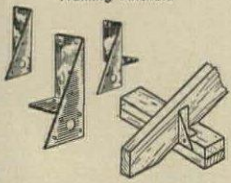
½ the Cost of Old Style Hangers

TECO FAS-LOK
Bridging
(No nails needed)




STRUCTURAL WOOD FASTENERS BY TECO

TECO TRIP-L-GRIP
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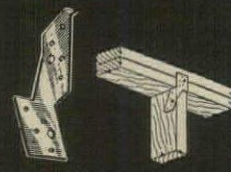


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TECO PRODUCTS ARE AVAILABLE THROUGH OVER 130 DISTRIBUTORS IN 91 CITIES WHEN YOU HAVE A WOOD FASTENING PROBLEM, CALL ON US



TIMBER ENGINEERING COMPANY
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Show 'em

"No more snow to shovel"

and close the sale!



Send for free

Sno-Melter slides today!

Add pre-assembled, electric *Sno-Melter* to your house package. Then add to sales by showing prospects *pictorially* how a flip of a switch melts snow and ice off driveways, walks, concrete steps. Set of color slides sent free to architects, builders, contractors, who write on business letterhead.

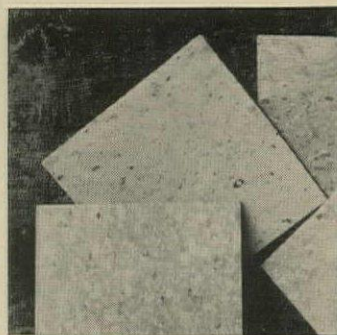
Nationally advertised in **BH&G Home Building Ideas, House Beautiful and House & Garden Building Guides.**

EASY-HEAT, INC., Dept. 2-H, New Carlisle, Ind.

NEW PRODUCTS

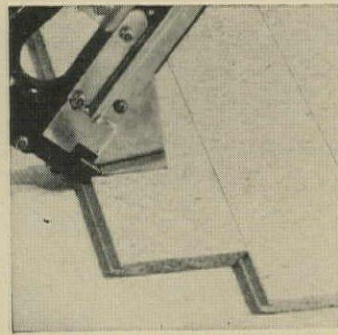
start on p. 125

Materials



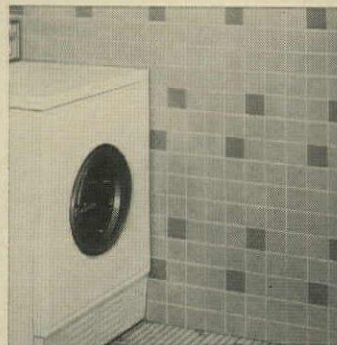
Asphalt tile offers the appearance of terrazzo at the lowest possible price. Called Tapestry, the new tile is available in six pastel shades. It is non-absorbent and easy to clean. Tiles are 9"x9"x1/8". Johns-Manville, New York City

For details, check No. 32 on p. 141



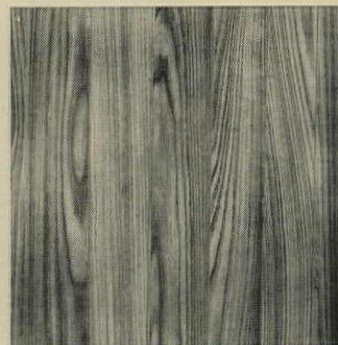
Wood-chip flooring is made in t&g strips 3 1/2" wide, 3/8" thick, 8' long. Will not split or dent, even under impact of women's spike heels. Called Forrest Wood-Strip, it is factory-sealed, needs no sanding. Forrest Industries, Dillard, Ore.

For details, check No. 33 on p. 141



Ceramic wall tiles are 3" square, 1/4" thick, and are mounted 24 tiles to the sheet for fast installation. They come in eight basic two-tone color patterns. Trim shapes and angles are available in all base colors. U.S. Ceramic Tile, Canton, Ohio.

For details, check No. 34 on p. 141



Woodgrained hardboard, in new teak and elm patterns, has an individual-plank look. Both patterns come in 4'x7' and 4'x8' panels 1/4" thick for direct application to studs, to furring strips, or to existing walls. Masonite, Corp., Chicago.

For details, check No. 35 on p. 141

Brick coating, sprayed or air-blasted onto brick before firing, permits brickmakers to color brick to any shade on order. The final vitreous surface is weather-proof and non-fading. The treatment costs as little as \$1.50 per thousand bricks. International Minerals & Chemicals, Skokie, Ill.

For details, check No. 36 on p. 141

Vinyl-coated wall cloth, for both consumer and commercial uses, comes with embossed surfaces (as well as flat printed ones) which look like Shantung or Moire silk. Many of the 130 patterns available are also made in drapery and slipcover materials. Standard Coated Products, Buchanan, N.Y.

For details, check No. 37 on p. 141

Kiln-dried studs with only 12% moisture content are said to have 1/3 greater nail-holding power than studs dried to 19%. They have greater dimensional stability, more split and warp resistance. Red Arrow Precision KD 12% studs are steel strapped, precision cut to specified lengths, and end and edge marked for easy identification. Edward Hines Lumber Co., Chicago.

For details, check No. 38 on p. 141

Polyester laminate panel for door, wall, ceiling, and cabinet surfacing is available with a gold-flake pattern on white, turquoise, and pink backgrounds; as well as in solid colors and wood grains. Substrates include hardboard and flakeboard ranging from 1/8" to 1" thick. Called Superlite, the material is surfaced with Videne polyester film. Goodyear Tire & Rubber, Akron.

For details, check No. 39 on p. 141

Ten more Tedlar film coated products reach the market

Tedlar, Dupont's tough new exterior film coating, was first announced in HOUSE & HOME last August. It is now available as a surface coating on a growing number of exterior materials. Two of these products have been announced previously in HOUSE & HOME: A 30-year built-up roof offered by Ruberoid (see Oct.), and a 15-year prefinished siding from U.S. Plywood (Dec.). These additional products are now commercially available with Tedlar surfacing:

Residential aluminum siding which carries a 30-year written guarantee. In white, green, and grey. AlSCO Inc., Akron.
For details, check No. 40 on coupon, p. 141

Sheet or coil steel for use as commercial siding, roofing, gutters, ducts, etc. In sheets up to 60" wide, or coils up to 50" wide on cold rolled steel, galvanized steel, or aluminum. Arvin Industries, Columbus, Ind.
For details, check No. 41 on coupon, p. 141

Industrial siding and roofing in pre-engineered building panels and sandwich panels. Ribbed and embossed patterns. Butler Mfg. Co., Kansas City, Mo.
For details, check No. 42 on coupon, p. 141

Galvanized coil steel in coils 48" wide. Also in ribbed industrial siding. National Steel Corp., Pittsburgh.
For details, check No. 43 on coupon, p. 141

Adhesive-backed Tedlar for bonding to metals, wood, plastics, and painted materials. Fasson Products, Painesville, Ohio.
For details, check No. 44 on coupon, p. 141

Pressure-sensitive Tedlar tape for sealing end and side laps in Tedlar-covered siding and roofing systems. Minnesota Mining & Manufacturing Co., St. Paul.
For details, check No. 45 on coupon, p. 141

Coil metal stocks of all kinds. This company applies Tedlar as a prefinished coating to other maker's coils up to 48" wide. Pre Finish Metals, Elk Grove Village, Ill.
For details, check No. 46 on coupon, p. 141

Insulating jacketing for interior or exterior use over glass fiber, urethane, styrene foam, etc. Ruberoid Co., New York City.
For details, check No. 47 on coupon, p. 141

Glass fiber reinforced plastic in continuous rolls of both flat and corrugated stock. Widths to 60" and lengths to 100'. Fiber Glass Plastic Inc., Miami.
For details, check No. 48 on coupon, p. 141

Coil and sheet aluminum for use by building-product fabricators. Reynolds Metals Co., Richmond, Va.
For details, check No. 49 on coupon, p. 141

Publications start on p. 135

NEEDED FOR YEARS...to prevent perplexing predicaments in the bathroom...AND HERE IT IS

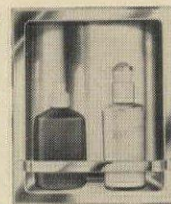


A NEW BATHROOM CONVENIENCE Just a cover-opening away is the spare...insurance against embarrassment. Closed it's one of the most attractive accessories a modern bathroom can have. Beautifully chromed and precisely made in every detail, it combines a new and original idea with Hall-Mack's fine styling.

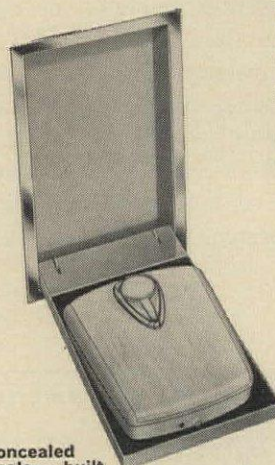
The smoothly operating door which conceals the extra roll is a sparkling, chrome plated brass panel—compact and flush with the wall—that blends pleasingly with any decor.

For new homes or remodeling, you're sure to make friends and influence new customers when you specify, sell or install built-in features by Hall-Mack—especially Conceal-A-Roll with the "spare" compartment that solves a delicate problem.

shower recess unit



— handy, safe spot for shampoo bottles, etc.



concealed scale — built in the wall for utmost safety and convenience

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- Please send free color booklet on bathroom planning.
- Include complete information on Conceal-A-Roll.

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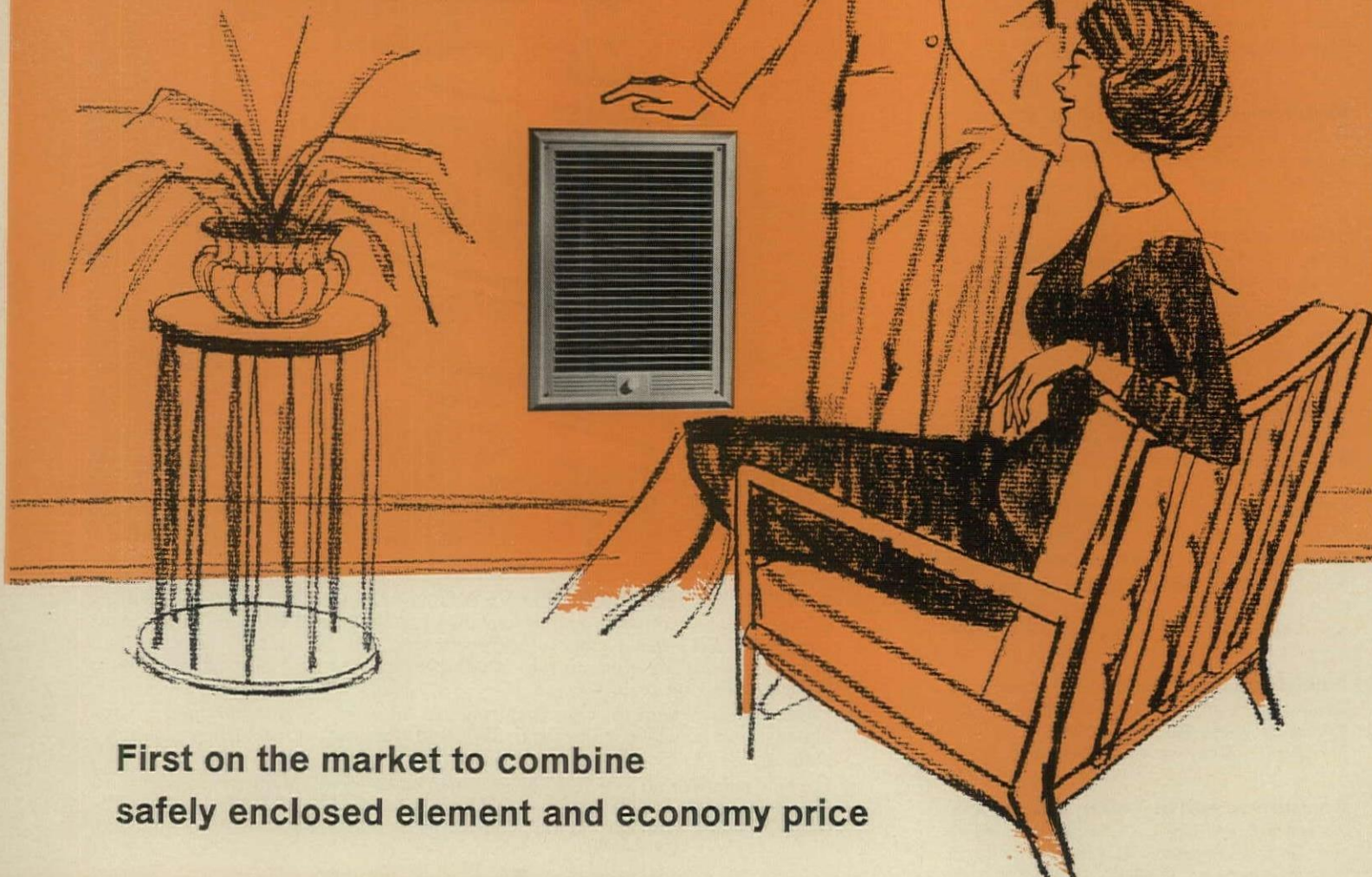
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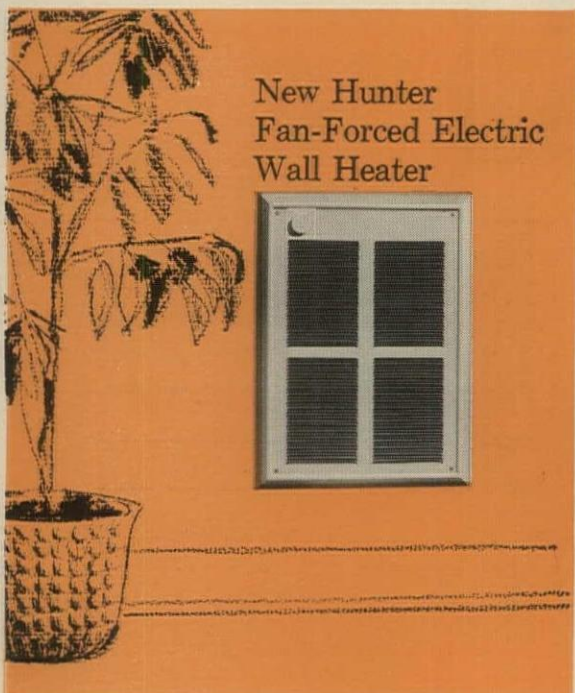
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safely enclosed element and economy price**



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Wall Heater**

Hunter presents the industry's first radiant wall heater (above) to combine fully-enclosed element with an economy price. Also the first fan-forced type (left) to feature open wire coils for fast warm-up, grille-concealed for safety. Radiant unit has wattages 1500 to 3000; fan-forced, 1500 to 4000. Both install fast, feature built-in precision thermostats, distinctive picture-frame styling and attractive heat-resistant beige finish. Backed by Hunter's 80-year experience in making quality equipment. *Send coupon for full details.*

Hunter also makes convection baseboard, forced air baseboard, radiant ceiling cable, bathroom, portable, infrared and unit blower heaters.

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Please send your new . . . Catalog sheet on new Hunter Wall Heaters.
 16-page catalog on other Hunter Electric Heat products.

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Company _____

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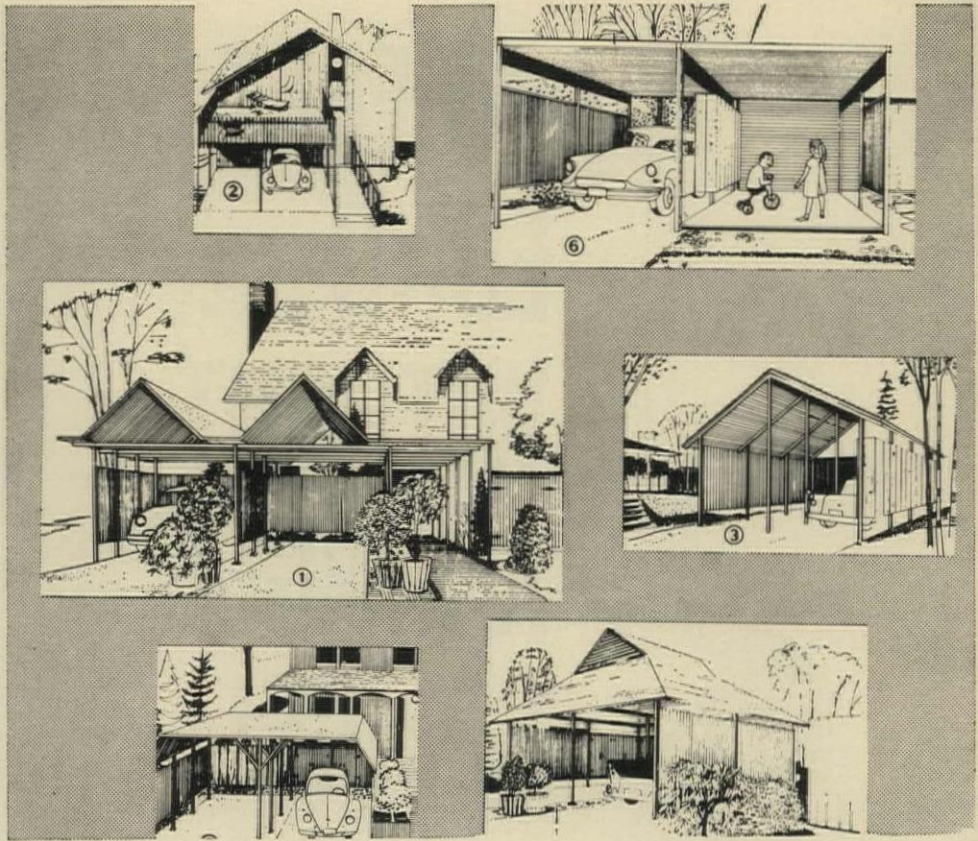
City _____



New booklets offer building and remodeling ideas

The drawings at right, from an eight-page booklet on carports, are typical of the ideas shown in this continuously expanding series. Other booklets cover basements, sun decks, attics, built-ins, and storage. Additional publications from the same source describe grading; technical properties; sizes and characteristics of various types of framing, paneling, moulding, sheathing, and siding. Although these booklets were originally designed as consumer literature for lumber-yard distribution, they would be valuable to new-home builders and remodeling contractors both as idea sources and as explanatory illustrations to show prospective customers. For example: The carport brochure shown at right also contains suggestions and drawings about the location of the carport, its relation to the house, and its landscaping.

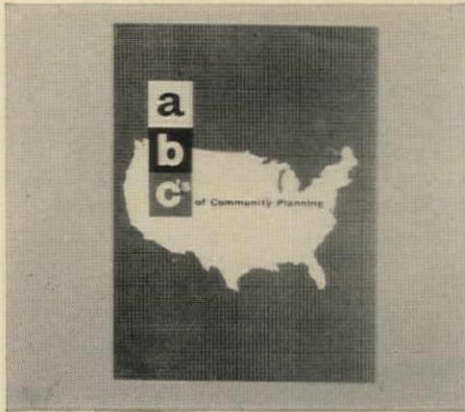
Complete plans for each of the six carports, available for \$4.50 a set. (Architects Donald Blair, AIA and Saul Zaik, AIA designed them.) All booklets in the series are available in quantity with or without an imprint at a moderate price. Western Pine Assn., Portland, Ore. For price list, check No. P1 on coupon, p. 141



Handbook covers planning needs for community well being

It tells why community planning is needed and describes the major plans that various agencies develop. It explains what a comprehensive plan must cover: land use, transportation, public facilities and utilities. It also explains how the plan covers these aspects in typical policy statements, maps, standards, and programs. The influence of zoning ordinances, subdivision regulations, and other codes and controls is also discussed together with the planning responsibilities of the governor, mayor (or city manager), legislative

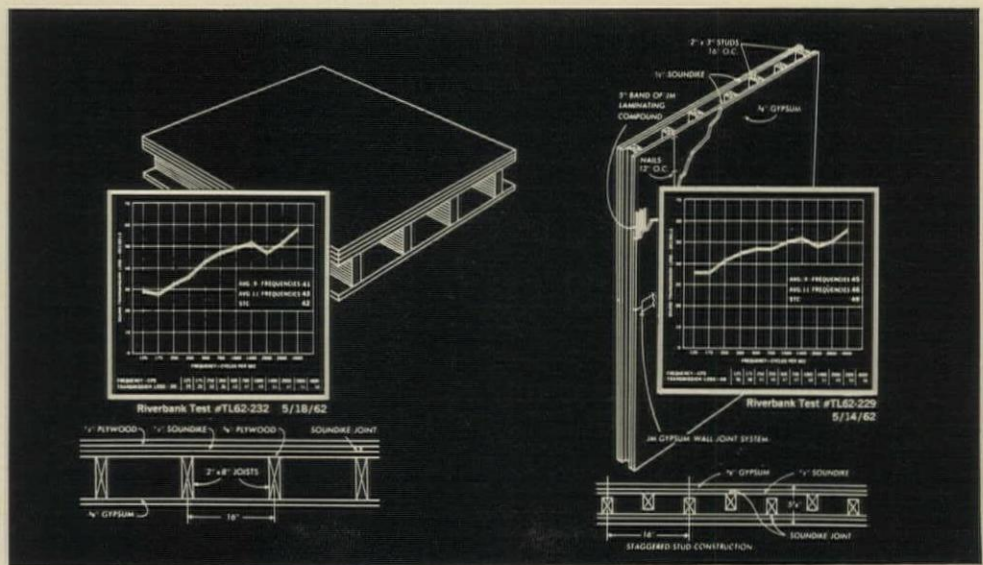
bodies, planning commissions and departments, and city operating departments. Another section lists aids for communities to call on for planning help; state and federal agencies, universities, various private non-profit organizations. The 32-page booklet ends with a check list to help evaluate existing community planning and an up-to-date bibliography. Single copies no charge; additional copies 25¢ each from Community Planning Div., Dept. 703, Sears Roebuck & Co., 925 South Holman Ave., Chicago 7.



Brochure shows five ways to cut sound transmission

It shows cutaway isometric drawings of three types of walls and two types of floors (see examples at right)—all of which use a layer "Soundike Fiberboard" to cut the transmission of sound from room to room. The system works two ways: 1) It eliminates sound leaks by blocking air flow through the construction. 2) It reduces sound transmission with double-layer construction (the surface layer is not nailed to the framing—it is glued to the fiberboard). Each system is rated on a sound transmission loss curve (as shown). Wall costs are compared to a standard 2x4 stud wall covered with 1/2" gypsum. Johns-Manville, New York City.

For copy, check No. P2 on coupon, p. 141



Publications continued on p 136

For copies of free literature, check the indicated number on the coupon, page 141

Technical literature

VINYL PANELS for roofing, siding, skylights, partitions. 12 pages. Installation details for sloping roofs, sidewalls, arched roofs, and accessories. Barrett Div., Allied Chemical, New York City. (Check No. P5)

HOME INTERCOMS. 18 pages. Systems description, equipment and accessories, wiring plans, installation techniques. Executone Inc., Long Island City, N.Y. (Check No. P6)

RECESSED FLUORESCENT LIGHTING. 24 pages. Cross sections and features, candle power distribution charts, installation diagrams, shielding specs, and ordering data. Lightolier, Jersey City, N.J. (Check No. P7)

HEAT PUMP OPERATING COSTS. 34 pages. Analysis of all electric energy uses in Air Force houses equipped with air-to-air heat pumps. 30¢. For copy, write Superintendent of Documents, U.S. Government Printing Office, Washington 25.

HEAT GAIN CALCULATING METHOD for all industry use. \$2.50. For copy, write Publications Dept., National Warm Air Heating & Air Conditioning. Assn. 640 Engineers Bldg., Cleveland 14.

FASTENERS. 4 pages. FHA standards for use of power driven nails and staples. Spotnails Inc., Rolling Meadows, Ill. (Check No. P8)

WOODWORK. Suggested specs in three grades: premium, custom, economy. Simplified or detailed checklists. Architectural Woodwork Institute, Chicago. (Check No. P9)

ELECTRIC HEAT STANDARDS. 10 pages. Chapter on baseboard heaters is completely revised. Wall heaters and heating cable also covered. 50¢. For copy, write National Electrical Manufacturers' Assn., 155 E. 44 St., New York City 17.

Installation brochures

PREFINISHED HARDWOOD PANELING PACKAGE. 6-page folder. Application of 7/16" Craftwall for new construction or remodeling; directly on studs or over plaster, gypsum board, or masonry walls. Weyerhaeuser, Tacoma. (Check No. P10)

CONCRETE FORMS with steel inside corners. Photo sequence shows the Simplex System for complete foundations. Lists engineering and financing services offered to users. Simplex Forms System, Rockford, Ill. (Check No. P11)

ALUMINUM RAILINGS AND COLUMNS. 4 pages. Diagrams show how to install, step by step. Four colors. Parts and price list. Seasonal Industries, Indiana, Pa. (Check No. P12)

WALL AND CEILING INSULATION. 4 pages. Application instructions. Friction Fit batt features. Owens-Corning Fiberglas Corp., Toledo. (Check No. P13)

LUMINOUS CEILINGS. 4 pages. Five-step installation procedure. Graph and instructions show how to measure for Alsynite panels. Reichhold Chemicals, San Diego. (Check No. P14)

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THE MOST ATTRACTIVE HYDRONIC BASEBOARD ON THE MARKET!

Edwards "wall to wall" baseboard radiation is available up to 20 feet in length. Long length baseboard, introduced by Edwards, improves the appearance of the job, reduces expensive labor and eliminates the cost of splices. Available in five attractive finishes — chrome, woodgrain, coppertone, beige and white. Easy snap-on front cover. Made by the manufacturer of Edwards packaged hydronic boilers, motorized zone valves, chillers and cooling equipment.

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TERNE ROOFING. 12 pages. How to install a standing-seam roof, a batten-seam roof, a Bermuda-seam roof, a flat-lock deck; flashing and guttering details; weathering data. Follansbee Steel, Follansbee, W. Va. (Check No. P15)

RED CEDAR SHINGLES AND SIDEWALL SHAKES. 4 pages. How to figure coverage, application steps and specs with diagrams, summary of grades and sizes. Red Cedar Shingle Bureau, Seattle. (Check No. P16)

EPOXY-URETHANE COATING. 4 pages. Describes two-step method of coating concrete blocks, poured concrete, plaster, or metal with tile-like thermo-setting plastic. Farboil Co., Baltimore. (Check No. P17)

CERAMIC TILE ADHESIVES. 16 pages. New tile installation products and procedures. 10¢. For copy, write Tile Council of America, 800 Second Ave., New York City 17.

MODULAR KITCHEN CABINET SYSTEM. 8 pages. Shows how to assemble simple aluminum framework, then add drawers, countertops, shelves, and doors. Fibersin finish, adjustable hinges, nylon bearings. Modulux Inc., Chicago. (Check No. P18)

Catalogs

SCAFFOLDING, SHORING, AND ACCESSORIES of tubular steel. 8 pages. Tie-in and assembly methods, safety rules, and chart to figure frame size and diagonal bracing needs. Deal Products, Easton, Pa. (Check No. P19)

LIGHTING FIXTURES. 48 pages. Traditional, contemporary, and transitional chandeliers and sconces. Choice of trims and finishes. Installation photos. Coronet Chandelier Originals, New York City. (Check No. P20)

ELECTRICAL DISTRIBUTION EQUIPMENT. 124 pages. Product data in charts with diagrams on circuit-breaker load centers, fusible panels, safety switches, meter equipment, and busways. General Electric, Plainview, Conn. (Check No. P21)

GUIDE TO TECHNICAL PUBLICATIONS. 24 pages. Describes books on engineering, construction and maintenance, estimating forms for cost control and design, testing equipment. Technical Guide Publications, Miami. (Check No. P22)¹

STEEL DOORS AND FRAMES. 20 pages. Elevations, cutaways, and door and frame details. Chart of UL fire ratings. Specs. Choice of hardware. Amweld Building Products, Niles, Ohio. (Check No. P23)

STUD DRIVERS AND ACCESSORIES. 12 pages. Descriptions, illustrations, shipping weights, and prices of fasteners, chargers, fixtures, accessories, and tool kits. Ramset Fastening System, New Haven. (Check No. P24)

HANDRAILING, DECORATIVE SCREENS, and other metal shapes. 28 pages. Construction features, finished appearance, weights, and dimensions. Julius Blum & Co., Carlstadt, N.J. (Check No. P25)

Publications continued on p. 140



"no call-backs at all" with Pease Ever Strait Doors

says R. Corwin Pauly, President of L. C. Homes, Inc.,
manufactured home builders of Cincinnati

Want to stop call-backs and cut expense without cutting corners? Take a tip from R. Corwin Pauly. Pease Ever-Strait* exterior doors helped him put a stop to call-backs, saved him the expense of replacing warped doors at nearly double the cost of initial installation. That's why he says:

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Pease Ever-Strait Doors are designed to enhance

any architectural style. The 24 striking designs range from a flush model to styles with molded trim and glazed light inserts. And every model is your lowest cost guarantee of quality and warp-free service. Yes, Pease exclusive Ever-Strait design gives top strength and insulation, because it's engineered with a rigid Koppers Dylite** foam core between two steel panels. Results? . . . the substantial sound and "feel" of conventional doors, yet with one-third less weight. Pease Ever-Strait Doors save on installation time, too, because they come complete as Pease-fit units—primed and pre-hung in a weather-stripped frame. For straight savings from beginning to end, use Pease Ever-Strait Doors. For more information, write:

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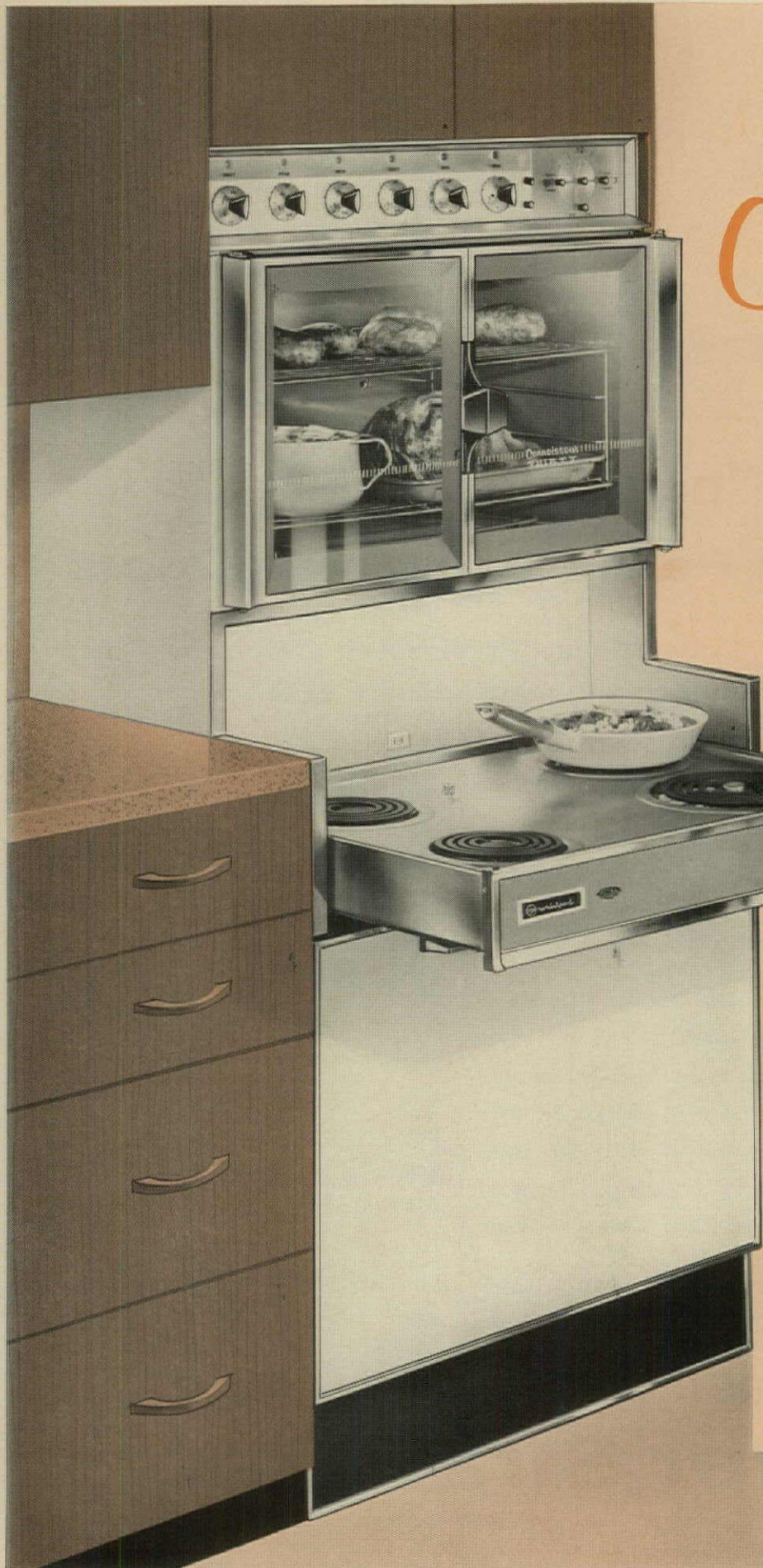
*Patents Pending
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Note: Distributor inquiries invited



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Here's the kind of extra value that's easy for home buyers to measure. It's a complete cooking center with eye-level oven and broiler, hand-high cooktop and huge low oven. So modern, so attractive, yet so practical in saving space, steps and time. Gives your kitchens that built-in look, yet slips into place as easily as a free-standing model. Gas, electric models.



Or offer your prospects a *choice* of gas or electric RCA WHIRLPOOL built-in ovens and drop-in tops, because they both have identical cutouts and are designed for fast, easy installation. Choice of brushed chrome or decorator colors. Models RKE155 and RKE867.

RCA WHIRLPOOL

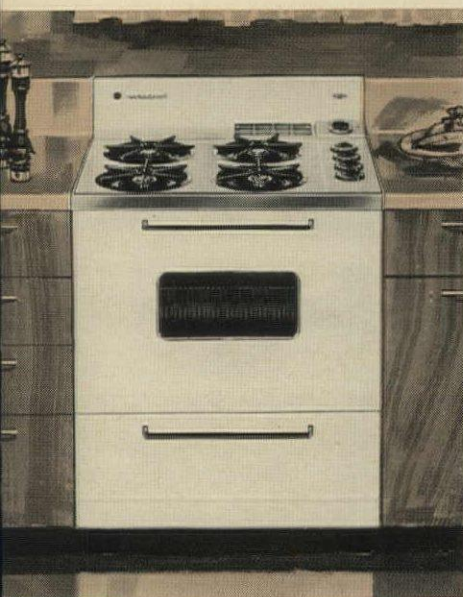
that extra touch of value!



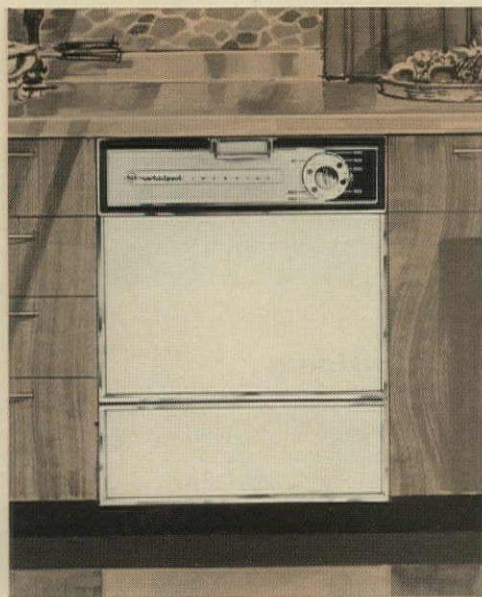
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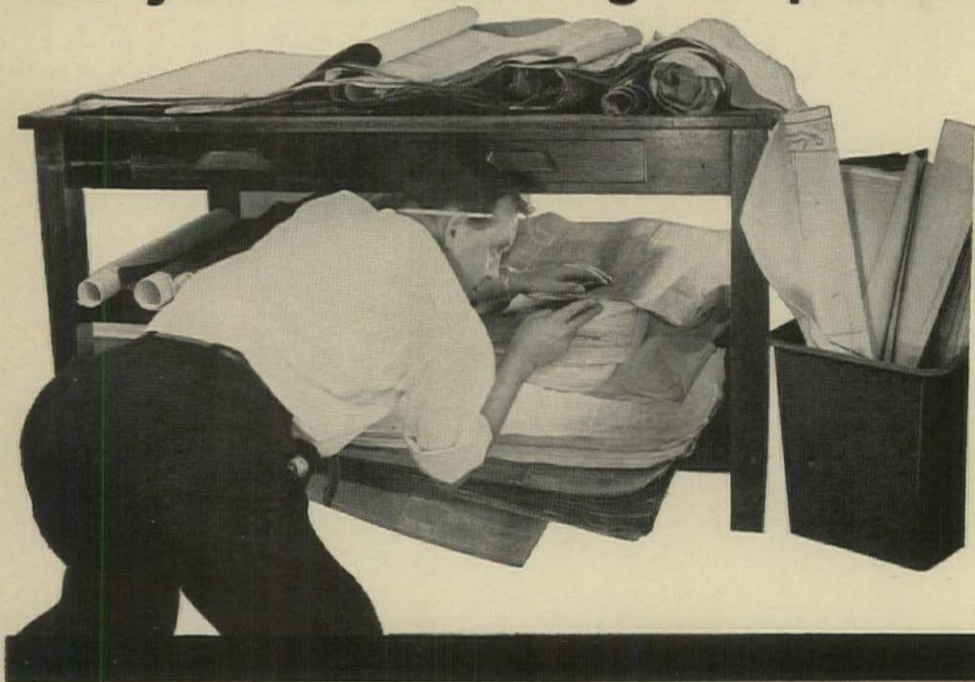


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BUILT-IN LIGHTING. 4 pages (condensed). Chart of models with watts, sizes, features, installation drawings. Kirlin Co., Detroit. (Check No. P28)

CERAMIC MOSAIC TILE. 20 pages. Fifty-four patterns in color. Also 12-page booklet on special decorative inserts. American Olean Tile Co., Lansdale, Pa. (Check No. P29)

DECORATIVE HARDWARE: ceramic, wrought iron, provincial, oriental, and contemporary. 24 pages. Photos and ordering data. Jaybee Mfg., Los Angeles. (Check No. P30)

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GAS RANGES, OVENS, RANGE TOPS. 19 product sheets. Photos, features, drawings. Wedgewood Holly Appliance Co., Culver City, Calif. (Check No. P32)

FRACTIONAL H.P. MOTORS. 8 pages. Stock bulletin and price list. Westinghouse Small Motor Div., Pittsburgh. (Check No. P33)

Product bulletins

MINIATURE ELECTRO-HYDRONIC HEATING SYSTEM. 8 pages. Construction details, applications, and installation data. Dunham-Bush, Inc., West Hartford, Conn. (Check No. P34)

ACOUSTICAL PLASTER. 6 pages. Describes one-day application. Noise reduction coefficients, specs. Zonolite Co., Chicago. (Check No. P35)

TWO-WAY MOBILE RADIO. 12 pages. Describes performance, components, accessories. General Electric, Lynchburg, Va. (Check No. P36)

HARDWOOD PANELING. 4 pages. 14 varieties. Suggested uses. Evans Products, Portland, Ore. (Check No. P37)

SHINGLES with Sta-Seal tabs. 4 pages. Sizes, colors, installation. Philip Carey Mfg., Cincinnati. (Check No. P38)

ADJUSTABLE CLOSET BAR. Data sheet. Installation and sizes. Stanley Hardware, New Britain, Conn. (Check No. P39)

HUMIDIFIER for hot-air furnaces. Data sheet. Installation and specs. Hamilton Humidity Inc., Chicago. (Check No. P40)

DOUBLE MITRE SAW for making trim. Data sheet. Features. Letarte Co., Smiths Creek, Mich. (Check No. P41)

OVERLAY PLYWOOD SIDING. 4 pages. Uses and advantages. Comparative insulation values; results of abrasion tests; vapor transmission, nail bearing, and weather-resistance data. Evans Prods., Portland, Ore. (Check No. P42)

STEEL STAKES AND FORM PINS for wooden concrete forms. 4 pages. Uses, features, sizes, and accessories. Dee Concrete Accessories Co., Chicago. (Check No. P43)

WINDOW HARDWARE converts up-and-down units

into tilting windows. Folder shows safety, convenience, and savings. National Twin Tilt Window Corp., Pittsburgh. (Check No. P44)

SHOWERHEAD with variable spray. 4 pages. Sizes, models, prices. Speakman Co., Wilmington, Del. (Check No. P45)

PLASTIC LAMINATES. 8 pages. Shows 50 patterns. Installation details. Properties, grades, sizes. Pioneer Plastics Corp., Sanford, Me. (Check No. P46)

For more information check the numbers below (they are keyed to the items described on the New Products and Publications pages) and send the coupon to: HOUSE & HOME, Rm. 1960, Time & Life Building, Rockefeller Center, New York 20.

NOTE: HOUSE & HOME's servicing of this coupon expires Mar. 31, 1963. If you contact manufacturers directly, it is important that you mention the issue of HOUSE & HOME in which you saw the item.

New products

- 1. Westinghouse air conditioners
- 2. Amana room air conditioners
- 3. Dyna gas fireplace
- 4. Vega modular fireplace
- 5. Space-Planner fireplace
- 6. Sanford truss machine
- 7. TeleScale rule
- 8. Masonry Specialty corner pole
- 9. Soil Mover scraper
- 10. H&S panel router
- 11. Midget ventilating louver
- 12. Evon closet pole bracket
- 13. Hager olive hinge
- 14. Ajax magnetic catch
- 15. Coiled Kords wiring tape
- 16. Touchmaster intercom
- 17. International Register automatic timer
- 18. Prescolite light fixtures
- 19. Silvray wall lighting strip
- 20. Halo low-voltage lights
- 21. Metals Engineering soffit system
- 22. Plan Hold blueprint file
- 23. Cobra Metal connector
- 24. Fire Alarm Thermostat unit
- 25. O'Brien epoxy-based coating
- 26. Permagile concrete bonding agent
- 27. Breinig floor enamel
- 28. Robbins floor tile
- 29. Armstrong soffit board
- 30. U.S. Plywood hardboard
- 31. Vesta thin brick veneer
- 32. Johns Manville asphalt tile
- 33. Dillard wood-chip flooring
- 34. U.S. Ceramic Tile wall tile
- 35. Masonite hardboard
- 36. International Minerals & Chemicals
- 37. Standard Coated wall cloth
- 38. Edward Hines Lumber studs
- 39. Goodyear laminate panels
- 40. Alasco aluminum siding
- 41. Arvin sheet or coil steel
- 42. Butler siding and roofing
- 43. National Steel coil steel
- 44. Fasson adhesive-backed Tedlar
- 45. 3M pressure sensitive Tedlar tape
- 46. Pre Finish coil metal stocks
- 47. Ruberoid insulating jacket
- 48. Fiber Glass Plastic reinforced rolls
- 49. Reynolds coil and sheet aluminum

Publications

- P1. Western Pine idea booklets
- P2. Johns Manville Soundlike Fiberboard
- P5. Barrett vinyl panels
- P6. Executone home intercoms
- P7. Lightolier recessed fluorescent lights
- P8. Spotnails fasteners
- P9. Architectural Woodwork Institute package
- P10. Weyerhaeuser paneling package
- P11. Simplex concrete forms
- P12. Seasonall aluminum railings
- P13. Fiberglass Friction Fit insulation
- P14. Reichhold luminous ceilings
- P15. Follansbee terne roofing
- P16. Red Cedar Shingle Bureau
- P17. Farboil epoxy-urethane coating
- P18. Modulux kitchen cabinets
- P19. Deal scaffolding and shoring
- P20. Coronet Chandelier lighting
- P21. G.E. electric distribution equipment
- P22. Technical Guide Publications
- P23. Amweld steel doors and frames
- P24. Ramset stud drivers
- P25. Julius Blum railings and screens
- P26. Boice Crane power tools
- P27. Michigan Brass faucets
- P28. Kirlin built-in lighting
- P29. American Olean mosaic tile
- P30. Jaybee decorative hardware
- P31. Leigh Building Products
- P32. Wedgewood Holly appliances
- P33. Westinghouse fractional h.p. motors
- P34. Dunham-Bush electro-hydrionic heat
- P35. Zonolite acoustical plaster
- P36. G.E. two-way mobile radio
- P37. Evans hardwood paneling
- P38. Philip Carey shingles
- P39. Stanley closet bar
- P40. Hamilton humidifier
- P41. Letarte double mitre saw
- P42. Evans overlay plywood siding
- P43. Dee Concrete steel stakes
- P44. National Twin Tilt Window hardware
- P45. Speakman showerhead
- P46. Pioneer plastic laminates

January

Name Position

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Street

City State

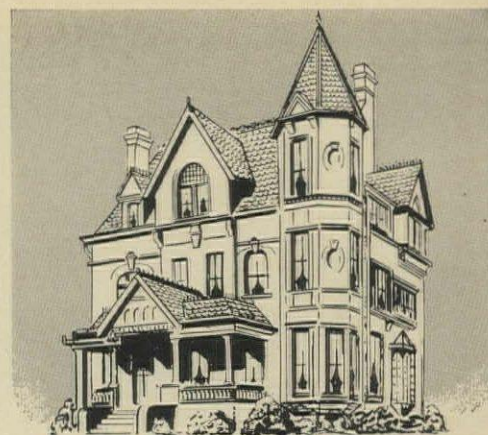
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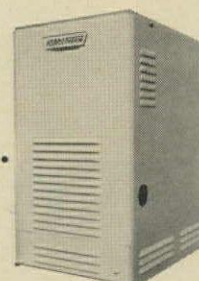
Firm Kind of business

Street

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Things Have Changed
in the Heating
Business, Too . . .



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Packaged Boilers
Make Hydronic Heat
Competitive!

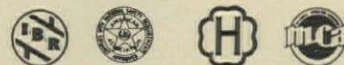
Thousands of Hydrotherm installations in tract homes as low as \$14,500 prove conclusively: You can now have a cast iron boiler and a superior hydronic heating system at little or no increase in cost!

With all accessories factory assembled, Hydrotherm packaged boilers help cut installation costs to the bone. Add pre-cut baseboard and quick-connect flexible fittings and you've got a hydronic heating system second to none — at a price that means quick sales and maximum profits for you.

And remember, when you sell a home with Hydrotherm hydronic heat you get plenty of "plus-factors" you can merchandise: more living space; maximum fuel savings; lots of domestic hot water; clean, healthful heat — plus a 25 year boiler guarantee. So don't wait another day; find out how Hydrotherm can save space and money on your next job.

Write Hydrotherm for Package Boiler booklet today!

Hydrotherm's complete line of boilers includes capacities from 50,000 to 3,600,000 BTU/Hr. input for domestic, commercial, industrial use.



HYDROTHERM

Dept. HH-2, Northvale, N. J.
Visit us at the ASHRAE Show Booth 998

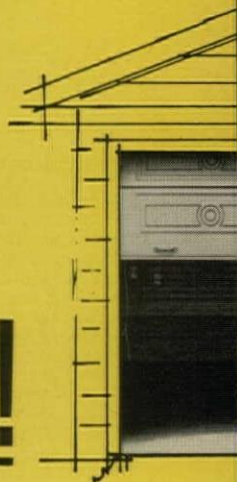
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BREAKS

New **AUTO**™

**FOR LESS
THAN \$150
—INSTALLED*!**



Now... for the first time... you can offer an automatic operator plus a quality door for the cost of a custom-designed door alone!

This bargain combination is a real sales-clincher—the automatic sales appeal of an automatic operator *and* the garage door with the prestige name. The "OVERHEAD DOOR" converts prospects into customers—faster, surer.

But the best part about it is the new, low price. Now you don't have to restrict installation of an automatic operator to the higher-priced homes. Now

OVERHEAD DOOR
HARTFORD CITY, INDIANA

General Offices and Manufacturing Division: Hartford City, Indiana.

Manufacturing Distributors: Dallas, Texas; Portland, Oregon; Cortland, New York; Hillside, New Jersey; Lewistown, Pennsylvania; Nashua, New Hampshire.

In Canada: Oakville, Ontario

THE \$150 PRICE BARRIER!

MATE

AUTOMATIC OPERATOR



you can install an AUTO-MATE in practically every home, enjoy the sales punch of a luxury feature at a price that definitely takes it out of the luxury class.

The "AUTO-MATE" is *not* a stripped-down operator. All the quality features are there for you to compare and demonstrate—features that have made "OVERHEAD DOOR" operators famous over the years.

Make this profit-making pair—door and operator—an automatic part of your '63 selling efforts. "OVERHEAD DOOR" helps you wrap things up with full package promotion—point-of-purchase tools, displays, merchandising and demonstration kits, etc. Check your distributor for details; he's listed under "OVERHEAD DOOR" in the white pages.

CORPORATION

**Overhead Door Corporation announces it is producing a quality operator at a price to its distributors which will permit them to sell for a price of less than \$150 installed (less wiring and travel).*

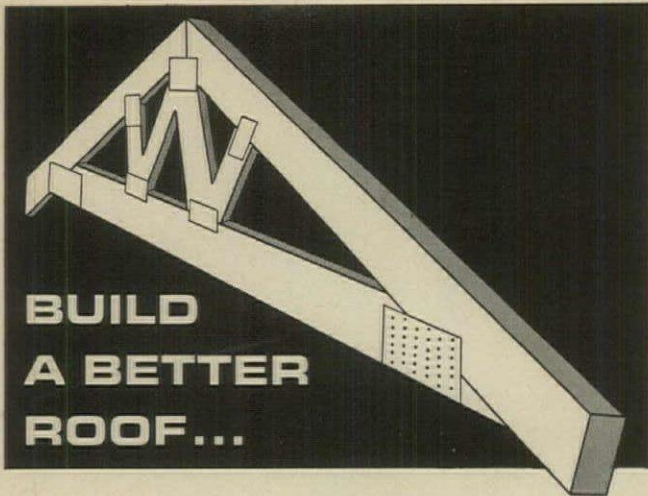
THE



WRITE FOR FULL DETAILS ON THE NEW 1963 BUILDER SELLING PROGRAM

Use this "extra selling touch" to stage a dramatic selling demonstration at your model home to clinch the sale.

A limited number of desirable Overhead Door Corporation Distributorships are now available—write for details.

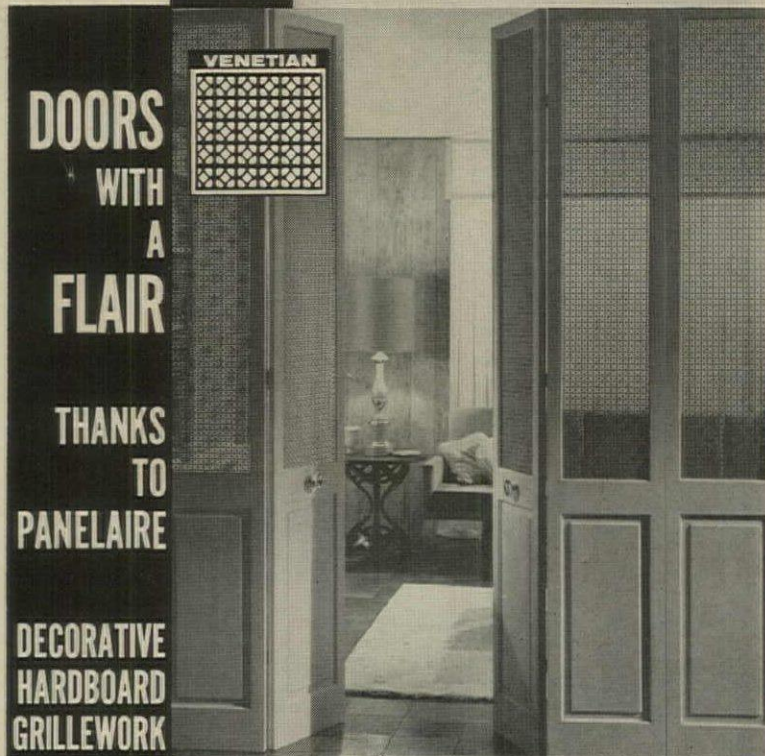


show more profit with Dura-Plate trusses
 Dura-Plate quality trusses offer lowest actual cost per fruss in place. No expensive equipment, no franchise, no hidden costs. In a minimum of floor space (indoors or out). Cut roof erection and framing costs with lower material costs and least capital investment . . . whatever your volume. See why more builders try, and stay with Dura-Plates write for complete details and sample plate.



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 2240 Hayes Ave., Fremont, Ohio

NEW DECORA DOOR



SIZES — 6'8" AND 8'0" HIGH,
 12", 15", 18", 24" WIDTHS.
 ADDITIONAL STYLES AND SIZES AVAILABLE.

WRITE FOR
 FULL
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 CO.,
 INC.**

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