

# House & Home

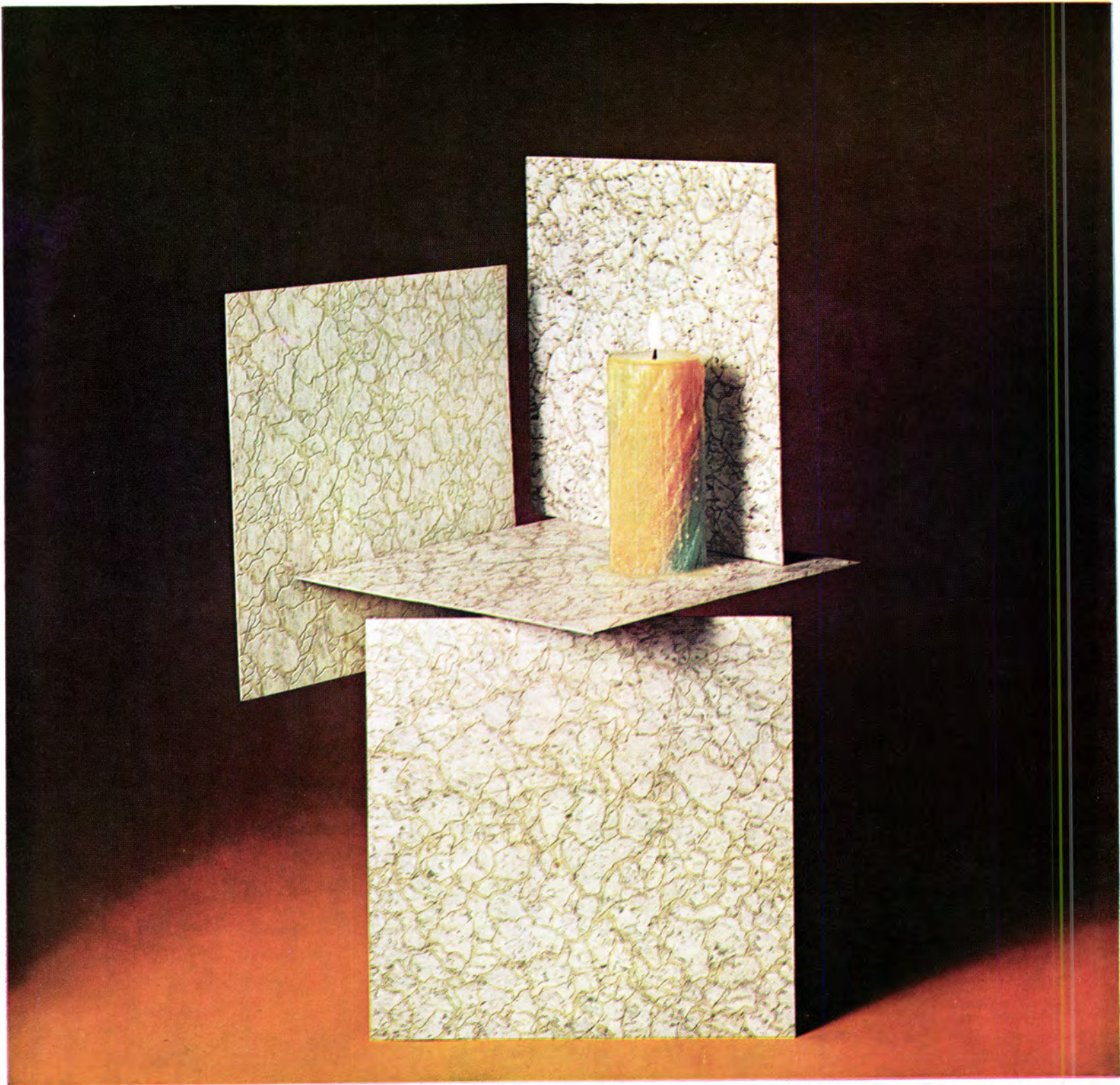
MANAGEMENT PUBLICATION OF THE HOUSING INDUSTRY

JANUARY 1966



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# House & Home

A McGRAW-HILL/DODGE PUBLICATION

VOL. XXIX NO. 1

JANUARY 1966

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**Cover:** Townhouses in Huntington Beach, Calif. Builder: C-D Development Co. Architect: Richard Leitch. Photo: Julius Shulman. For story see p. 72.

## NEXT MONTH

A close look at the promising market for second houses . . . How trade-ins can make sense for both builder and buyer . . . What's happened to buyers' tastes in floor plans over the past ten years . . . New perspective on homebuilding's labor problems



Let us admit this right off: the soft sell is strictly for builders faced with hard competition. It's for the man caught between one rival's "free" electric kitchens and another's "free" automatic garage doors and landscaping.

At that point, such a builder has several choices. All of them expensive. (The most expensive being to do nothing.)

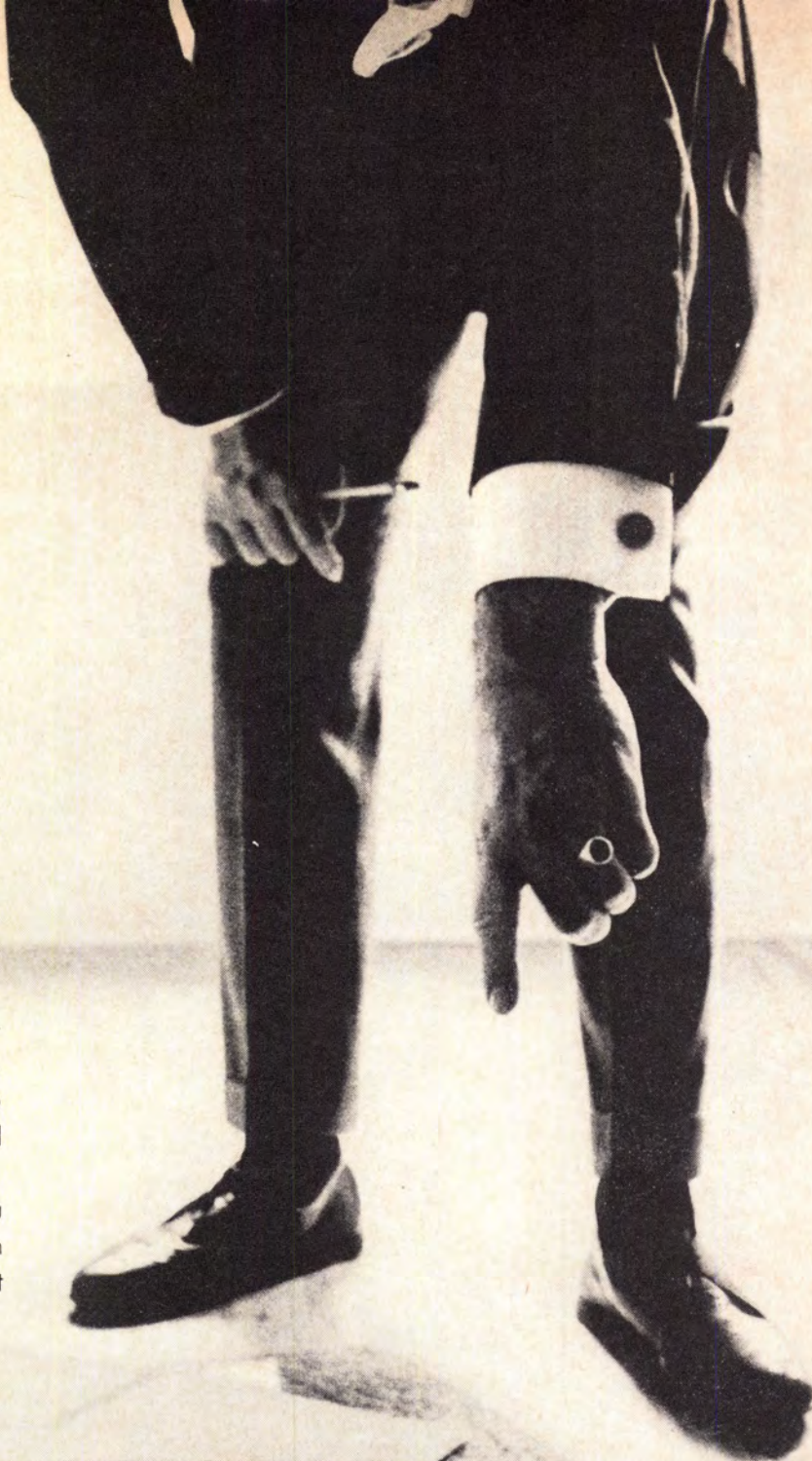
He can match the other builders' seduction for seduction, and just stay in the game. Or he can skip the garage door and rose bush phase and vault ahead to the softest sell of all. Carpet.

Carpet, unlike most available incentives, does more than make a house attractive. It makes it more *livable*. More luxurious. And, when you're in the business of competitive seduction, it pays to think of things like that.

It also pays to remember something else: that the customer's interest in carpet doesn't end, like yours, with the signing of the contract. He'll want assurance of long-range performance. And, if the carpet you select is Acrilan®, that's just what you'll be prepared to give him.

Acrilan is longer wearing than wool—even though it looks and feels like wool. It's also more resilient than wool, easy to keep clean, mothproof, mildewproof and non-allergenic.

Now if we still haven't convinced you that people will jump at carpet made with Acrilan acrylic in the pile, may we suggest an experiment. Offer it first to your wife.



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## WASHINGTON WIRE

## Trade-ins taxable

The Supreme Court let stand a ruling that builders must report as income any allowances given to new-house buyers for used houses taken in trade. Willow Terrace Development Co. of Houston had protested paying taxes on \$350,000 it had allowed as owners' equity on 151 trades. NAHB argued the allowances should be treated as a reduction in the purchase price, not income.

## HUD on the air

Don't be surprised if it's housing you tune in tomorrow. The new Housing and Urban Development Dept. has offered tapes, recordings and films of Democratic politicians talking about the Administration's new programs to 600 radio and TV stations. Included in the appeal to sight and sound: send in your questions and a blank tape—the HUD public relations men will interview their own bosses for you.

## Computerized housing?

The North Carolina Fund, a nonprofit group, has received \$160,000 from HUD's low-income demonstration program to run housing specifications through a computer and come up with the cheapest combinations of materials, components and techniques. Three pilot structures will be built.

## New cash for new towns

Nearby Reston has received \$21 million in financing from John Hancock Mutual on a lease-back sale of most of its land (6,500 of Reston's 7,140 acres). At Columbia between Baltimore and Washington, Mortgage Banker Jim Rouse has negotiated a \$50 million loan. Two life insurance companies and a New York City bank will put up the cash.

## Closing more bases

Official confirmation isn't available, but the reaction to the latest round of 149 military base closings indicates local housing won't be affected as drastically as previous closings.

## Antibias fight in Congress?

Civil rights groups are pressing for a new law banning race bias in houses built with conventional financing. The Justice Dept. has ruled out extending the bias ban on FHA and VA loans to S&L and bank loans. The Administration may look favorably on legislation with no spending attached.

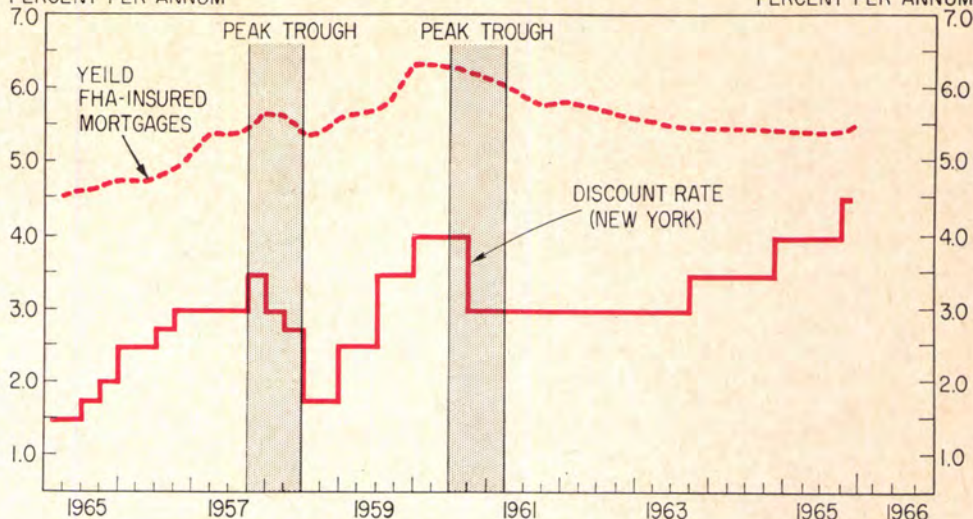
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PERCENT PER ANNUM

Source: Federal Reserve Bank of San Francisco

PERCENT PER ANNUM



**MORTGAGE YIELDS** seldom follow Fed's bank discount rate changes. After last raises in 1963 and 1964, short-term rates in the money market rose, but mortgage yields remained stable, largely

as a result of the government's famous Operation Twist. Mortgage yields followed the Fed's rise with unprecedented speed this time partly because FNMA increased discounts (see next page).

## The Fed and builders: mortgage money will remain plentiful but cost more

The Federal Reserve Board's action raising the discount rate will not restrict the availability of mortgage money for builders. It will just make the money more expensive.

The Fed tried to make the first point clear in announcing the rise (from 4% to 4½%). It said:

"The action contemplates the continued provisions of additional reserves to the banking system, in amounts sufficient to meet seasonal pressures as well as the credit needs of an expanding economy without promoting inflationary excesses. . . ."

Chairman William McChesney Martin said pretty much the same thing in defending the discount increase and the ancillary ruling that let commercial banks pay 5½% on time money. Martin's forecast:

"A continued ample flow of funds into residential construction."

**What the experts say.** And despite some anguished predictions from S&L officials and building leaders, financial experts agree with the Fed's scholarly chairman.

"Ample mortgage money with higher rates," says Robert M. Morgan, president of the National Association of Savings Banks and of the Massachusetts Purchasing Group of 190 mutuals.

"Mortgage money will be generally available," says President J. Stanley Baughman of the Federal National Mortgage Assn., the government mortgage buying agency that quickly tacked 1% on the discounts charged on the FHA-VA mortgages it buys in the national secondary market.

**Where the money is.** Here's why the experts are right:

The Life Insurance Association of America estimates that commercial banks, attracted by business loans, will put even less money into mortgaging in 1966 than in 1965. Yet the insurance group points

out in the following table the nation's mortgage needs and sources will be in balance, even after mortgage demand increases from \$29.5 billion to \$31 billion.

	NET INCREASE IN MORTGAGE LOANS (billions)			
	1965		1966	
Life ins. cos. . . . .	\$1.4	\$3.5	\$1.4	\$3.7
S&Ls . . . . .	7.0	2.2	7.2	2.2
Savings banks . . . . .	2.6	1.6	2.7	1.6
Pension funds . . . . .	.5	—	.5	—
Commercial banks . . . . .	2.5	2.5	2.4	2.4
State, local funds . . . . .	.4	—	.5	—
Federal agencies . . . . .	.5	.5	.9	.5
Individuals . . . . .	—0.4	4.7	—6	5.6
Totals	\$14.5	\$15.0	\$15.0	\$16.0

This analysis shows S&L investment in mortgages climbing only 3% in the face of a new and nationwide S&L campaign to attract more savings (see p. 12). The prediction is for only \$900 million in federal agency purchases of one- to four-family FHA-VA paper in 1966, and FNMA alone has been buying mortgages lately at an annual rate of \$2 billion.

So money will be plentiful.

**Higher rates.** But yields to investors and discounts charged to builders are rising.

Mortgage yields do not necessarily move up after a rise in discount rates (see chart above). And yet the Fed's latest raise, followed rapidly by the FNMA discount raise, triggered the mortgage market's fastest response to general financial change.

And Savings Bank Economist Saul Klamman of New York cites three other reasons for higher yields to investors, which translate into higher discounts to builders:

1. The spread between mortgage yields (5.31%) and government long terms (4.55% in mid-December) is the narrowest since 1959 (only 76 basis points).

continued on p. 6



2. The commercial banks will probably try to attract savings from other mortgage lenders—S&Ls and savings banks. If S&Ls and savings banks raise savings dividends to compete, they must ask higher returns on mortgages.

3. Rate increases on construction loans to builders and warehousing loans to mortgage bankers will increase pressure under mortgage yields.

**From panic to resignation.** Builders at the NAHB convention in Chicago reacted in near panic to the Fed's discount announcement Dec. 6, but an air of acceptance had settled by the time FNMA cut prices four days later.

The builders recognized—as Research Director James J. O'Leary of the Insurance Assn. stresses—that both the Fed and FNMA moves constituted a recognition of rates already on the increase in other sectors. The builders knew mortgage discounts had turned upward last fall after four years of ease (NEWS, Oct. *et seq.*), and few could muster much outrage over the new advances. Some hoped the FHA might be persuaded to raise its 5¼% interest rate on residential loans, but experts pointed out that such action would simply shift the new burden from mortgage banker and builder to homebuyer, inflating a volatile economy. The builders' final policy resolution opposed the Fed action only mildly.

## HOME BUILDER'S MORTGAGE MARKET QUOTATIONS

Reported to HOUSE & HOME in week ending December 24.

City	FHA 5¼s (Sec. 203b)			FHA 207	Conventional Loan Rates			Construction Loan Rates
	FNMA Svcy. Mkt. 1/2	Min. Down 30-year Immed. w	Trend	Apts. Firm Commitment	Comm. banks, Ins. Cos. 75%	Savings banks, S&Ls 80%	Savings banks, S&Ls Over 80%	
Atlanta	3¼	3½-4	Up 1	a	5¼-6	6-6¼	6¼-6½	6+1
Boston	2¾	par+1-par	Steady	par+1-par <sup>b</sup>	5¼-5½	5¼-5½	5½ <sup>b</sup>	5¼-6
Chicago	3¼	2-3	Up ½	a	5¼-5½	5½	5¼-6	5½-6+1-1½
Cleveland	3¼	2-2½	Up 1	a	5¼	5¼-6	6-6½	6+1
Dallas	3¼	3½-4½	Up 1½	1	5¼-6¼	6-6¼	6¼-6½	6½+1
Denver	3¼	2-3	Up 1	a	5½-5¾	6¼-6½	6½	6+1-2
Detroit	3¼	3	Up 1	1-1½	5½	5¼-6	6-6¾	6+½-1
Honolulu	3¼	3-3½	Up 1	a	6-6½	6¼-7	6¼-7¼	6+½-7+1-3
Houston	3¼	4	Up 1	a	5½-6	6¼	6¼-6½	6+1½
Los Angeles	3¼	3-4	Up 2	a	5¾-6¼	6-6.6	6¼-6¾	6-6.6+1½-2½
Miami	3¼	3¼-4½	Up 1¾	a	5½-6	5¾	6	6+½-1
Newark	2¾	2	Up ½	1	5¼	5¼-6	6	6+1
New York	2¾	1	Up 1	1½	5½	5¾	6	5¾-6+½-1
Okla. City	3¼	2½-4	Up 1	a	5½-6¼	5¾-6¼	6-6¼	6-6½+1-1½
Philadelphia	2¾	1-2	Up 1	1	5¼-5¾	6	6	5½-6+1
San Fran.	3¼	3½-4	Up 1½	par+½-par	6	6¼-6¾	7	6-7+1-2
St. Louis	3¼	3-4	Up 2	1½	5¼-6	5¾-6	6-6½	5¼-6½+1-2
Wash., D.C.	3¼	2-3	Up 1	1-2	5¼	6	6 <sup>b</sup>	6+½-1

\* Immediate covers loans for delivery up to three months, future covers loans for delivery in three to twelve 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.  
 \* 3% down on first \$15,000; 10% of next \$5,000; 25% of balance.

Footnotes: a—no activity. b—limited activity. w—for comparable VA loans also. x—FNMA pays ½ point more for loans with 10%. y—discounts quoted are net after seller pays ½% marketing fee and ¼% adjustment for stock purchase. Seller must pay 1% of mortgage for stock calculated in \$120 units, of which \$20 is contribution to FNMA capital and \$100 is for a share trading at about \$84. z—applies to 66% loans.

Sources: Atlanta, Robert Tharpe, pres., Tharpe & Brooks Inc.; Boston, Robert Morgan, pres., Boston 5¢ Savings Bank; Chicago, Harry N. Gottlieb, vice pres., Draper & Kramer Inc.;

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## Wildest market staggers mortgage men and jars builders

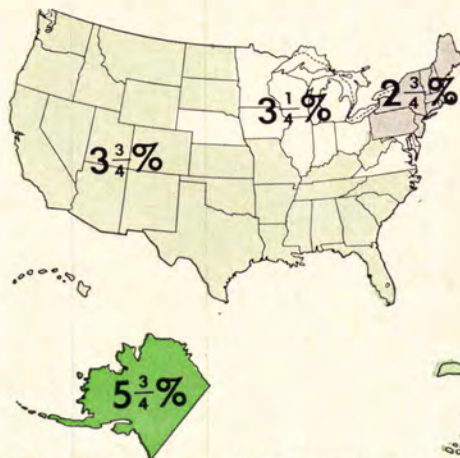
The twin hammer blows of the Fed's discount raise and FNMA's price cut gave the secondary mortgage market its most explosive week in fifteen years.

Some Western mortgage banking companies halted all buy-sell operations because of the resulting price chaos. Two major California houses reportedly called their men out of the field for the entire week after the Fed's move. The Colwell Co. in Los Angeles, the nation's third largest mortgage banker (\$956 million in servicing), bought and sold nothing for the rest of the week.

The secondary market in New York went into virtual suspension after FNMA reduced its mortgage purchase price Thursday, Dec. 9. Most savings banks and many pension funds stayed out of the market until the middle of the following week.

**Up and up and up.** The new FNMA prices of 97¼% to 96¼% of par for FHA Sec. 203b residential loans drove the agency's yield demand up 12 basis points, from 5.09% to 5.21%. When the nervous free market tried to find a level on reopening, its old yield range of 5.19% to 5.25% promptly rose in response. But savings banks were still holding aloof. In the frenzied standoff between the banks and their mortgage banker suppliers, the best quote from either side at press time was "5.31% to 5.37% and no market."

"The institutions are playing this for all it's worth," reported Executive Vice President Felix Beck of the big J. I. Kislak Mortgage Corp. in Newark, N.J.



**NEW DISCOUNT CHARGES** to builder per \$100 of any FHA-VA mortgage sold to the Federal National Mortgage Assn., the government's mortgage buying agency, are shown. Agency raised discounts 1%, to figures shown above, after adjustment for ½% purchase fee and FNMA stock purchases.

At the other end of the mortgage production line, discounts charged to builders leaped in immediate sympathy with the rising yield demands. The rise ran from ½% to 1¾% moving south and west, and some builders in Miami and Dallas, Tex., were asked to pay 4½% discounts for the first time in years (table). The builders' par market disappeared except in Boston.

Conventional loan rates also moved up. **The big heat.** But it was the mortgage bankers who suffered the deepest wound.

To deliver yields of 5.31% to investors, they had to accept a price of 96½% with ¾% servicing. The sudden rate spiral caught many with a heavy volume of loans in warehouse—that is, deposited in banks while awaiting sale (NEWS, Nov.). Many such loans had been bought at 98% and 99% of par—prices considerably higher than 96¼%. The mortgage men faced the loss of the difference.

Worse, the warehousing rate—interest charged by banks for loans against the warehoused mortgages—is rising as a result of the commercial banks' action in increasing the prime rate. Hence the mortgage bankers faced the prospect of losing if they sold or losing if they didn't.

**Red for danger.** There were predictions of real trouble.

"A lot of smaller companies will change ownership because of the drastic rate change," said President Ray Lapin of Bankers Mortgage of California. "A rate change by FHA (from 5¼% to 5½% in the interest charged to homebuyers on the 203b) would certainly be equitable now."

Industry leaders attending the big pre-Christmas rally of the Mortgage Bankers Assn. of New York seemed to expect an FHA rate change, but economists were not so sure. Would the Johnson Administration be willing to bail out the builder and the mortgage banker by shifting the burden to the homebuyer?

Said FHA Commissioner Phil Brownstein going into 1966: "We do not believe the rate should be increased at this time."

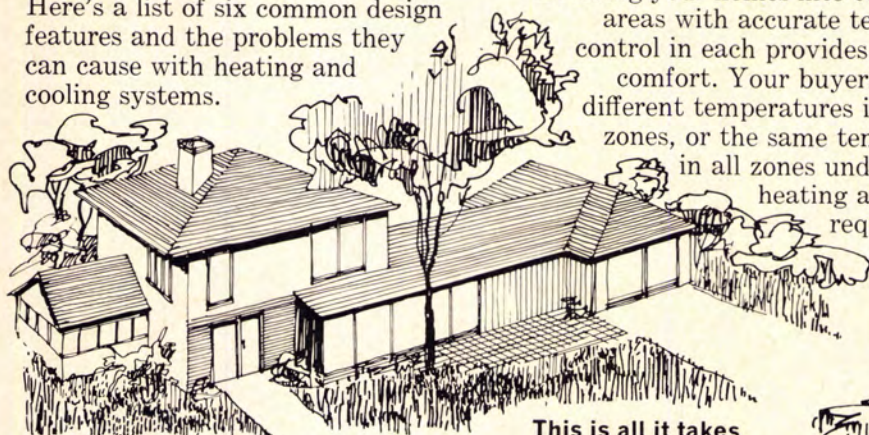


## Here's how zone control can solve your heating and cooling problems with little additional cost

Successful builders are finding that a slightly unusual feature or floor plan makes their homes stand out from the competitive homes. It can capture the prospect's imagination and often is just enough to clinch the sale. But these same features can create heating and cooling problems, too. And of course, no matter how exciting the feature, if the home is uncomfortable, you'll have a dissatisfied customer.

**Chances are, you have some of these features in the homes you are building now.**

Here's a list of six common design features and the problems they can cause with heating and cooling systems.



1. **In any two or three level home**, warm air tends to rise, leaving cooler air in the rooms on the lower level.
2. **Special activity rooms.** It is obvious that bedrooms call for cooler temperatures than living areas for real comfort, but game rooms and family rooms can create comfort problems, too.

3. **Large glass areas** provide a great view, but they cause inside temperatures to vary with the outside weather changes . . . even with double-pane windows.

4. **With a spread-out floor plan**, sun, shade and wind in different areas cause widely differing heating and cooling needs.

5. **Rooms over unheated areas**, such as garages, often have cold floors and walls.

6. **A finished basement**, because it is below ground level, places unusual demands on heating and cooling systems.

**Lots of potential problems, but zone control solves 'em all**

Dividing your homes into two or more areas with accurate temperature control in each provides maximum comfort. Your buyers can have different temperatures in different zones, or the same temperatures in all zones under varying heating and cooling requirements.

**This is all it takes**

With a forced air system, all it takes is a Honeywell thermostat, damper and damper motor to control air distribution to each zone. With a hydronic system, zone valves control the water flow.

**You will be pleasantly surprised at the cost of zone control**

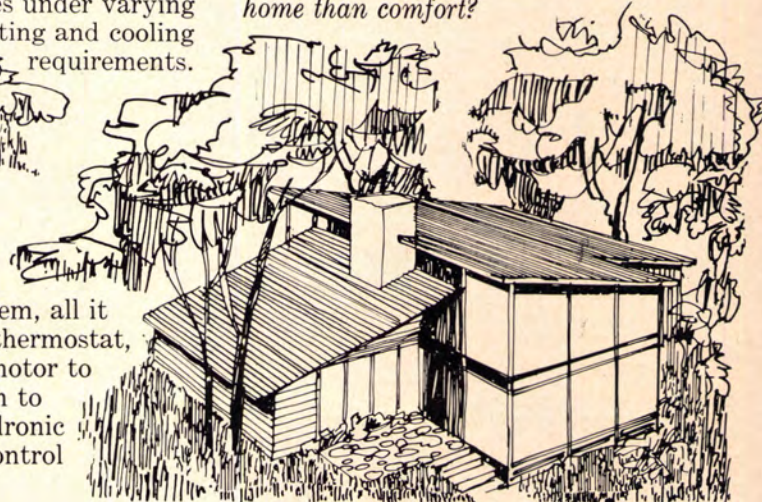
As you can see, zone control makes a lot of sense, and it isn't very complicated. The cost of additional equipment is nominal.

Compare the cost with the problem it solves, such as cold floors or uncomfortable bedrooms, and zone control becomes a necessity.

**Speaking of unusual features . . . you've just added another one**

Honeywell zone control not only solves problems connected with unusual features—it is one all by itself. It's an interesting talking point and attracts attention.

*After all, what's more important in a home than comfort?*



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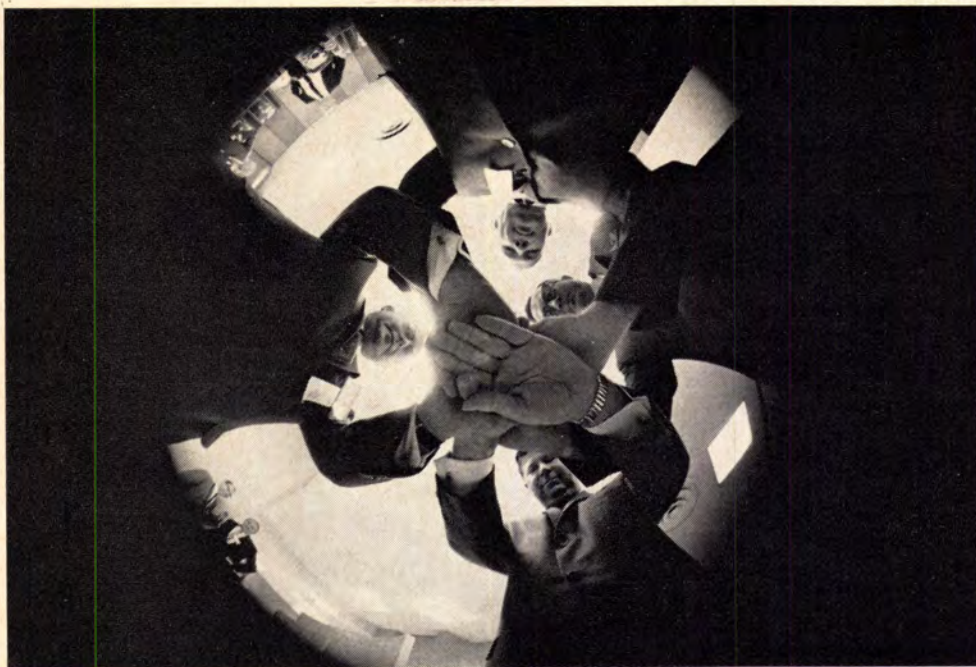
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**Honeywell**





**WINNERS' CIRCLE** includes (clockwise from bottom) new President Larry Blackmon, First Vice

President Leon N. Weiner, Secretary Gene Gullledge and Treasurer Lloyd E. Clarke.

## NAHB rebels fail to unseat Weiner

It was almost like a big-time political convention—bands, beauties, walls ablaze with posters and cigargoyles plotting strategy in smoke-filled rooms.

When the votes were counted, a rebellion among the old conservatives had failed to push Treasurer Leon Weiner of Wilmington, Del., off the NAHB officer ladder.

NAHB's directors, meeting in Chicago, elected Weiner as first vice president and heir apparent to the 1967 presidency. The vote: 334 for Weiner, 262 for Edward W. (Ted) Pratt of Royal Oak, Mich., the insurgents' candidate.

The board also promoted First Vice President Larry Blackmon of Fort Worth, running unopposed, to the presidency (see p. 98). The directors elevated Lloyd E. Clarke of Des Moines to vice president-treasurer and chose Gene Gullledge of Greensboro, N.C., as vice president-secretary.

**The prairie fire.** The two-month revolt in favor of Pratt provided the most spirited NAHB convention contest since 1958. Pratt's old-pro strategists rallied his forces to a whirlwind finish in the tense atmosphere at Chicago, and the issue was in doubt until just before the ballot. And the showdown brought out the largest number of voting directors ever assembled in the NAHB's 22-year history.

**The issues.** Weiner's initial support came from the Eastern seaboard and the larger cities. Pittsburgh's Roland Caterinella led his campaign on the theme that NAHB had made unparalleled progress with the help of Weiner's leadership.

President Bill Baker of the Detroit HBA directed the Pratt movement, with solid support from Michigan and much of the Midwest and South. The in-fighting was for California, New York and the Northwest.

Half a dozen former NAHB presidents, in

office during the 1950s, lined up behind Pratt when his campaign developed (NEWS, Dec.). They included Mortgage Banker Nels Severin of San Diego and Builders Alan Brockbank of Salt Lake City and Rod Lockwood of Detroit. Publicly, Pratt spokesmen contended that "NAHB is not doing the job it should," but private corridor arguments were that the Blackmon-Weiner leadership had sold out to the Johnson Administration.

**And the emotions.** Two explosive late developments cemented support under Weiner, a tract builder who supported President Johnson's controversial housing programs. Ex-President Norman Dobbins of the Houston HBA delivered to every director a letter warning that to oust Weiner "is morally wrong," and Attorney Alex Feinberg of Camden, N.J., made a spell-binding appeal from the floor of the hushed directors' meeting.

"Search your heart and soul before you reject this man," Feinberg cried. "I beg of you, on this day of infamy [balloting was held on the anniversary of Pearl Harbor], don't throw him out."

Feinberg alluded to a smoldering issue of anti-Semitism. (Weiner is Jewish, and his supporters had noted pointedly that the insurgents had chosen not to oppose anyone but Weiner). Feinberg took great care to absolve Pratt and his leaders "of any connection with this."

"But there have emanated, from sources near his campaign, rumors to arouse the seeds of suspicion in the hearts of this board," Feinberg continued. "I've also heard mention of Democrat versus Republican. I have heard 'leftist.' I protest at such words even being injected into this campaign."

Applause for Feinberg's oration indicated the outcome even before balloting began.



**WIVES FOR WEINER** press for votes in the last frenzied minutes before NAHB's election.



**WELL WISHERS** surrounded Candidate Ted Pratt (front) as voters wait to enter polling room.



**PRATT SHOWS HIS HAND** in late plea for support from one of the 596 voting directors.



**WEINER MAKES A POINT** in his own words and in the sign language of his election poster.



**LAST MINUTE PLEAS** find Pratt (front, left) and Weiner (center, rear) almost face to face.



**IT'S ALL OVER** for Don Decker (name on sign), who withdrew from secretary's race as vote began.



## Convention panels bristle with useful ideas for builders

Today's housing market is so competitive that builders cannot afford to make the NAHB convention a frolic.

Hence builders trooping to the Chicago convention dug in for serious study. Many brought tape recorders to capture entire panel discussions for later reference. And when intriguing sessions overlapped, wives frequently doubled as notetakers.

But with six panel sessions going simultaneously, complete coverage for most builders was out of the question. To fill the gaps, HOUSE & HOME sent editors to every significant session to provide this digest of the most interesting ideas of the convention:

### How to cut house prices \$100

Keep tighter tabs on costs, said Vice President Bruce Blietz of the Irvin A. Blietz Organization, Evanston, Ill. Blietz tightened its cost control by adopting a new uniform accounting system sponsored by NAHB.

"Until we adopted the system, we never could get a precise breakdown on a miscellaneous account we called Account K," said Bruce Blietz. The uniform accounting system helped the company classify these costs—and showed that most of them came from callbacks caused by only a few items. Production men were ordered to sharpen their work on these items.

Result: Blietz's reserve for warranty costs was cut by \$100—and so were house prices.

### How to get a bank loan faster

The secret: "Give us [bankers] better financial statements," said Vice President Henry Bergmann of Riggs National Bank of Washington, D.C. The new NAHB accounting system is rapidly becoming the standard for judging loan applications, said both Bergmann and President Robert Trueblood of the American Institute of Public Accountants.

Rapidly vanishing are the days when a

builder can borrow "on the strength of a financial statement prepared by his wife on the back of an envelope," Bergmann added. "For every loan I want to know what the money will be used for and how it will be repaid. Less than one in ten applications from builders are supported by profit and loss statements. This must change."

He suggested three guidelines for builders:

1. "We want a statement which a CPA certifies has been audited. A statement saying the accountant has merely compiled the figures at the direction of the business owner is no good.

2. "You cannot give us too much detail about land and investment property—its location, cost and income production. Many times there is no appraisal to support an owner's estimate of value if it exceeds original cost.

3. "Current accounts payable and liabilities are lumped together so it is almost impossible to determine what the current situation is. Give us more detail."

### How gas station sites become gushers

Lease them to major oil companies instead of selling them for a quick (and taxable) profit on land, suggested NAHB Tax Consultant Sylvanus Felix of Oklahoma City.

Most oil companies will now let a builder or developer build a station to the company's specifications and lease it for 15 to 20 years on these terms: 8% a year on the market value of the land, 12% of the station's cost or 2¢ a gal., whichever is higher.

"It's a tremendous boost to a builder's income," said Felix.

### How to keep new buyers sold

Easy, said Lester Goodman of L. C. Major Inc., Los Angeles. Give every family which signs a purchase contract postal cards showing the model they've bought. Once they've mailed the cards, to friends and

relatives, very few decide they don't want to go through with the purchase.

### How to find buyers on the farm

Thanks to several new federal aids, convention speakers predicted a boom in rural housing. The Farmers Home Administration can now lend at 5¾% on any new house, used house or home repair job in rural towns up to 5,500 population. Before the 1965 Housing Act, such loans were limited to first-time buyers who already owned land. The Federal Housing Administration is pushing loans in rural areas, too.

With these aids, the way to succeed is to offer a limited number of floor plans and to sell a complete house with appliances—not a shell—said President Harvey White of Regal Homes in Hopkinsville, Ky. White has found that the tract builders' mainstay, the model house, works in rural America, too. And he urged rural builders to distribute brochures to all model-house visitors.

### How to plan profits

Write down your profit plan for one, five or even ten years ahead, advised Prof. Lee Evans of the University of Denver.

It works, added Builder Roger Ladd of Crystal Lake, Ill., who built 300 custom houses this year and came within ½% of his planned profit.

But any profit plan requires constant checking, said Mrs. Peter Kimball, budget director for Crofton, outside Washington. Crofton expenses are scrutinized weekly for excessive overtime, unusual costs and anything else that stretches the budget.

She said builders often overspend because they cannot resist a bargain, even when they are not sure they will have any use for the item. Example: one builder almost bought a glider left over from the World's Fair at a bargain price of \$5,500 even though it could be used to transport prospects only on warm, rainless days.

## NAHB taps inside man Nat Rogg as new top staffer

NAHB leaders capped the Chicago convention by naming Economist Nathaniel Rogg executive vice president of the 46,000-member trade association.

Rogg's appointment ended NAHB's experiment in hiring outside management talent. His predecessor, Bernard Boutin, was brought in from government service and stayed less than a year before returning to the government as No. 2 man in the anti-poverty program (NEWS, Nov.).

By contrast, Rogg, 52, is a veteran inside man. As NAHB's top economist for the past 11 years, he has become the candid voice of housing in government and economic circles who never sugar-coated a forecast.

A pipe-smoking Phi Beta Kappa, Rogg joined NAHB in 1954 with a clear understanding that he be given a free voice to

call the economic news as he saw it. To keep close to the housing market, he formed a 600-member Builders' Economic Council in 1956 and sampled activities of its members every six months.

In 1959, when everyone was talking about the advent of the "Sizzling Sixties," Rogg prophesied: "This population explosion [of the 1960s] will not automatically guarantee golden years for everybody connected with building."

In recent years Rogg took on wider duties with NAHB, and as director of policy planning helped chart the long-term legislative and economic aims of the builders' trade association. Last summer Boutin, in a staff realignment, gave Rogg broader duties as a staff vice president to administer all NAHB services to local associations.



NAHB's ROGGE  
Inside man for a top job

B. Martin



## FHA unveils rules for land loans; 'Workable,' say builders

Ever since Congress finally gave the Federal Housing Administration power to insure loans for land development last August, builders and developers have feared the regulations would be so tough that the new FHA program would be unusable.

But fears vanished when FHA rushed the rules into print just in time for study at the NAHB convention. The builders' verdict:

"We got FHA to agree to most of our concepts," said Lee Goldin, Beverly Hills builder who led the convention's Title X discussion.

Briefly, the regulations require:

- A site "sufficiently large to constitute a reasonably self-contained neighborhood" that's in the path of market demand.
- Over-all land planning, including homeowner-run common facilities, consistent with the community's comprehensive planning.
- An outline in the pre-application proposals of market projections, expected prices of houses, time sequence of construction and other details.
- "A proper balance of housing . . . for families of moderate or low income."

Premium charges will be 2% of the face amount of a loan for the first three years, plus 1/12 of 1% for each succeeding month for a maximum of seven years. Privately run water and sewer facilities will be financed over a longer time, probably 20 years but yet to be set by the FHA commissioner. Insurance premiums will be 1/12 of 1% a month until loan amortization begins, and then 3/4% a year of the average balance.

Maximum loans will be \$10 million. Amounts will be calculated as the lower of either 75% of the FHA-appraisal of a

completed project or 50% of appraised land cost plus 90% of appraised development costs.

NAHB tried to persuade FHA to let developers postpone submitting actual land costs until the government-appraised value was set, but FHA wouldn't budge. FHA specialist John M. Longo promised builders at the convention that the actual cost "will in no way" influence FHA's appraisal—and everyone laughed.

**Wage rates.** Biggest bone of contention at NAHB's session was the law's requirement that prevailing wage rates apply to all construction financed under the insured loan. Longo repeatedly had to explain that Congress wrote the Davis-Bacon provision into the law and FHA had no discretion.

Otherwise, most builders seemed to agree with Greensboro, N.C., Builder Roger Kavanagh Jr., who opposed the program at first but later said the provisions were "workable."

FHA will insure upon completion or as construction progresses, but Kavanagh strongly recommended waiting until completion of a project to avoid complications.

**Subordination.** For the first time, FHA will permit secondary loans so long as they're subordinated to the insured loan. The FHA loan cannot be subordinated. Kavanagh doubted construction money would be available on a forced subordination basis.

Interest in the regulations has been "lively," according to FHA spokesmen, although too little time has elapsed to translate this into firm proposals.

**Payback precedent.** The payback provision, devised by FHA on a lot-release basis, is new and builders hope it becomes an

industry standard for development loans.

It works like this: when a developer sells a lot, he pays the lender 110% of the lot's share of the original mortgage amount. That way the loan is paid off when 91% of the lots are sold.

A starting date for amortization, to be set by FHA, "will allow a reasonable time for development of the improvements and commencement of sales." Specifically, FHA control over lot prices is excluded.

Virtually all improvements are eligible to go on the mortgage—although there's some question about golf-course landscaping. At NAHB's session, Longo reluctantly said golf courses could be acceptable but added, "I wish you guys would stop talking about golf courses, for we don't like to think of the program in that way."

**Buried utilities.** Consistent with its earlier ruling on new homes in new areas, FHA is requiring underground power and phone lines unless they are "not economically feasible." And where natural gas is available, developers must install gas lines, even if they are planning all-electric homes.

When it comes to the developer's out-of-pocket construction costs, Longo said FHA must consider utility company rebates. But, he conceded, there could be a timing difficulty since the developer must pay out full costs on the front end of the project and might not receive rebates before the mortgage is paid off.

Longo couldn't give a precise estimate of how long FHA might take to process an application. But he guesstimated that if all information is provided, a land loan will be processed about as fast as a Sec. 207 apartment application, which normally takes 6 to 18 months.

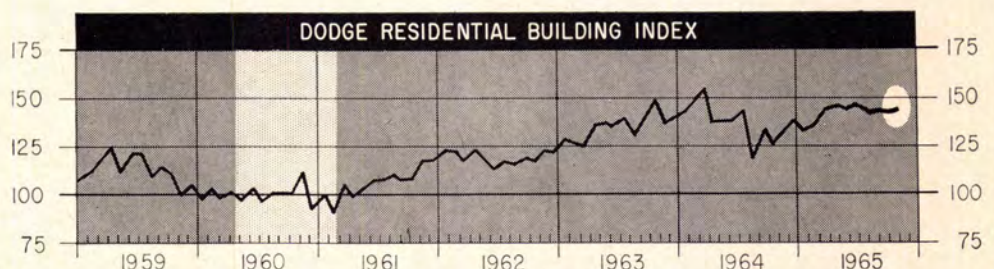
## Housing enters the new year on an upbeat in activity

Almost every major indicator of housing activity is pointing upward as the industry begins 1966.

Private nonfarm housing starts for November spurted 10% to an annual rate of 1,518,000, the highest level since last June (see table). More impressively, the Census Bureau pointed out that the strong showing came despite torrential rains and mud slides that depressed housing starts in the big southern California market.

The F. W. Dodge Co. index of residential contracts climbed to an all-time record 156 in November. Contracts, which normally precede housing starts, are running 14% ahead of 1964 in dollar volume and 10% ahead in number of units.

Commerce Secretary John T. Connor now predicts housing starts will rise to 1,565,000 in 1966—up 2.5% from the 1,525,000 expected when the books close on 1965. One-family houses will be the growth area of 1966, says Connor, who expects multifamily units to level at 500,000.



Based on contract value, 1957-59=100 (seasonally adjusted). Lighter shaded areas represent general business recessions.

F. W. Dodge Co., a division of McGraw-Hill Inc.

### KEY HOUSING INDICATORS

		DOLLARS (millions)	% change from '64			UNITS (000)	% change from '64
Dodge resid. contracts	Oct.	\$1,897	+11	Starts, priv. nonfarm	Nov.	113.1	+3
	10 mon.	18,193	+2		11 mon.	1,376.7	-4
ENR adv. resid. plans	Nov.	706	+2	Starts, ann. rate	Nov.	1,518	+3
	11 mon.	8,597	+10	Permits, ann. rate	Nov.	1,274	+1
ENR adv. apart. plans	Nov.	372	-2	New house sales	Oct.	45	UC
	11 mon.	4,814	+12		10 mon.	498	+1
ENR adv. house plans	Nov.	127	-9	Unsold inventory	Oct.	215	-10
	11 mon.	1,558	-1	Apartment vacancy rate	Sept.	7.2%	-0.5%

Sources: F. W. Dodge Co., division of McGraw-Hill; Engineering News-Record; Census Bureau; UC—change less than 1%.



## KWIKSET'S JOHN GERLACH DESIGNS FOR THE FUTURE

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□ Increased demand from builders and home owners, looking for ways to dress up their doorways, have resulted in John's full-time project—to develop new knob designs for KWIKSET locksets. Four months from now look again—who knows what the future will bring.

□ This market awareness is a partial explanation why KWIKSET is America's largest selling residential lockset. After all, superbly designed doorknobs do make an effective turning point in sales.

*kwikset*  *locksets*

America's Largest Selling Residential Locksets



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ANAHEIM, CALIFORNIA





## A break for builders: S&Ls reopen battle for savings

The nation's 6,325 savings and loan associations are ending a two-year truce with commercial banks and are mounting a campaign to win back the public's savings.

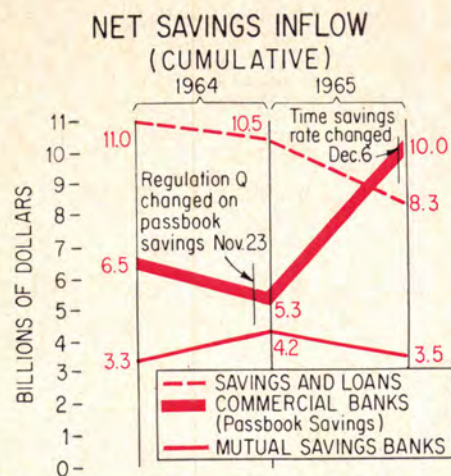
"The honeymoon is over," says John W. Stadler, outgoing president of the U.S. Savings & Loan League of 5,124 member associations.

The League took the decision at its convention in Dallas in November. It came as the best financial news in months for homebuilders, pressed between tighter money for construction loans and rising discounts charged on their FHA mortgages.

S&Ls hold 44% of the \$200 billion in mortgage debt outstanding on one- to four-family nonfarm homes. They already outlend both commercial and savings banks by 3 to 1. If associations begin to attract savings again at their pre-1964 clip—10% to 15% a year on their current \$101-billion savings base—they must seek outlets for the money via wider lending. That inevitably means lower rates and more favorable credit terms for builders.

**Competition.** But the S&Ls may find the going slower this time. Their drive runs headlong into the Federal Reserve Board's Dec. 6 order allowing commercial banks to pay 5½% on time deposits and certificates of deposit, both of 30-day maturity. Although these new rates affect principally the deposits of corporations rather than of individuals, S&L leaders express fear that the increase will allow banks to attract some money that would otherwise go to S&Ls. Several banks have issued CDs in \$50 denominations to lure individual savers. The banks' permissible rate on passbook savings remains 4%.

Both Stadler and the League's incoming president, C. A. Duncan Jr. of Nevada, Mo.,\* insist that their industry's concern for the residential builder is the principal



**COMMERCIAL BANKS** moved ahead in savings race after change in Regulation Q, Nov. 23, 1964, permitted them to pay 4% on passbook deposits.

reason for the savings drive. Stadler attributes much of today's money squeeze to the commercial banks' retreat from the mortgage market in favor of more lucrative commercial lending (NEWS, Nov.).

"Some years ago, when commercial banks were pushing for higher savings rates, banks pledged that, to the extent these savings were received, the mortgage market would not suffer," says Stadler. "Let's look at the record. In the first six months of 1965, personal savings gains of insured commercial banks were nearly \$2 billion greater than in the same 1964 period. The net increase in mortgage loans outstanding was only \$61 million greater."†

**Battle strategy.** The S&Ls braked their own feverish push for savings two years ago, when an abundance of money had led some of them into lending practices that aroused criticism in responsible financial media (NEWS, Apr. '64.)

The associations saw savings gains dwindle from \$10.5 billion in 1964 to about \$8 billion in 1965. The commercial banks' net passbook savings gain, only \$5 billion in 1964, was over \$10 billion for 1965 in the wake of a Regulation Q change permitting the current 4% rate on passbook savings.

So the S&Ls have appointed a task force of 24 executives and given them a war chest.

**Courting the ladies.** The advertising budget for all S&Ls will rise by 3½% to \$125 million. Ads will appeal to women.

Savings dividends are going up among associations that have been paying anything less than the national average—between federals and state-charter associations—of 4½%. The Home Loan Bank Board, the federal regulatory agency, has already adopted a regulation to let the 1,980 federals pay premium rates up to 4½% on passbook money and 4¾% on special new certificate accounts if, in each case, deposits are \$1,000 or more and are left for a year. The rule will spread among the 4,345 state associations, which are usually allowed to follow the federals. Previously, a federal could pay a ½% bonus only on three-year deposits.

**Temptation.** But won't a dramatic savings increase encourage the appraisal and lending abuses of years past?

Stadler's answer: an emphatic no.

"New regulations and more mature management have solved those problems."

\*Duncan heads the \$337-million Farm & Home Savings Assn. in Nevada, Mo. Stadler is president of National Permanent S&L in Washington, D.C. (assets: \$190 million).

†The American Bankers Assn. replies that commercial banks are originating and buying more new-house loans than in 1964 but that some big banks are selling off more old loans than they did last year, making the inventory figures less impressive.

## Realtors and reality: NAREB backs U.S. aid to house poor

For the first time in its history the National Assn. of Real Estate Boards has endorsed two of the existing government programs to house the poor. NAREB achieved the policy breakthrough at its annual convention in Chicago last month.

The Realtors' trade association, 80,000 strong, has always opposed public housing, the traditional government shelter program for the poor. It still does. It has also objected to the FHA Sec. 221d3 sub-market interest lending program for federally aided housing for middle-income families.

Further, NAREB had insisted until this year that any direct federal aid for housing the poor should not supersede any local government's administration of welfare payments.

**The key—private enterprise.** Now NAREB has endorsed the new 221d3 program extending rent supplements to the poor, and the association is also backing the Republican-sponsored rent-certificate

program through public housing. In both cases the Realtors accept the principle of direct federal assistance to build, rehabilitate or rent existing structures to shelter the poor.

The reason behind the big switch is that NAREB feels these two programs, in contrast to public housing, can be operated "within the framework of private enterprise."

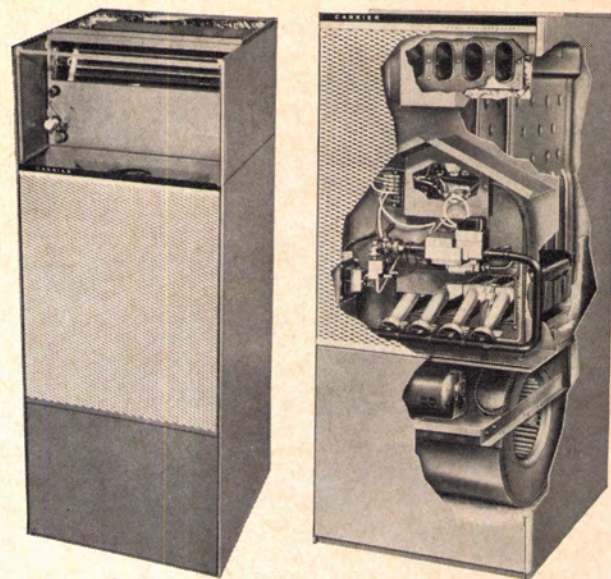
Under the rent-certificate program, sponsored by Rep. William B. Widnall (R., N.J.), a local public housing agency can contract with landlords to fill up to 10% of any one rental property with public housing tenants. The landlord retains the right to choose the tenants. The "economic rent" to be paid—part by the tenant, part by the agency—is negotiable. The program will thrust upon landlords the task of dickering with public agencies over what constitutes an economic rent.

Leaders emphasized that NAREB endorsed

the controversial rent-supplement program on condition that it apply only to families that would otherwise qualify for public housing. Republicans and Southern Democrats blocked final funds for the plan in the last Congress, claiming the federal housing agency regulations would have included families with assets up to \$25,000—far above poverty levels. The funds are expected to be voted this year, once qualifications are more closely restricted.

By supporting rent supplements and certificates, both of which invite economic and racial integration, NAREB may run the risk of diluting its policy contention that "the government should not deny, limit or abridge, directly or indirectly, the fundamental right of every person to sell, lease or rent any part or all of his real property." This policy statement, reiterated at Chicago, supports the principle of opening housing to all races but it opposes the use of legislation to support such a change.





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## Amex suspends All-State Properties, ending pioneer vacation-house plan

The American Stock Exchange last month suspended trading in All-State Properties stock and won Securities & Exchange Commission approval for delisting.

Exchange officials said All-State "expects operations for the fiscal year ended June 30, 1965 will result in a substantial loss." This, Amex noted, would be All-State's third consecutive year of losses.

Company officials could not be reached to estimate the 1965 loss. All-State lost \$3.5 million in fiscal 1963 and \$5.4 million in fiscal 1964, including writeoffs of \$2,649,000 on a 2,300-lot subdivision in Lauderhill, Fla., and a venture into barber and beauty shops.

The suspension forced All-State stock into the over-the-counter market, where it dropped from 9/16 a share (or 56.3¢) to 22¢ bid and 30¢ asked. The stock had sold as high as 15¼ in 1961.

**Innovation.** The three deficit-plagued years have killed All-State's Leisurama venture—an imaginative plan for selling vacation houses through department stores. In October 1963, All-State teamed with Macy's department stores to merchandise houses in Lauderhill, Fla., and at Montauk on the eastern tip of Long Island, 125 miles from Manhattan.

Leisurama model houses, designed by

Raymond Loewy/William Snaith Inc., and furnished by Macy's, were displayed in two Macy's stores. Shoppers could begin buying fully furnished houses right in the stores. Down payments were as low as \$490 on houses priced from \$13,490 to \$16,990.

Three months later President Herbert Sadkin exulted over the marketing innovation. He said more than 160,000 people had visited the display houses, 459 had put down cash binders and 137 had already signed contracts.

In the flush of success Sadkin built a Leisurama model at the New York World's Fair in the spring of 1964.

**Debt burden.** But expansion into the vacation-house market put All-State far out on a debt limb. On June 30, 1964, the company faced the prospect of paying within one year \$2.8 million on mortgages, \$2.2 million of accrued expenses and accounts payable and \$7.9 million of bank and trade notes currently due. Four lenders foreclosed \$6.2 million of mortgages. And these actions periled All-State land at Montauk and in Jupiter, Fla., and ended two projects in Baltimore and Louisville.

To raise cash, All-State began negotiating to sell a half-interest in a venture to build 1,080 apartments in Buenos Aires. But no

sale of those units was ever announced.

The World's Fair House failed to reopen for the Fair's 1965 season. And last spring, with 198 Leisurama houses in various stages of completion at Montauk, All-State sold its remaining contracts, plus adjoining lots, to a group of Long Island builders.

## Evans Products steps deeper into housing, buys builder

The big Portland, Ore., manufacturer of rail cars and building materials is buying the Capp group of two pre-cut and custom-house producers and a finance company.

Price: \$8 million cash for the M. Capp Manufacturing Co. and the International Housing Corp., and \$1.5 million in Evans common shares for the Rand Acceptance Corp., the sales finance auxiliary. Capp controls International and Rand. Minneapolis is headquarters for all three.

The three companies become the Capp-Home division of Evans, with President Max Zamansky of Capp as the division manager and an Evans vice president. Martin Capp, 49, who founded the Capp-Homes group 19 years ago, will be an Evans advisor.

The division will continue to sell in 22 states from its plants in Minneapolis, Minn., Des Moines, Iowa, and Spokane, Wash. It earned \$1 million on revenues of \$10.7 million in 1964. Its homes are as-

*continued on p. 18*

## Jim Walter's move into lending paces strong rise by prefabs

Jim Walter Corp., the shell-house king now involved in such sidelines as sugar refining and oil exploration, is moving into the West Coast savings and loan business—and Wall Street likes it.

Walter stock jumped more than 10% last month, from 20¾ to 23½, as stockholders approved buying Brentwood Financial Corp. of Los Angeles. Completion of the deal awaits a favorable tax ruling on the \$15 million worth of Walter common and preferred stock to be issued in payment.

Meanwhile, HOUSE & HOME's average of nine prefab companies climbed 11% to 6.21. But news of financial ailments at Lusk Corp. (see p. 80) sent the index of 15 building companies down to 3.72—an 11% drop. Levitt & Sons breasted the tide, gaining 1 to 10½ on news that four insurance companies had bought \$20 million of 15-year, 6% Levitt notes. The notes retire \$18.8 million of loans due within a year. Levitt also gave the insurers warrants to buy 200,000 shares over ten years.

The crosscurrents left HOUSE & HOME's average of 78 stocks virtually unchanged:

	Oct. 11	Nov. 8	Dec. 10
Building .....	4.24	4.19	3.72
Prefabrication ...	5.95	5.60	6.21
S&Ls .....	11.63	10.70	10.52
Mortgage banking	13.13	13.56	13.67
Land development	5.59	5.73	6.05
AVERAGE ....	8.03	7.79	7.72

## HOUSING'S STOCK PRICES

COMPANY	Dec. 10 Bid/Close	Chng. From Prev. Mo.	COMPANY	Dec. 10 Bid/Close	Chng. From Prev. Mo.	COMPANY	Dec. 10 Bid/Close	Chng. From Prev. Mo.
<b>BUILDING</b>			<b>MORTGAGE BANKING</b>			<b>LAND DEVELOPMENT</b>		
• Adler-Built Inc. ....	3/16	— 1/8	First West Fin. ....	6 1/4	+ 3/8	All-State Prop. ....	22 1/2	— 40¢
• Capital Bld. Ind. ....	65¢	— 10¢	Gibraltar Fin. ....	19 1/8	+ 1/4	• American Land .....	1 1/4	+ 1/8
Cons Bldg. (Can.) ....	2.40	— 80¢	Great West. Fin. ....	10 1/8	— 1/8	Am. Rlty. & Pet. ....	2 1/2	+ 1/8
• Dev. Corp. Amer. ....	K	.....	Hawthorne Fin. ....	8 1/8	— 3/8	Arvida .....	9 1/4	+ 1 1/8
Dover Const. ....	1 1/4	— 1/4	Lytton Fin. ....	9 1/4	— 1/2	Atlantic Imp. ....	19	— 1
Edwards Eng. ....	3 1/4	— 1/2	Midwestern Fin. ....	3 1/8	— 3/8	Canaveral Intl. ....	2 1/8	+ 1
Edwards Inds. ....	1 1/8	— 1/4	San Diego Imp. ....	6 1/8	— 1/8			
Eichler Homes ....	2.35	— 65¢	Trans-Cst. Inv. ....	3 1/4	— 3/8			
• First Hartford Rlty .....	5 1/8	— 1/8	Trans Wld. Fin. ....	9 7/8	— 1/4			
First Nat. Rlty. ....	1 1/4	— 1/4	Union Fin. ....	6	— 2			
• Frouge .....	5 1/4	+ 1/2	United Fin. Cal. ....	8 1/2	— 1/4			
General Bldrs. ....	2	— 1/8	Wesco Fin. ....	17 1/4	+ 1/8			
Kavanagh-Smith ....	3 1/2	— 1/8						
Kaufman & Bd. ....	12 1/8	— 1/8						
Levitt ....	10 1/2	+ 1						
Lou Lesser Ent. ....	4	— 5/8						
Lusk .....	10¢	+ 7¢						
Pres. Real. A. ....	7 1/4	— 2 1/2						
• Sprout Homes ....	2 1/4	— 1						
U.S. Home & Dev. ....	3/4	+ 3 1/8						
Del. E. Webb ....	4 7/8	.....						
<b>PREFABRICATION</b>								
Admiral Homes ....	1 3/8	— 3/8						
Albee Homes ....	2 1/4	+ 1/8						
Gt. Lakes Homes ....	1 1/8	+ 1						
Inland Homes ....	5 1/8	+ 3/4						
Madway Mainline ....	12	+ 1/4						
Modern Homes ....	1 1/8	— 1/4						
Natl. Homes A. ....	3 1/8	+ 3/8						
• Nationwide Homes. ....	1 1/4	.....						
• Scholz Homes ....	3	.....						
• Seaboard Homes ....	3¢	— 3¢						
Steel Crest Homes ....	8	+ 2 1/4						
Swift Industries ....	2 1/8	+ 1/8						
Jim Walter ....	23 1/8	+ 2 7/8						
<b>S&amp;Ls</b>								
American Fin. ....	15 1/4	— 1 1/4						
Brentwood ....	8 1/4	+ 1/4						
Calif. Fin. ....	4 1/4	.....						
• Columbia .....	4 1/2	— 1						
Empire Fin. ....	9 1/8	— 1/8						
Equitable S&L ....	16 1/4	— 3/4						
Far West Fin. ....	13 1/4	+ 3 1/8						
Fin. Fed. ....	21 1/8	— 1/4						
First Char. Fin. ....	2 1/8	— 1 1/2						
First Fin. West. ....	7	— 1/8						
First Lincoln Fin. ....	9 1/8	+ 1/4						
First Surety ....	4	— 1/8						

## SHORT-TERM BUSINESS LOAN RATES

Percent interest and (net change) in year

LOAN SIZE	New York City	7 other Northern & Eastern cities	11 Southern & Western cities
\$1-10 .....	5.65 (+.01)	5.88 (—)	6.02 (+.07)
\$10-100 .....	5.37 (—0.03)	5.62 (+.06)	5.73 (+.06)
\$100-200 .....	5.13 (+.12)	5.31 (+.06)	5.45 (+.09)
\$200 & over .....	4.64 (+.03)	4.87 (+.01)	5.03 (—0.06)

Source: Federal Reserve Board, September, 1965.

a—stock newly added to table. b—closing price ASE. c—closing price NYSE. d—not traded on date quoted. g—closing price MSE. h—closing price PCSE. k—not available. p—formerly Wallace Investments. \*—not included in averages. z—suspended from trading Nov. 26. American Stock Exchange will apply for delisting because company reported losses in three consecutive years.

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



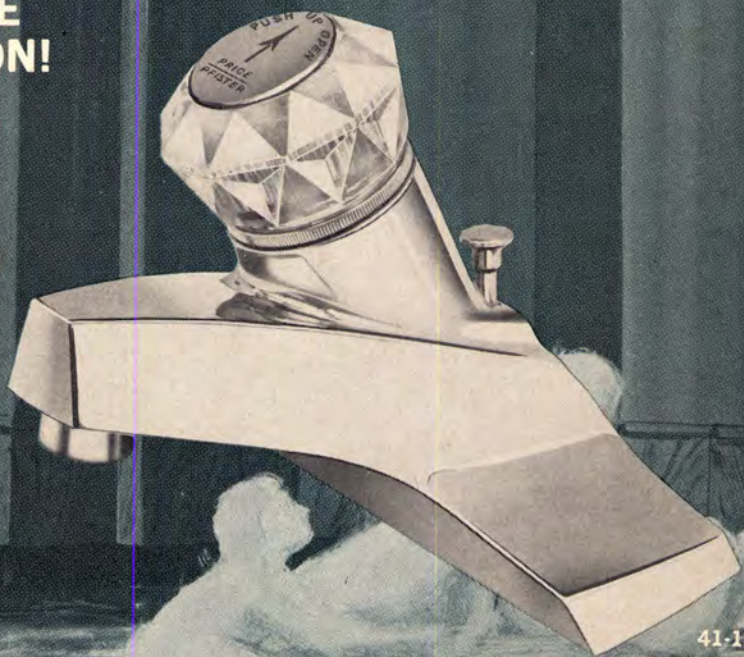
*For the classic turn of elegance...*  
*turn to*  
**FLOW-MATIC®**

Built to the precision standards demanded by modern technology, FLOW-MATIC single handle mixing valves and lavatory fittings add a modern highlight to the enduring greatness of our classic heritage. Demand the best...specify FLOW-MATIC by Price Pfister.

**NO WASHERS! NO LUBRICANT!  
 NO "O" RINGS THAT ARE  
 SUBJECTED TO FRICTION!**

**FOUR INCH LAVATORY FITTING**

Dramatic one-piece styling with aerator combines cast brass pop-up assembly featuring easy-out plunger, with crystal-like handle of brilliant long-lasting lucite. Anti-siphon code approved.



41-121



**MIXING VALVE — 09-411**

**MIXING VALVE WITH  
 BATH SPOUT — 09-421**



**MIXING VALVE WITH SHOWER  
 HEAD SET — 09-431**

**MIXING VALVE WITH SHOWER  
 HEAD SET AND DIVERTER  
 SPOUT — 09-441**

Available with integral valves.  
 Also available in either Iron Pipe  
 or Copper Sweat Connections.



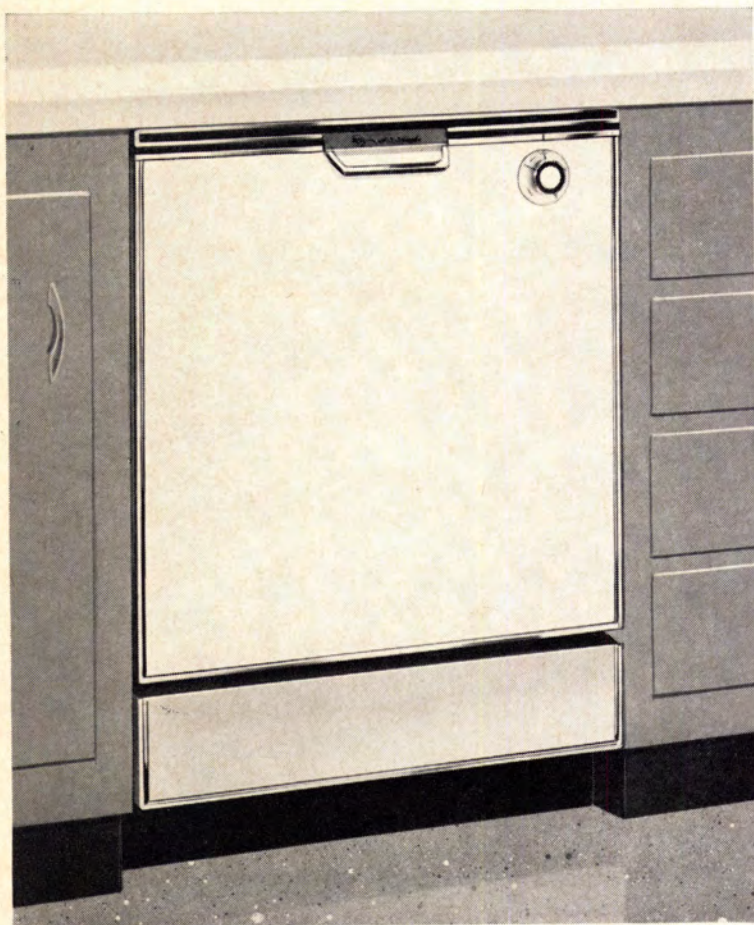
ESTABLISHED 1910

**PRICE PFISTER BRASS MFG. CO.**  
 13500 Paxton Street, Pacoima, California 91331  
 Sold only through wholesalers.  
 Warehouses in these principal cities:  
 Birmingham, Alabama; Chicago, Illinois; Dallas,  
 Texas; Pacoima, California; Elizabeth, New Jersey.

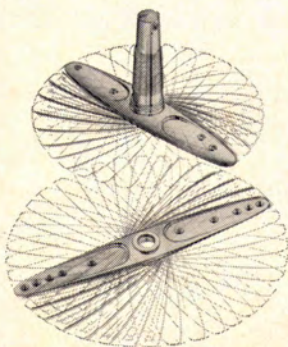
**PRICE PFISTER'S PRODUCTS... INSTALL EASIER,  
 WORK BETTER, LAST LONGER.**



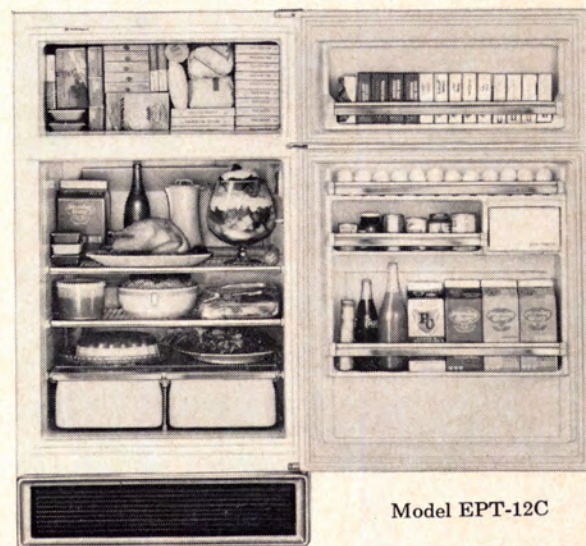
# NEW! RCA WHIRLPOOL appliances with new styling...new features (and they're easier than ever to install)



Model SPU-70

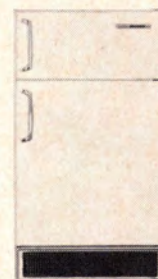


**NEW!** Built-in dishwashers with automatic pushbutton cycles, full-size spray arms, self-cleaning filter and much more. Easy installation with unobstructed work area for rough in; no struggling with difficult connections after unit is in place. Custom decorate dishwasher fronts with wood panel or any other 1/4" decorative material to match or contrast with kitchen cabinets. Choice of decorator colors.



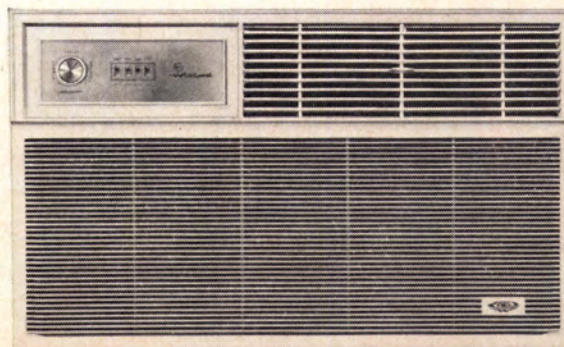
Model EPT-12C

**NEW!** Refrigerators to fit any building need. Single-doors, two-doors, freezers at the top or bottom. No-Frost models, some with IceMagic® automatic ice makers. Capacities from 11 to 18.5 cubic feet.



**NEW!** Complete selection of through-the-wall air conditioners with 8,500 to 14,000 BTU's. Choice of 208- or 230-volt models. Exterior and interior temporary fronts for pre-installation use are included with each model.

Model APW-085-5





# FULL-LINE CONCEPT

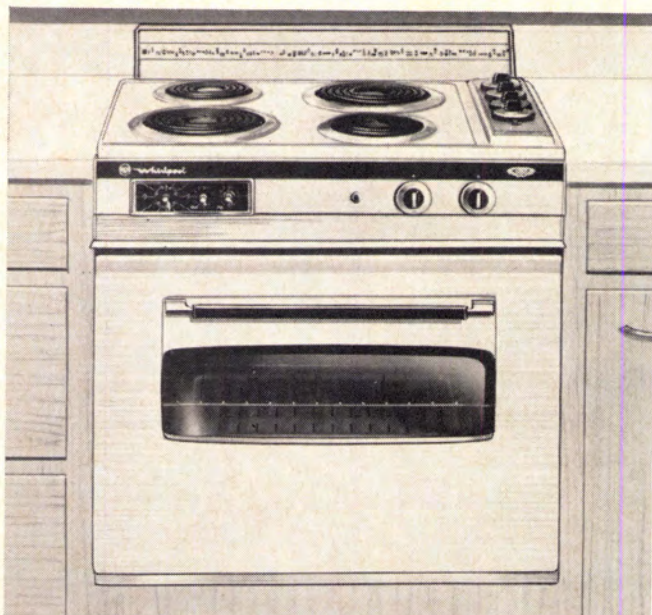
© WHIRLPOOL CORPORATION 1965

Don't fail to see the many new, exciting models that have joined Whirlpool's full line of gas and electric appliances. This is the Full-Line Concept that is benefiting successful builders from coast to coast. The main advantage is that it saves you

time and paper work. You have *one dependable source* for a full line of gas or electric appliances. You deal with one man, instead of three or four, sign one order, receive undivided responsibility and service. You have a brand name working for you that

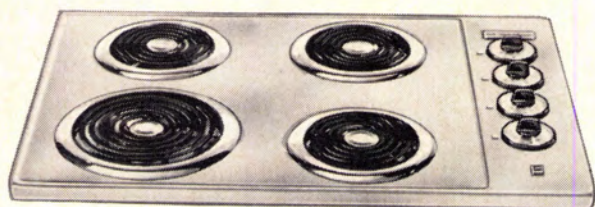
your prospects know and respect. Millions of dollars in national and local advertising have helped pre-sell your prospects on these quality appliances. Call your RCA WHIRLPOOL distributor and find out how this Full-Line Concept can help you.

**RCA** *Whirlpool*  
GAS AND ELECTRIC APPLIANCES



Model RPE2800

**NEW!** Two new set-in electric ranges, making a total of five 30" and one compact 24" model to choose from. A cinch to install! Simply slip them into cutout with cooktop resting on cabinet top, no bracing needed. Make one electrical connection, and that's it. Door panels are available in brushed chrome or colors.



Model RLE840

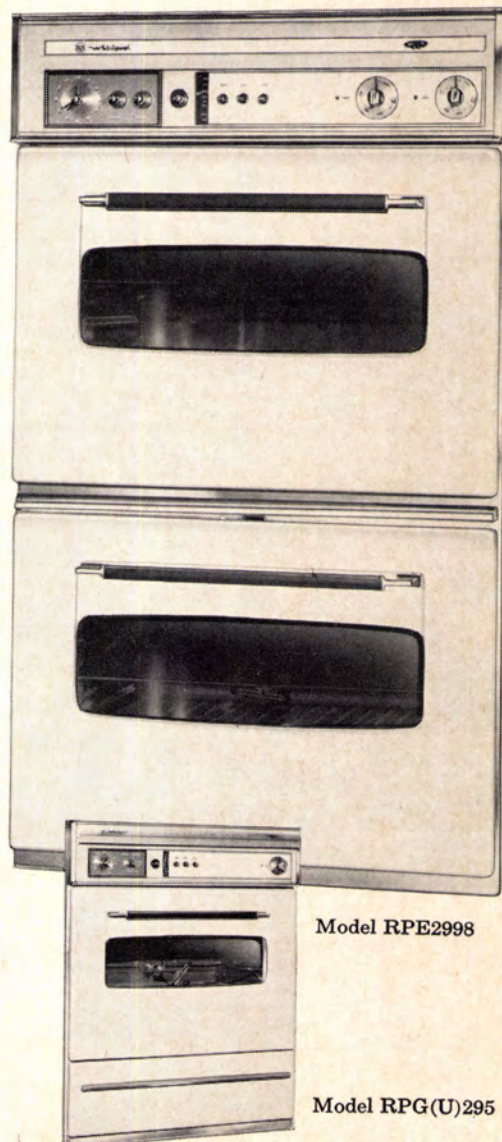
Complete selection of matching gas or electric cooktops.



Model SMD-40

Model SMD-50

Extra quiet food disposers. Entire power assembly and impeller can be removed for servicing *without* disturbing plumbing or tying up sink.



Model RPE2998

Model RPG(U)295

**NEW!** Two gas built-in ovens and one new electric double-oven model. Gives you a total of seven electric and four gas built-in ovens to please any prospect and fit any budget. Each in choice of decorator colors or chrome.



# CREATES A NEW PRIVATE WORLD OF *Living* BEHIND GLEAMING WALLS OF GLASS



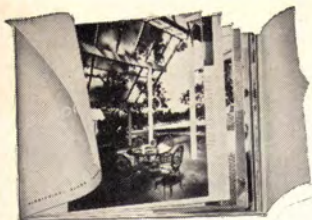
## *The wonderful world of Eichler*

Is enhanced by partitions of 7/8" patterned glass by Mississippi  
In Bay area residences, Palo Alto, California. Architects: Jones &  
Emmons and Anshen & Allen.

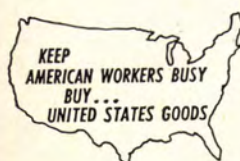


Owners can live, entertain, relax in the delightful atmosphere of simple elegance in these distinguished Eichler Homes, confident that the handsome translucent glass that floods interiors with diffused daylight, also protects their privacy adequately. Glass does so much in these homes to achieve a feeling of spaciousness and friendliness. Effectively used in daylighting screens around patio courts and in doors, it floods adjoining areas with flattering "borrowed light", yet never needs painting, wipes shining clean with a damp cloth.

To add lustre to living, more and more builders are using beautiful, light diffusing glass by Mississippi. Available at better distributors in a wide range of patterns and surface finishes wherever quality glass is sold.



Write today for free booklet. Photographs of actual installations provide hundreds of stimulating decorating ideas. Address Dept. 9.



**MISSISSIPPI**  
**GLASS COMPANY**  
88 Angelica St. • St. Louis, Missouri 63147

NEW YORK • CHICAGO • FULLERTON, CALIFORNIA

LARGEST DOMESTIC MANUFACTURER OF ROLLED, FIGURED AND WIRED GLASS

## NEWS

continued from p. 14

sembled on privately owned sites from precut materials, not prefabricated components. The owner excavates and installs lights, heat and plumbing.

Evans paid \$10 million in October for Moore's Super Stores, a chain of 20 East Coast cash-and-carry building-materials supermarkets that earned \$750,000 on \$25 million sales in fiscal 1965.

## Gypsum maker rebuilds slums to show rehab work can pay

U.S. Gypsum Co. becomes the first private corporation to undertake slum rehabilitation on a major scale. It is spending \$1¼ million to rehabilitate six decaying tenements in a crime-ridden New York City slum called East Harlem.

U.S.G. will earn no profit on the Harlem project. It expects its opportunity to come in the new markets that private rehabilitation can open for the company's building products line. Company analysts already estimate rehab spending at \$15 billion a year, or two-thirds of the new-home construction outlay, and U.S. Gypsum says it is pioneering even wider markets for other building product companies and for the financial and realty industries.

New York's Mayor Robert F. Wagner says the experiment "represents the kind of partnership between government and private enterprise that can contribute much to the elimination of slums in our city." U.S. Gypsum President Graham J. Morgan predicts its success will stimulate other companies to follow, and the New York City department of rent and rehabilitation says it can have 3,000 such jobs under way in 18 months if the pilot project succeeds. The agency is supervising the program.

**Off to fast start.** U.S. Gypsum paid \$30,000 for the first six-floor tenement and has almost finished rebuilding it for an additional \$162,000. The total outlay is half the cost of a new building.

The old tenement had 149 code violations and its 25 apartments, crowded into five floors, had no closets. Rents averaged \$28.

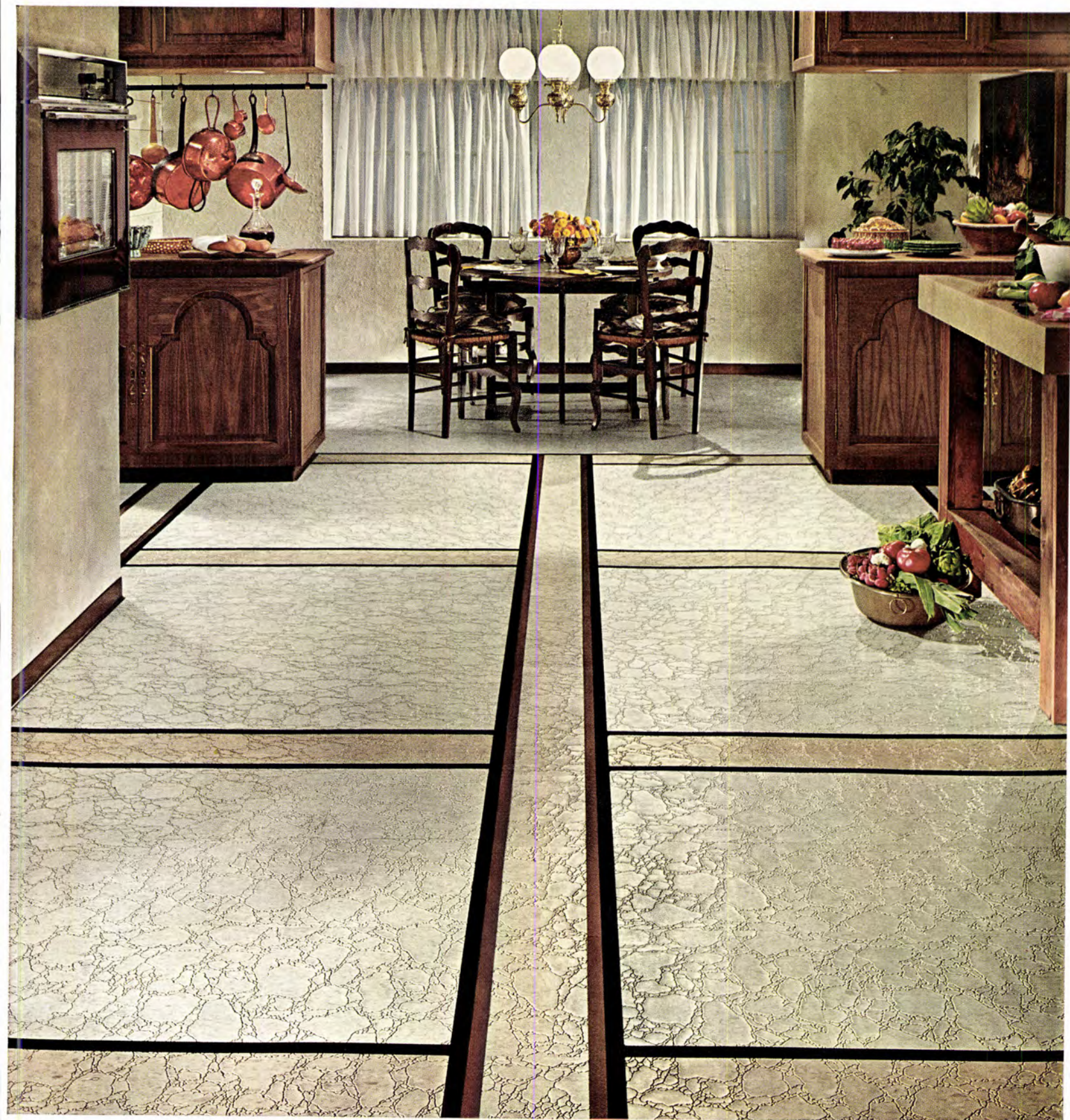
The company relocated the seven tenant families in the same block and then used the building as a laboratory for new systems and products. It installed radiant electric ceilings—Thermolux—to eliminate the need for a central plant. It poured a new gypsum product over the old floor surface, and a mason with trowel provided a level plane without readjusting sleepers of furring strips.

The 24 new units occupy all six floors. They have closets and larger baths and kitchens, and they rent for \$78. The rent administration says some rental subsidy may be necessary.

**Not a landlord.** U.S. Gypsum will not remain to collect rents. It wants to turn the buildings over to limited or nonprofit organizations, which can get purchase money on a 3% loan guaranteed by FHA under the 1965 Housing Act.

NEWS continued on p. 23





Powerfully advertised to your prospects—Kentile's® new vinyl asbestos tile—Au Naturel! Full-color full pages show this easily maintained, greaseproof floor in *Look*, *Sat. Eve. Post*, *Better Homes & Gardens* and ten other leading national magazines.

Natural beauty with extra thickness—new Au Naturel vinyl tile

**KENTILE**  
VINYL **FLOORS**

Au Naturel's extra thickness helps hide underfloor irregularities. Has deeper texture, too. Au Naturel is an extra sales feature for model homes, stores, and offices. Ask your flooring man.



The image shows a wooden frame structure against a yellow background. On top of the frame, there is a piece of wood with a rough, bark-like texture on one side and a smooth, light-colored surface on the other. Next to it is a large, irregular pile of white, fibrous material, resembling asbestos or cellulose fibers. The text "Woodrock" is written in a bold, sans-serif font inside a rectangular box at the top left of the image.

**Woodrock**

**We think new  
about siding**

**Woodrock Clapboard Siding...Fantastic new material combines  
the best of wood, asbestos and rock.**

We call it Woodrock. Why? Because it looks like wood. It handles like wood. Nails like wood...and saws easily with a masonry blade in your power saw. Yet it is as fireproof as asbestos and as rugged as rock. Which is no surprise, because this revolutionary siding product is made of all three. The perfect combination of portland cement, cellulose fibers and asbestos fibers to give you a siding that can't rot or corrode. It's termite proof, mildew resistant, preshrunk so it won't warp,



A pioneer Dallas Sec. 221d3 builder is suing FHA for \$250,000. He says his two projects had to overpay that much in construction wages because the FHA misrepresented the Labor Department's wage scales as the prevailing rates for the area.

"The wages which actually prevailed for such work were substantially lower," says the complaint filed by **Louis J. Hexter**, president of Dallas' 348-unit Colonial Terrace project for renewal displacees.

Hexter says the \$250,000 is not important; it is the principle. He is crusading for drastic revision of the Labor Dept. scales.

"If the 221d3 housing [built for middle-income families] costs more than it should, it defeats the whole intent and purpose of the [Housing] Act," he says.

Hexter, who heads Hexter Title & Abstract in Dallas, bases his suit on a Comptroller General's report\* charging that the Labor Dept. wasted \$1 million by setting artificially high wage rates for \$15 million worth of federal construction in the Dallas-Fort Worth area. The study found that \$232,000 was paid in excessive wages on the \$3.1 million construction contracts for the two Colonial Terrace projects.

Said Comptroller General **Joseph Campbell**: "It has been the practice of the [Labor] Dept. to determine the higher union-nego-

\* Comptroller General B-146842, March 26, 1965: *Wage Rates for Federally Financed Housing Construction.*

He is **George V. Stein**, president and general manager of the Currell Lumber Co. of Lawton, Okla. He flies his own twin-motor Cessna Skyknight to inspect the six yards the company operates in Oklahoma and Colorado and to attend the meetings of his own Southwestern Lumbermen's Assn. and of the National Lumber and Building Materials Dealers Assn.

Stein, 47, is president of the Southwestern, with headquarters in Kansas City. He has just been elected president of NLBMDA at the group's convention in Hollywood Beach, Fla., and he takes over this month from **Robert J. Lloyd**, 46, of Lloyd Lumber & Supply Inc., Mankato, Minn.

Stein won a law degree from the University of Oklahoma in 1941, served overseas as an artillery officer and bought his own

JANUARY 1966

McGraw-Hill World News



### DALLAS' HEXTER

*"Only way to get errors corrected"*

tiated rates paid on commercial-type building construction as the minimum rates for federally financed housing construction, instead of the lower rates prevailing for similar private housing construction in the project areas. We believe that the higher determined rates are unreasonable and detrimental."

Adds Hexter: "I filed the suit because it was the only way I knew to bring to light the error the Comptroller General had found and to get it corrected."

The report gave this sampling of hourly wage rates in Fort Worth, adjacent to Dallas:

	LABOR	PRIVATE	
	DEPT.	HOUSING	EXCESS
Bricklayer .....	\$4.25	\$3.75	\$0.50
Carpenter .....	3.475	2.60	0.875
Cement mason ....	3.50	2.50	1.00
Common laborer...	1.95	1.25	0.70
Electrician .....	3.775	2.50	1.275
Painter (brush)...	3.375	2.50	0.875
Plumber .....	3.875	2.25	1.625
Ironworker .....	3.425	1.75	1.675
Mason tender ....	2.05	1.50	0.55
Insulation installer .....	3.425	1.53	1.895
Sheetmetal worker .....	3.725	2.95	0.775



## LUMBER DEALERS' STEIN

*Off to a flying start*

lumber company in 1948. He merged it into Currell when his father-in-law, **R. T. Currell**, retired in 1955.

"We will work for improvement in inter and intra relations," Stein promises.

*News continued on p. 26*

**"...newest  
status  
symbol"**

—LOOK  
Magazine



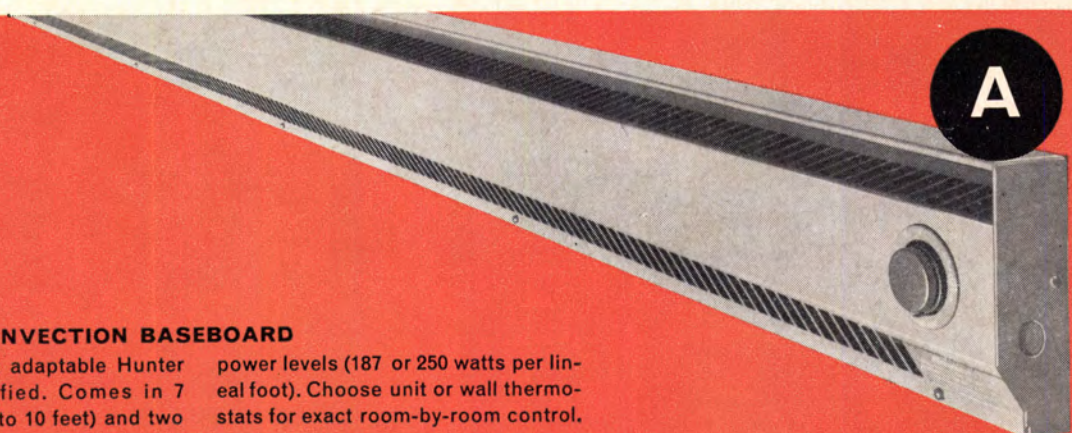
Here's the exciting feature you've been looking for to make you stand out from the competition. The Thermasol Steam Bath is the bathroom luxury everyone is talking about. It draws attention to your ads; lures traffic to your model homes and apartments; helps close sales and leases faster, at higher profits. People tell friends about your homes and apartments—and newspapers write about them. There's a Thermasol in the bathroom! **Real Estate Forum** says it's "the most progressive builder."

There's no need to install in any bathroom . . . under construction. A shower or tub doubles as a steam room, and the Germasol takes up no bathroom space. An ammonia-free germicide washes away in vanity, closet, ceiling or floor. No electrical wiring or switch complete the set-up. FHA-approved. No extra cost to the cost of a bathroom. For a free literature, call 1-800-451-2222. Little as 22¢ a day.

and guarantee



# HUNTER ELECTRIC HEAT



A

## HEATLINER CONVECTION BASEBOARD

Best-selling, most adaptable Hunter unit. NEMA Verified. Comes in 7 lengths (from 2½ to 10 feet) and two power levels (187 or 250 watts per lineal foot). Choose unit or wall thermostat for exact room-by-room control.

C

## RADIANT WALL HEATER

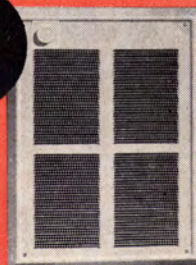
Features fully-enclosed element, fits between standard 16" studs, is engineered to meet all local electric code requirements throughout the country. Installs quickly; projects only 1¼" into room. Or can be surface-mounted with special accessory kit. Built-in thermostat.



D

## FAN-FORCED WALL HEATER

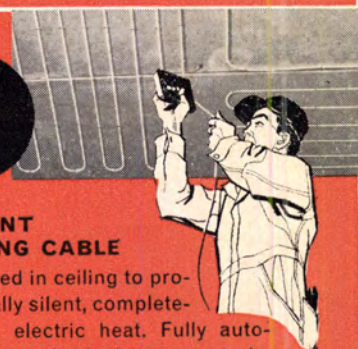
Same basic features as radiant unit (C) plus the added circulation effectiveness provided by quiet, efficient rubber-mounted fan. Recess or surface mount.



E

## RADIANT HEATING CABLE

Embedded in ceiling to provide totally silent, completely clean electric heat. Fully automatic with individual room controls. Approved for VA and FHA loans. Comes in 19 lengths (color-coded) to fit all room-size requirements.



G

## BATHROOM WALL HEATER

Has attractive polished, built-in thermostat, chrome finish.



H

## HEATING ROOM CEILING HEATER

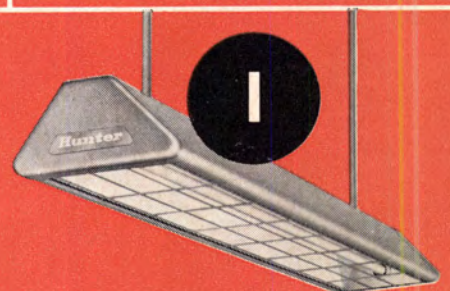
Recess mounted, puts out 4300 BTU. Whisper-quiet fan pulls cold air through outer ring, discharges through center grille. Attractive grille is 14½" in diameter.



I

## VYCOR® INFRARED HEATER

Heats with light both indoors and out. Utilizes Corning's Vycor® silica glass tube. Easy to install. Beige finish.

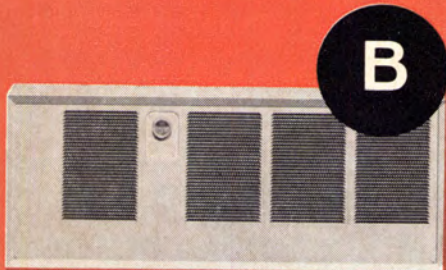


# ELECTRIC HEAT



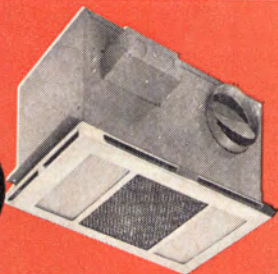
# GUIDE

*Check this list  
to see which units  
are recommended  
for various uses*



## FORCED AIR BASEBOARD

Fully automatic self-contained heating system, an ideal low-cost packaged unit. Can be surface mounted or recessed. Built-in thermostat.



## TRIO BATHROOM UNIT

Provides heat, light and ventilation from one handy recessed ceiling installation. Quiet, electrically reversible fan delivers even heat throughout room. 4" vent to outside is equipped with built-in back-draft damper.



## UNIT BLOWER HEATER

Provides plenty of fast heat for large indoor areas. Cabinets are light grey, louvers and handles dark blue. Wall or built-in thermostats available as optional accessories. Comes in 24 models ranging from 3 to 12 KW.

Air Terminals—I,J	Living Rooms—A,B,C,D,E
Art Galleries—B,J	Loading Docks—I
Auditoriums—I,J	Lobbies—E,J
Bakeries—A,B,C,D,E,J	Locker Rooms—B,D,F,G,H,J
Banks—A,B,C,D,E,I	Lounges—A,B,C,D,E,J
Barber Shops—A,B,C,D,E,J	Mail Rooms—A,B,C,D,E,J
Bars—A,B,C,D,E,J	Marquees—I
Basements—A,B,C,D,E,I,J	Meeting Halls—A,B,D,E,J
Bathrooms—A,E,F,G,H	Motels—All
Beauty Shops—A,B,C,D,E,J	Movie Theaters—A,B,D,E,J
Bedrooms—A,B,C,D,E	Museums—A,B,C,D,E,J
Bus Stations—I,J	Nurseries—All
Cafeterias—I,J	Nursing Homes—All
Carports—I	Offices—A,B,C,D,E
Chapels—A,B,E,I	Parlors—A,B,C,D,E
Churches—All	Patios—I
Classrooms—A,B,D	Plants—E,I,J
Clinics—A,B,C,D,E	Porches—I
Clubs—All	Post Offices—All
Convalescent Homes—All	Radio Stations—All
Dens—A,B,C,D,E	Railway Stations—I,J
Depots—I,J	Rest Homes—All
Dining Rooms—A,B,D,E	Rest Rooms—A,B,C,D,E,F,G,H
Drug Stores—B,D,E,J	Restaurants—All
Exercise Rooms—A,B,D,E,F,G,H,J	Schools—All
Factories—I,J	Service Stations—All
Family Rooms—A,B,C,D,E	Shipping Rooms—A,B,C,D,E,I,J
Game Rooms—A,B,C,D,E,J	Shops—All
Garages—I,J	Stores—All
Gymnasiums—I,J	Supermarkets—I,J
Halls—A,B,C,D,E	Taverns—A,B,C,D,E,I,J
Homes—All	Theaters—A,B,D,I,J
Hospitals—All	TV Stations—All
Hotels—All	Vestibules—A,B,D,E,I,J
Kitchens—A,B,D,J	Waiting Rooms—A,B,C,D,E,I,J
Laboratories—A,B,C,D,E,I,J	Warehouses—I,J
Laundry Rooms—All	Workshops—All
Libraries—A,B,C,D,E,J	

*Hunter also makes a complete line of residential, commercial and industrial fans.*



**Mail today for data**

Hunter Division, Robbins & Myers, Inc.  
2511 Frisco Ave., Memphis, Tenn. 38114

Please send full information on Hunter Electric Heat Line.

NAME \_\_\_\_\_

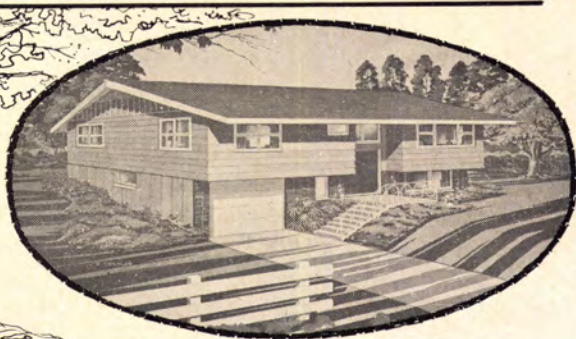
COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

*It's Matchless!*



sturdy  
as the  
MIGHTY  
OAK



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BUT ONLY IF YOU USE IT.

## NEWS

continued from p. 23

### Frouge wins new-town zoning battle

Tempers flared as the supervisors of California's scenic Marin County voted 3 to 2 last month to allow Marinello, a planned community to be built on the hills across the Golden Gate from San Francisco.

Conservation was the issue (NEWS, Oct.) and even the conservationists disagreed. Some argued that Marinello and its 19 high-rise apartments would leave 1,800 of the site's 2,138 acres in their natural state. Others said those first high-rises would be only the beginning of the invasion of Marin County.

Supervisor Chairman **Peter Behr**, the minority leader, said bitterly, "We will be remembered for having sold this county's birthright for a mess of pottage and the promise of 30 pieces of

silver in tax tribute by this builder..."

Actually Builder **Thomas Frouge** promised roughly \$1.5 million in taxes by 1985. During the year-long battle to win zoning for Marinello, he also:

1. Promised to oppose any attempts by Marinello's projected 20,000 residents to escape county control by incorporating as a separate city.

2. Agreed to the supervisor's demand for deed restrictions that would force Marinello to adhere to the present master plan even if it did incorporate.

3. Pledged not to build and run. But Frouge can expect new attacks. Conservationists are considering a referendum to reverse the approval and recall action to remove majority supervisors.

### Miami Beach Realtor heads NAREB

Oscar & Assoc.

When Realtors gather, find the Alpine hat with the Swiss brush on it. The owner will be **Jack Justice**, elected president of the National Association of Real Estate Boards (NAREB) at its Chicago convention (see p. 12). He succeeds **Maurice G. Read** of Berkeley, Calif.

The one place Justice won't be hanging that hat this year is his 25-man real estate office in Miami Beach. For most of 1966 he will stump the country giving his famous "bread-and-butter" speeches about how to be a better real estate dealer.

Justice, 62, has developed some of the ideas in his own operation on the Florida Gold Coast. He appraises a classified ad's sales value by having his office floor man tally all calls and visits the ad brings. His careful system of keeping an accountant's record on real estate signs—not an inconsiderable investment for any



**NAREB's JUSTICE**  
Details make sales

dealer—is also widely admired.

Justice is well known for developing techniques for selling farms and small ranches to business men seeking country retreats, and he explains his methods wherever he goes. He was president of the National Institute of Farm & Land Brokers in 1963.

### Realty leader elected appraisers' president

**Harry R. Fenton**, president of the Seattle real estate appraisal and consulting firm of Fenton, Conger & Ballantine, is the new president of the American Institute of Real Estate Appraisers. He was elected at the group's Chicago meeting in November to succeed **Robert L. Free** of Cleveland, an appraiser and industrial Realtor.

Fenton was president of the Seattle Real Estate Board in 1953 and a vice president of the National Assn. of Real Estate Boards in 1956. The institute is a NAREB affiliate.

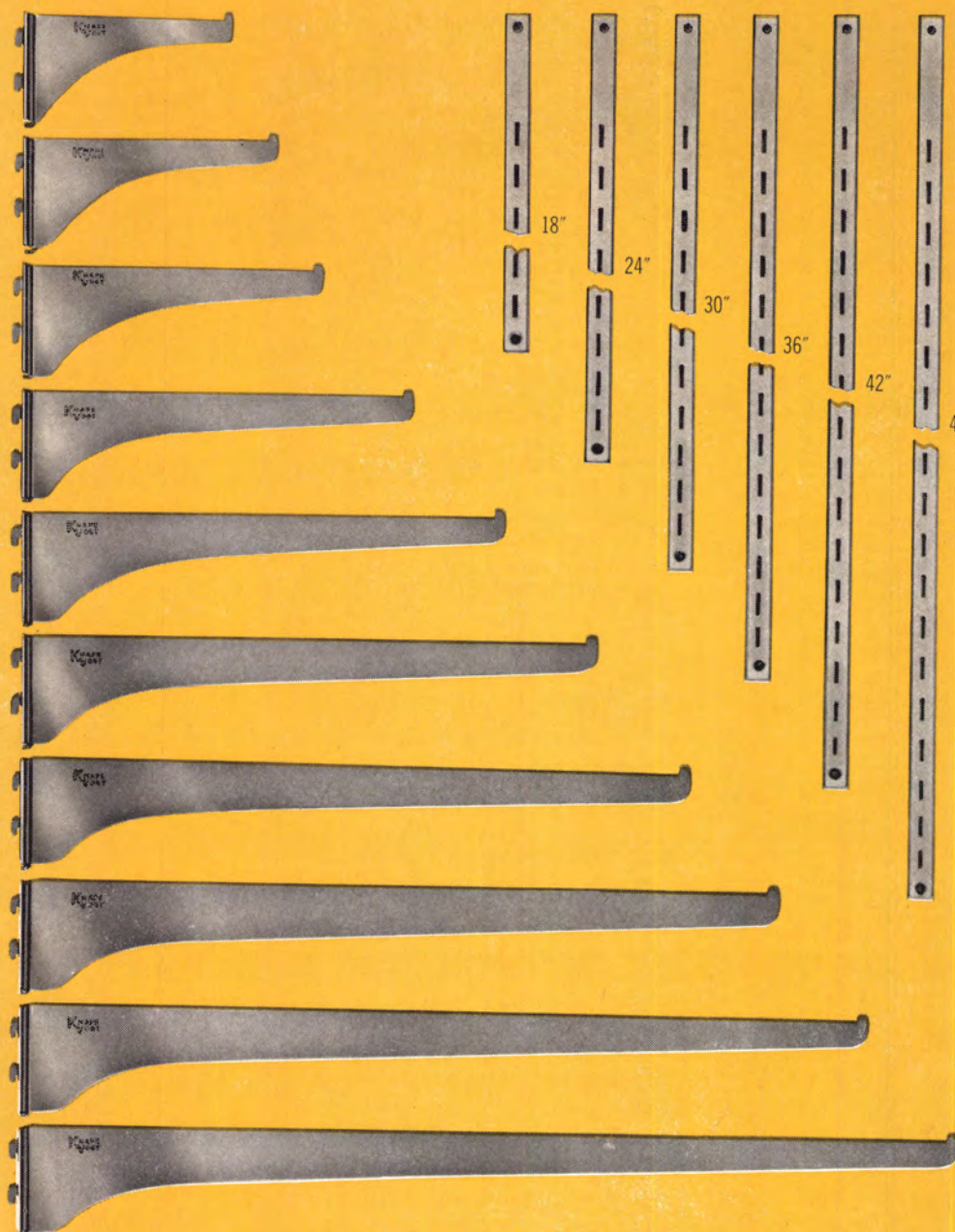
### Savings bank pioneer George Johnson dies

**George C. Johnson**, 71, board chairman and president of Dime Savings Bank of Brooklyn for 19 years, died Dec. 7. He helped build Dime to the nation's second largest mutual lender (assets: \$2 billion) and spearheaded a state drive to cut down payment on conventional loans.

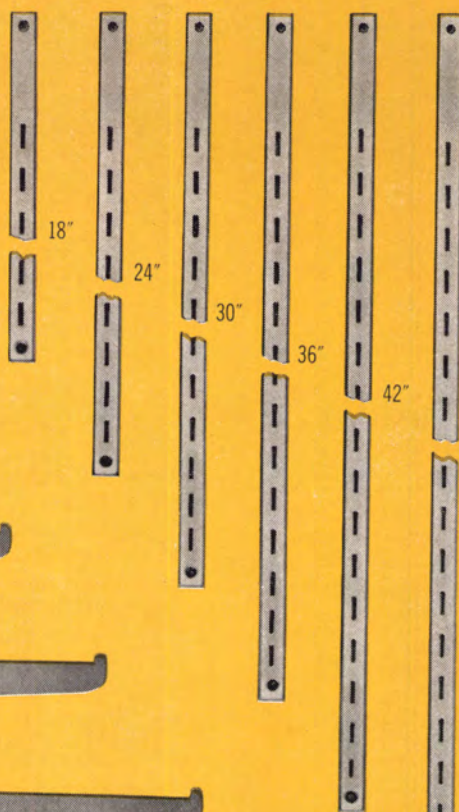
**DIED:** **George Alexander**, 67, and his son, **Robert**, 40, a builder-developer team which built 2,000 houses in Los Angeles and Palm Springs, Nov. 14 in a plane crash near Indio, Calif.



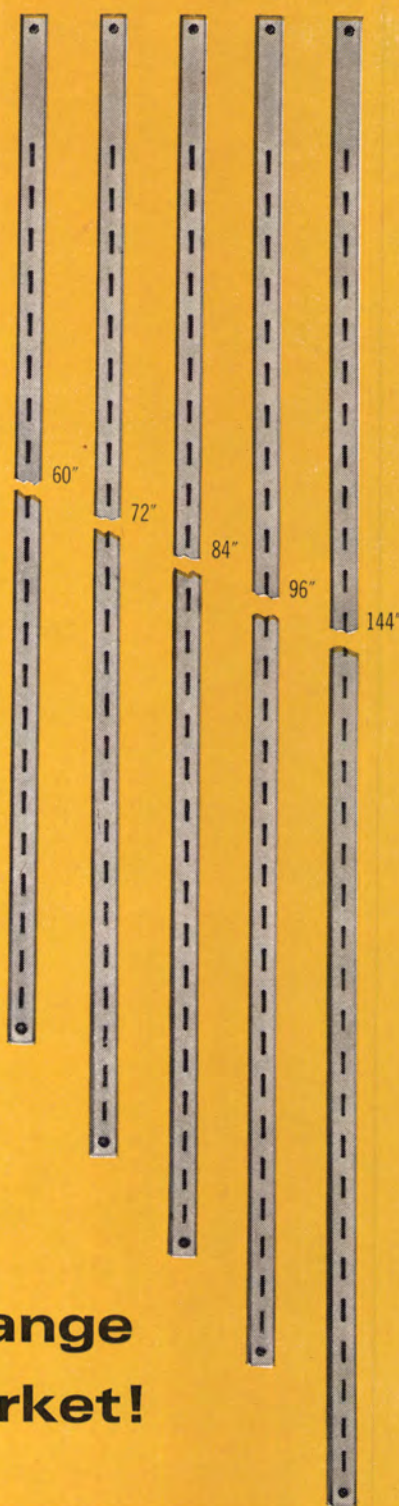
K-V 180 Brackets, 4" to 20"



Four Decorator Finishes



K-V 80 Standards, 18" to 144"



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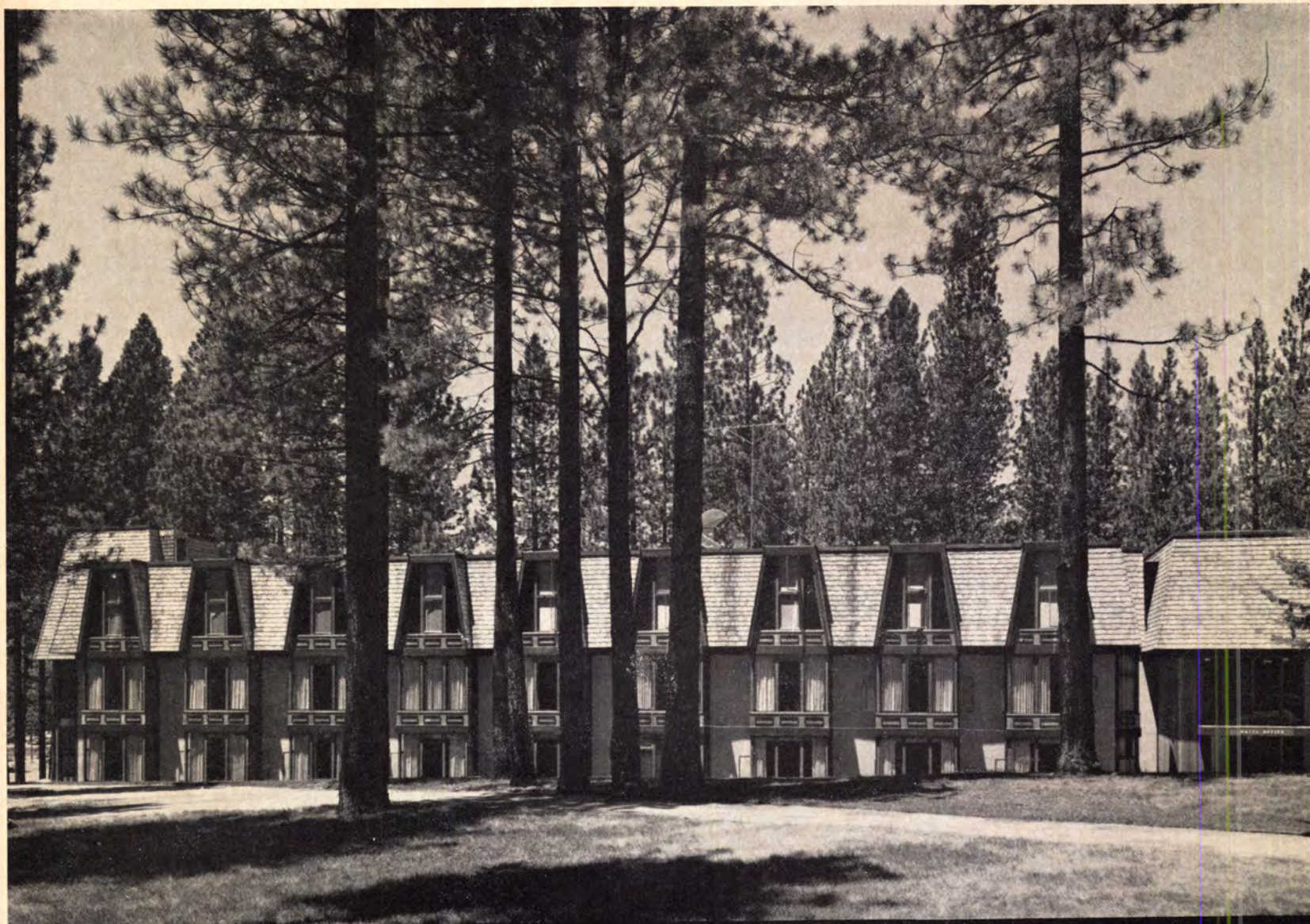


#### For built-in adjustable shelving

Easy way to provide adjustable shelving for cabinets, pantries, other built-ins: K-V 255 standards (24" to 144") and snap-in supports, adjust every half inch. Install with screws or staples. Available in steel with electroplated bright nickel finish; in aluminum with natural or bronze vinyl finishes.

Manufacturers of a complete line of quality drawer slides, sliding and folding door hardware, closet and kitchen fixtures and Handy Hooks for perforated board.





Rustic, rich and restful:  
**Red Cedar Shingles and Handsplit Shakes**







The new Sierra Tahoe Lodge at Incline Village, Lake Tahoe, Nevada, has the tingle of elegance about it. Yet it also seems to say "make yourself at home." Part of this appeal — and part of the elegance, too — is a characteristic of the roof material used: Red Cedar. Notice also how well the Red Cedar shingles used here adapt to the various designs used on the site. Aesthetics aside, Red Cedar shingles and handsplit shakes are eminently practical on a roof or sidewall. They're strong, light in weight, durable, dimensionally stable in all kinds of weather, and they insulate. Altogether, a sound business proposition. If you'd like more information, just write the Red Cedar Shingle & Handsplit Shake Bureau, 5510 White Bldg., Seattle, Washington 98101. (In Canada: 1477 West Pender St., Vancouver 5, B.C.)



Architect Charles Warren Callister and project associate John S. O'Brien specified Certigrade Blue Label No. 1 shingles, 16" long, with 5" weather exposure. The 3-story lodge hotel (*both upper photos*) has a thatched mansard application. The beach pavilion restaurant (*lower left*) shows a straight application with a reverse mansard roof while the lodge's 2-story shoreside cottage group features doubled courses every sixth row. The site is bisected by a two-lane highway, spanned by a shingle-covered footbridge wide enough to accommodate electric carts. Donald Sandy, Jr., was associate architect on the hotel and bridge.





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YOU ARE CORDIALLY INVITED  
TO ENTER THE ELEVENTH ANNUAL  
HOMES FOR BETTER LIVING  
NATIONAL AWARDS FOR ARCHITECTS,  
BUILDERS AND HOMEOWNERS

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Sponsored by The American Institute of Architects in cooperation with HOUSE & HOME and *American Home*. All the honor award winners and a selection of other winners will be published in HOUSE & HOME. A selection of the winning entries will be published by *American Home*. All the winning entries will be displayed at the AIA convention in Denver 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, 1963 in any of the 50 states. Outstanding architects, housing industry leaders, and the editors of HOUSE & HOME and *American 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 displayed at the AIA convention June 26-30, 1966. Awards will be made in three categories: ☐ 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. 2,800 sq. ft. c) Over 2,800 sq. ft. ☐ MERCHANT-BUILT HOUSES designed for a merchant builder and sold speculatively, in three classes according to sales price, including land: d) Under \$25,000 e) \$25,000 to \$40,000 f) Over \$40,000, and one-of-a-kind prototypes. ☐ GARDEN APARTMENTS AND TOWNHOUSES built for rent or sale. Apartments 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 apartment buildings. h) Multi-building apartment groups. i) Town houses (single or in blocks).

Pertinent information shall be submitted on the registration blank below by February 6, 1966, 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 27, 1966. It is imperative that the appropriate category be designated on your original registration slip so that you receive the correct color binder for your entry.

---

This registration slip and entry fee must be submitted by February 6, 1966. Make checks payable to: Homes for Better Living and mail to: Homes for Better Living Awards, HOUSE & HOME, McGraw-Hill Building, New York City 10036, 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/TOWNHOUSE

location \_\_\_\_\_

architect \_\_\_\_\_ address \_\_\_\_\_

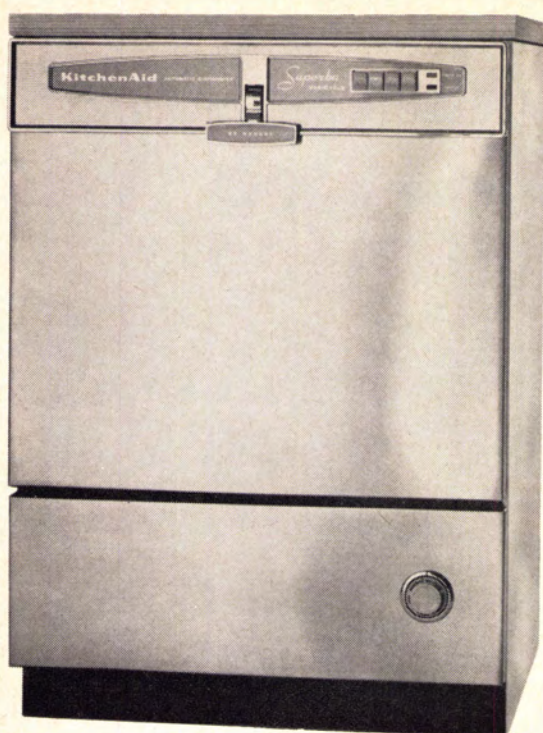
builder \_\_\_\_\_ address \_\_\_\_\_

owner \_\_\_\_\_ address \_\_\_\_\_

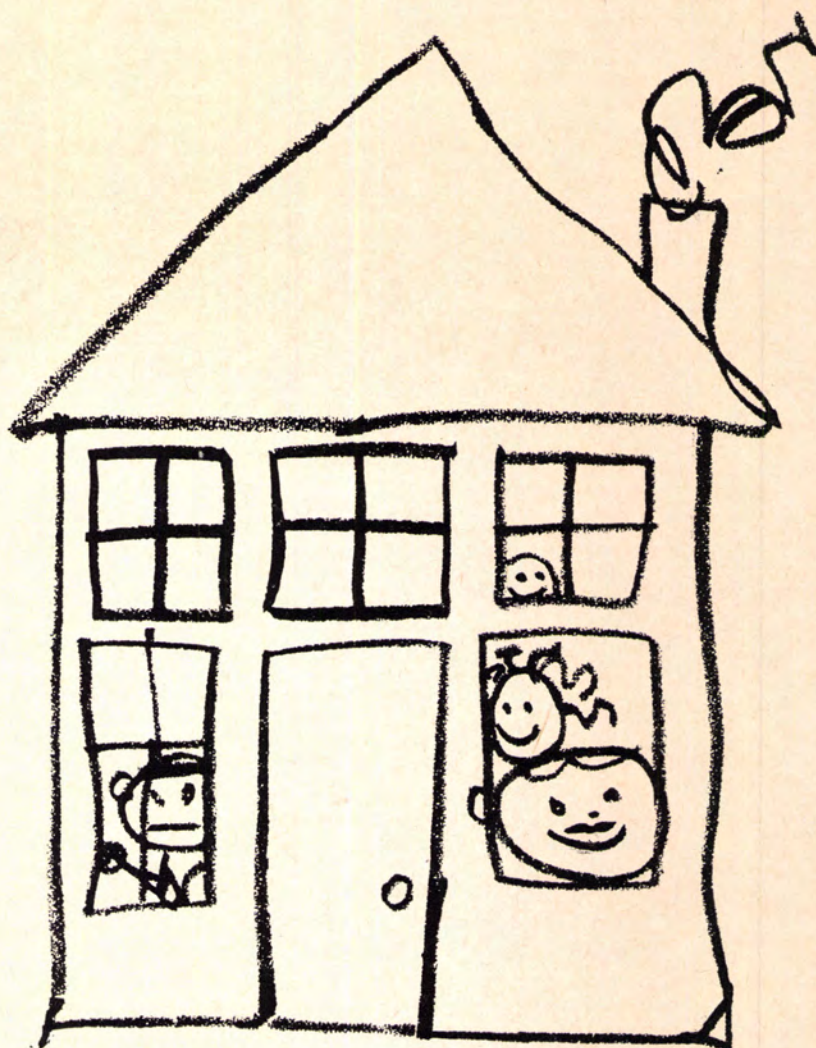
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## Wood windows vs. metal windows: here are the facts.

A metal window frame is cold. Cold to touch. Cold to be near. It's the nature of metal, caused by what heating engineers call excessive thermal conductivity.

### Are metal windows really "refrigerators?" Unfortunately, it's true.

<i>Findings listed below show heat loss of various materials 1" thick, 12" square, with only 32 degree difference between inside and outside temperatures:</i>	
<b>HEAT LOSS</b>	Wood.....25 BTU's per hr.
	Glass.....186 BTU's per hr.
	Steel.....9,984 BTU's per hr.
	Aluminum....45,312 BTU's per hr.
<small>Data derived from: ASHRAE Guide and Data Book 1965, Chapters 4 and 24. By permission.</small>	

The chart tells the whole sad story. Aluminum conducts heat over 1770 times as fast as wood.<sup>1</sup> Thus a wood window frame is over 1770 times as effective in preventing costly heat losses through radiation as aluminum, the most common type of metal window.

1) ASHRAE Guide and Data Book 1965, Chapters 4 and 24.

Take a single-glazed window unit with an 80% glass area. This unit, manufactured from wood, insulates 10.7% better than when made of metal. And when insulating glass is used, that figure soars to 25.8%!<sup>2</sup>

Cold metal surfaces, as they conduct heat from a room, also conduct heat from the body, causing chills. In addition, as warm air comes against a cold surface, it cools and drops rapidly to the floor. This creates a cold draft.

In fact, these metal-caused cold drafts can reach velocities of 12 feet per second.<sup>3</sup> Pretty windy for a family living room.

Since wood, by its nature, is so superior an insulator against heat radiation, you can expect well-hung quality wood windows to be virtually free of the greater heat loss and chilling drafts caused by metal window units.

Excessive thermal conductivity in metal causes another problem, too. *Condensation.*

To be comfortable, every house should have humidity. (About 30-35% is average.) But when this normal humidity touches a freezing metal window frame, it condenses.

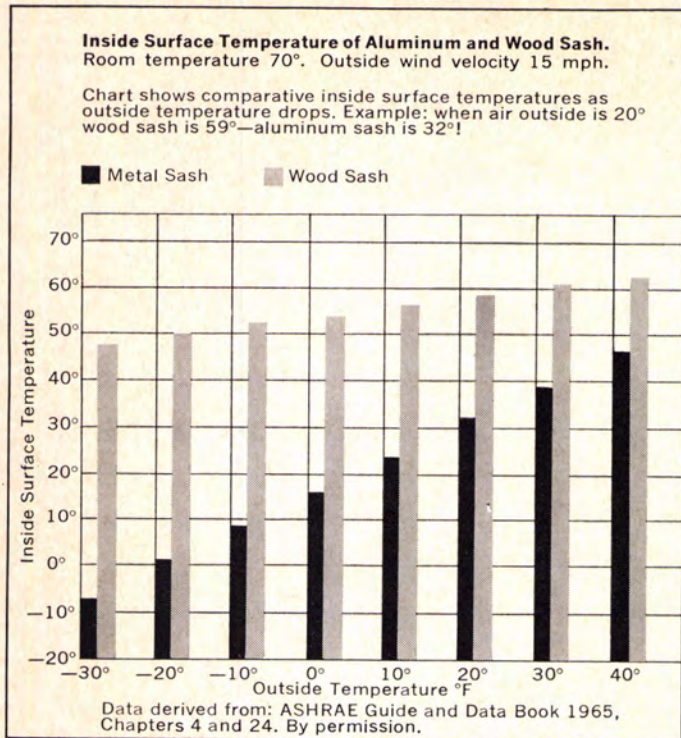
Condensation can build up with amazing rapidity on metal frames... even form ice. And... water drips... all over the sill, the moulding, and the wall. This can be damaging, costly... and infuriating to a housewife whose wallpaper has been ruined. This type of condensation is impossible with quality wood windows.

2) ASHRAE Guide and Data Book 1965, Chapter 24.

3) Electricity in Building Magazine, Sept., 1964.



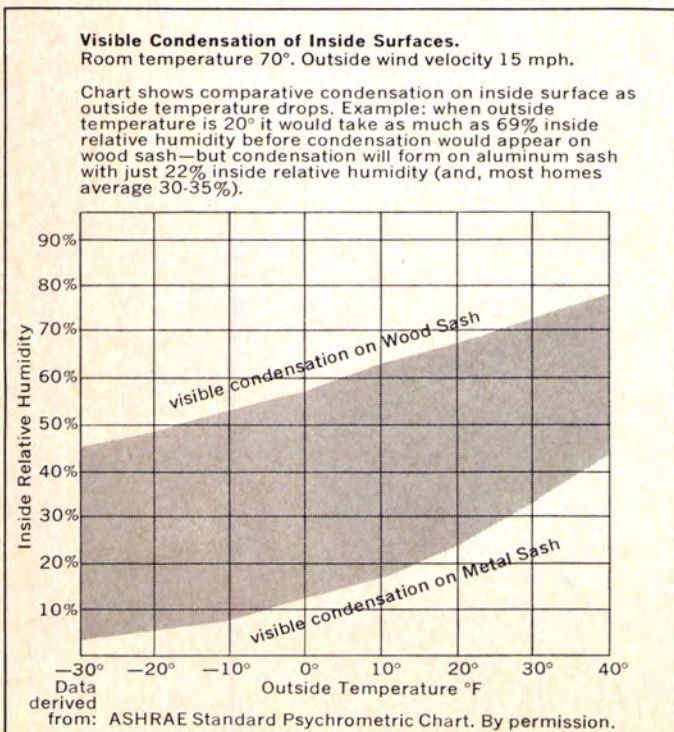
## Here are the cold hard facts about metal windows.



In summer, heat radiation is still at work—and the metal frames that made rooms colder in winter make rooms hotter in summer.

Of course, air conditioning can keep any house cool—at a price. But here again, the cost of air conditioning a home with metal windows *has* to be higher than a home with ponderosa pine windows if all other factors are equal.

## Get the undiluted truth on condensation.



## Wood windows are a matter of good taste, too.

Today's creative architects and builders are constantly searching for new dimensions in home design.

This calls for imagination and insight. It also requires a nearly infinite variety of window styles and designs for them to choose from.

Beautiful ponderosa pine wood windows offer this variety. Stock ponderosa pine windows are readily available in every type, every style and every size imaginable.

Is it any wonder that more architects, more builders and more home buyers are insisting on the natural beauty and practicality of wood windows?

Of course there are still some people who take windows for granted. But you can change all this and profit from it, too. Trouble-free windows make quicker, happier sales.

Just point out that windows are 30 to 70% of the exterior of a home. Explain that choosing the right window is much, much more than a simple matter of cost or practicality. *It's also a matter of good taste.*

And good taste says just one thing: a fine home just has to have wood windows.



Reprints of this message available on request.



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# Where the housing dollar goes—a new cost guide

If you want to know how your building costs compare with those of leading builders and prefabbers in different parts of the country, you can find out by checking this table—a new quarterly feature in *HOUSE & HOME*. It can also be used as a one-page estimator.

This month's table reports the costs of three builders and one prefabber. *HOUSE & HOME*'s plans call for expanding future

tables to include a dozen or more companies—all in major metropolitan markets.

Costs reported are the in-place costs for each unit listed in the left-hand column—and include all labor and materials. They were derived from actual subcontractor bids accepted by the four companies.

Though intended primarily for builders, the quarterly cost tables should also be valuable to other segments of the housing

industry. For example, manufacturers and designers working on new structural systems will be able to check the systems' potential costs against the going costs of systems already in use. And industry people who normally aren't familiar with precise costs—lenders and real estate brokers, for instance—will be able to use the tables to check more accurately on house values.

Figures are installed unit costs, including labor and materials, reported to *HOUSE & HOME*, Dec. 1, 1965.

	Kingsberry Homes Atlanta	Centennial Construction Co. Dallas	R.A.Watt Inc. Los Angeles	Bell & Valdez Seattle
<b>FOOTING</b> 8"x16", excavation and pour, per lin. ft.	\$0.67	\$ . . .	\$0.90	\$0.68
<b>FOUNDATION WALLS</b> 8"x8"x16" hollow block, per sq. ft.	0.45	. . . .	1.10	. . . .
<b>SLABS</b> 4" thick on 4" gravel sub-base, #10 wire mesh, per sq. ft.	0.41	0.58 <sup>5</sup>	0.57	0.32
<b>FLOOR FRAMING</b> 2"x10"x16" oc, 1/2" ply subfloor, per sq. ft.	0.42	. . . .	0.40	0.44
<b>EXTERIOR WALLS</b> frame, 1/2" dry wall taped 2" insul., fiberboard sheathed, per sq. ft.	0.53	0.49	0.93	1.17
<b>ROOF</b> 28' trusses, 1/2" plysheathing, 235 lb. asphalt shingles, per sq. ft.	0.52	0.65 <sup>6</sup>	0.53	0.695
<b>EXTERIOR SIDING</b> preprimed bevel redwood, 5/8"x8", per sq. ft.	0.22	0.24	0.46	0.45
<b>MASONRY VENEER</b> full thick brick, per sq. ft.	0.70	0.50	1.40	1.10
<b>EXTERIOR TRIM</b> cornice, eaves, rake, per sq. ft.	0.55 <sup>1</sup>	0.43 <sup>7</sup>	0.51	1.05
<b>WINDOWS</b> single glazed, per sq. ft.	1.70 <sup>2</sup>	1.40	0.65	0.41
<b>FLOORING</b> finished oak, per sq. ft.	0.43	. . . .	0.56	0.42
<b>FLOORING</b> vinyl asbestos with underlayment, per sq. ft.	0.45	0.28 <sup>3</sup>	0.45	0.45
<b>KITCHEN COUNTERS</b> including molded backsplash, per sq. ft.	2.40	5.00	2.50	12.50 <sup>10</sup>
<b>KITCHEN CABINETS</b> finished, wood, per sq. ft. of exposed face	3.75	3.90	1.95	20.00 <sup>10</sup>
<b>DOORS, INTERIOR</b> including trim and lockset, per opening	18.43 <sup>3</sup>	17.50	17.50	18.57
<b>STAIRS</b> oak 3' wide finished, per floor	63.63	. . . .	100.00	6.50 <sup>11</sup>
<b>PLUMBING</b> including supply, waste and vent, two-bath house, per fixture	130.14	110.00	133.00	125- 140.00
<b>ELECTRIC</b> 2-wire #12, including entrance panel, 100 amp service, per outlet	7.21	8.38	5.25	6.75
<b>HEATING</b> warm air, per 1,000 btu heat loss	3.51	3.73	3.00	3.62
<b>HEATING</b> hot water radiant, per 1,000 btu heat loss	48.00	. . . .	44.00	. . . .
<b>COOLING</b> central a/c, per 1,000 btu heat gain	25.00 <sup>4</sup>	14.00 <sup>4</sup>	. . . .	. . . .
<b>PAINTING</b> two coats exterior, per sq. ft.	0.09	0.05 <sup>7</sup>	0.06	0.09
<b>PAINTING</b> interior two coats, per sq. ft.	0.05	0.05	0.05	0.045
<b>CERAMIC TILE</b> per sq. ft.	1.60	1.25	1.75	1.50

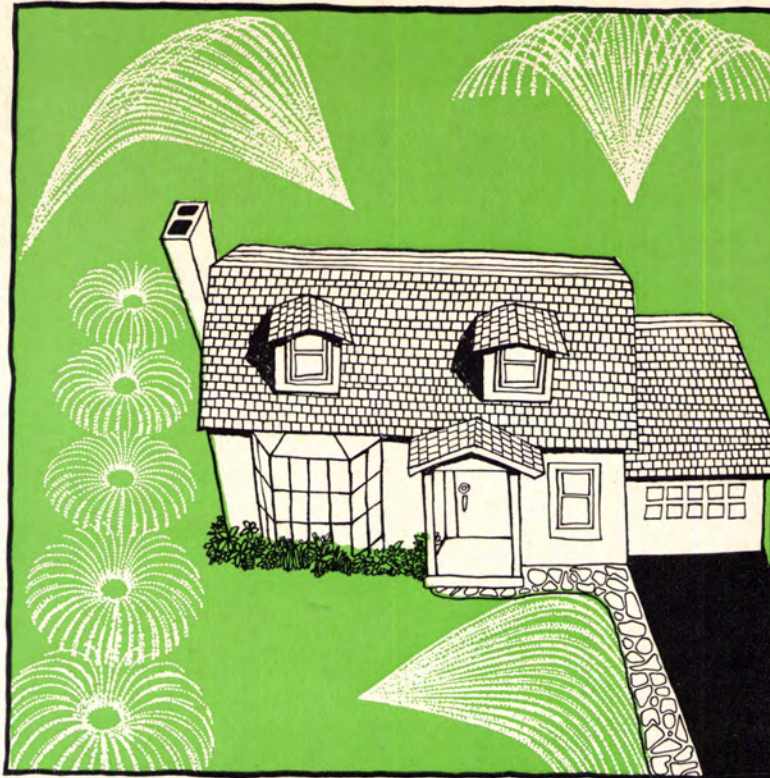
## NOTES:

1. Primed, 26" overhang, continuous vent, 1 x 12 frieze board.
2. Wood double-hung, primed, includes interior and exterior trim and screen.
3. Prefinished.
4. Includes duct insulation and vapor barriers

5. Includes strengthening beams as monolithic parts of slab for soil with high plasticity.

6. Sheathing is 3/8" plywood.
7. Overlaid plywood, redwood fascia.
8. No underlayment (not required).
9. Spray painted.
10. Price is per lin ft.
11. Price is per riser.





Moist O'Matic® system shown here costs \$189.95, covers from 5,000 sq. ft. to 8,500 sq. ft. depending on water pressure and yard layout.

## Completely automatic underground sprinkler system for as little as \$100<sup>00</sup>

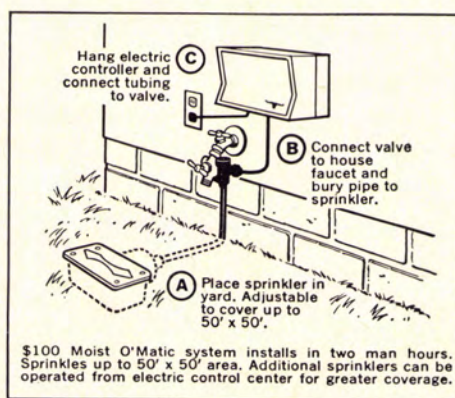


### What a sales tool!

Here's the first automatic underground sprinkler system available at low cost. Called Moist O'Matic and developed by Toro, it sells for one-third the price of many ordinary systems, offers advantages found only in systems that are prohibitively expensive.

**Building block construction.** You can install a Moist O'Matic system to sprinkle any size area from just part of the lawn to everything that grows. Each wave sprinkler covers up to 50' x 50'. The pop up sprinklers handle those smaller, hard-to-water areas. You can buy complete kits for specific areas, add-on kits, individual components.

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can install a system covering 50' by 50' (see illustration) in two man hours, the system shown above in less than eight man hours. No special plumbing or electrical work required.

**Fully automatic.** The electric control center works like a clock radio. It turns sprinklers on and off at times selected even when nobody's home. System can be operated manually for model home demonstrations.

**Mail coupon for more facts.** The coupon will bring you complete details on performance, cost and installation. Or, just call your local TORO distributor. He's listed in the Yellow Pages under "Sprinkler Systems" or "Lawn Mowers."

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### Moist O'Matic Lawn Sprinkler System

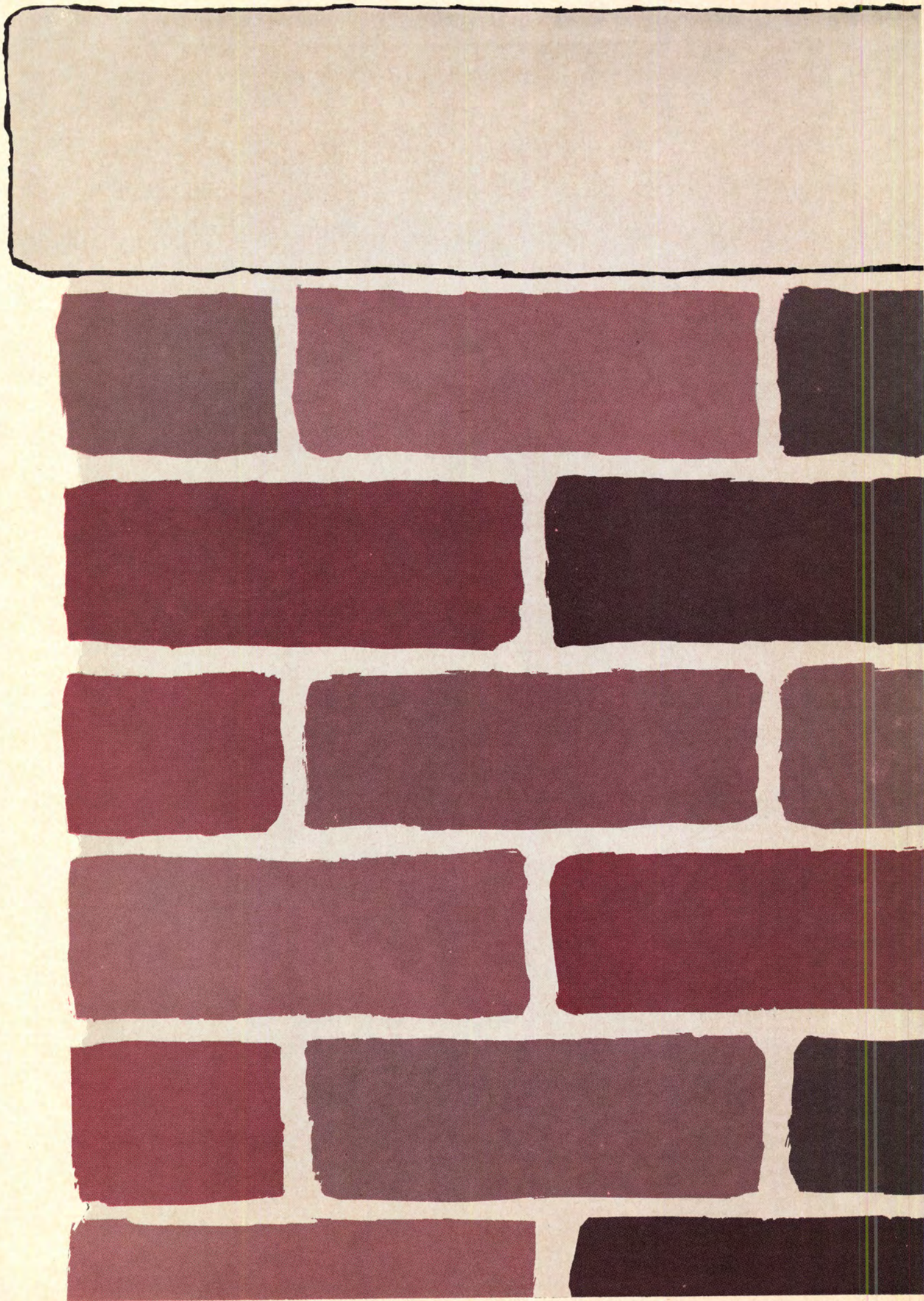
I'd like more information  
on your Moist O'Matic  
automatic underground  
sprinkler system.

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Firm \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

I am interested in Moist O'Matic® Sprinkler System for: ☐ Model Home, ☐ Single Home, ☐ Large residential development, ☐ Apartment development.







# SAY GOODBYE TO THE CHIMNEY.

Bryant's new sealed combustion direct vent gas furnace eliminates the chimney.

And we say good riddance.

No chimney, no big cost problems for you in high rise, town house or garden apartments.

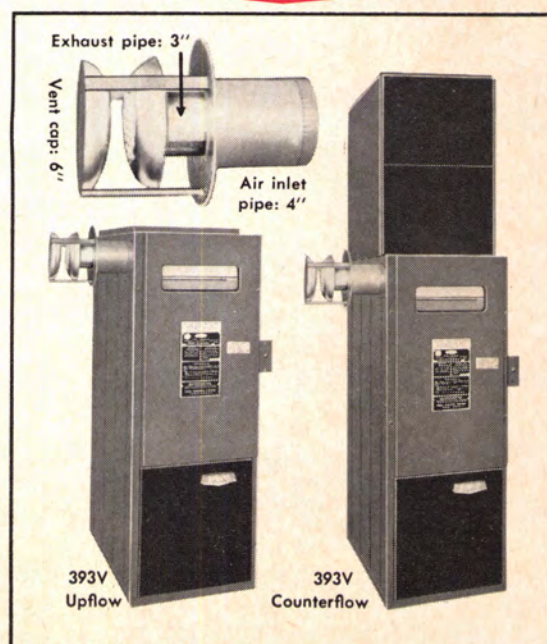
Each apartment can have its own furnace directly vented to the outside. And can be vented from the right or left side of the unit.

The Bryant 393V will operate efficiently, regardless of wind conditions. Can be located anywhere from 4" to 20" from the outside wall. Takes only 16" x 26" of floor space. And like all Bryant furnaces, it delivers the increased volume of air required to readily handle air conditioning.

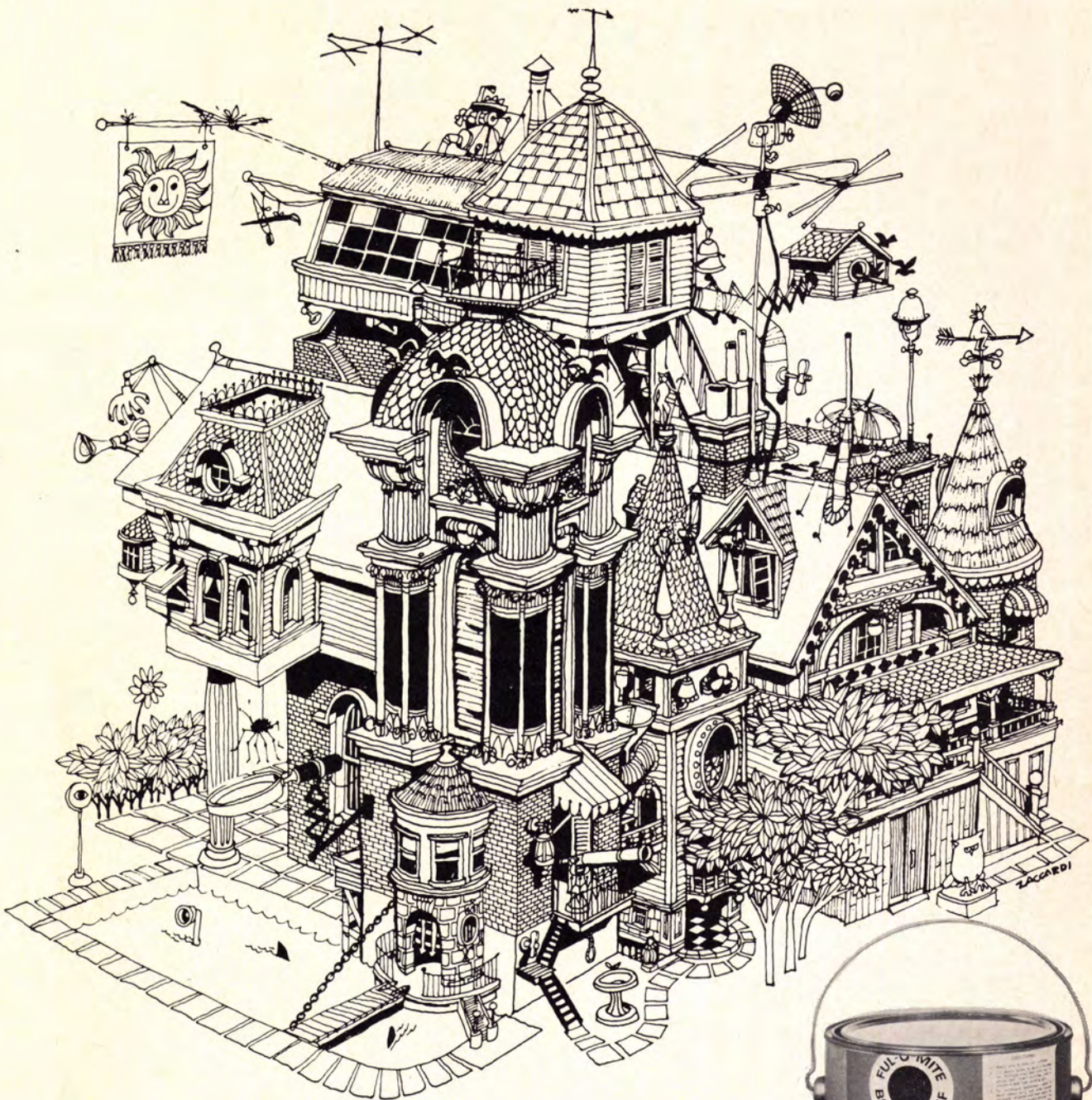
Something else. There's a good chance you'll save a considerable amount of money in the duct system with a Bryant sealed combustion furnace.

Ask your Bryant dealer, distributor or factory branch about the new Bryant 393V. Or write Bryant Manufacturing Company, Indianapolis, Indiana.

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Black Stuff, a General Purpose Construction Adhesive, makes the installation of wall-board, paneling, polystyrene foam—even flooring—simple, easy and economical. Simplifies construction problems. Eliminates nail popping. Adds strength to walls. Assures a more unified structure. Is actually stronger than, and will eliminate up to 60% of, conventional fasteners.

Black Stuff never hardens. Softens sound transmission through walls. Maintains its

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Black Stuff can mean savings from  $2\frac{1}{2}\%$  to 3¢ per board foot of drywall, or paneling, installed. Try Black Stuff, you'll see. Or try any one of the many construction adhesives from Fuller. They will simplify your building problems. Black Stuff is available in six sizes—10 oz. and quart cartridges, and one, five, 30 and 55 gallon pails and drums.

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HOUSE & HOME presents locations, sponsors, architects and estimated costs of representative new projects costing over \$500,000 as gathered by ENGINEERING NEWS-RECORD and F. W. Dodge Co., division of McGraw-Hill Inc. to alert builders, lenders and contractors to new business.

**CALIFORNIA**—CAMARILLO: Residential development and community facilities, \$5 million. Sponsor: Great Lakes Carbon Co., Torrance. Plans: Quinton Engineers Ltd., Los Angeles. EAST LOS ANGELES: Apartment, \$1,078,000. Sponsor: Stovall Foundation, Los Angeles. Plans: Paul R. Williams & Assoc., Los Angeles. EL CAJON: 450 houses, \$7 million. Builder: Mathill Co., San Diego. Plans: Henry D. Bugenhagen, LaJolla. ESCONDITO: 53 dwellings, \$550,000. Builder: Borden & Dearborn. Plans: Paul A. Vander, Vista. MILPITAS: Community development, \$1 million. Sponsor: Standard Realty Development, San Francisco. Plans: John S. Bolles Assoc., San Francisco. NATIONAL CITY: Senior citizens housing, \$2.3 million. Sponsor: Southeastern California Association of Seventh-Day Adventists. Plans: Strange, Inslee & Senefeld, Los Angeles. PALM SPRINGS: 500 dwellings, \$7.5 million. Sponsor: Map Inc., Santa Ana. REDWOOD CITY: Residential development, \$1 million. Sponsor: Ets-Hokin Corp., San Francisco. SANTA BARBARA: Apartment, \$900,000. Sponsor: Alta Vista Syndicate. Architect: Louis Mazzetti. SUNLAND: Senior Citizens housing, \$1.4 million. Architect: Strange, Inslee & Senefeld, Los Angeles.

**FLORIDA**—ORANGE PARK: Garden apartments, \$1 million. Sponsor: Almand Construction. Plans: Gordon Drake & Patisillo, Jacksonville. TITUSVILLE: 54 houses, \$1.4 million. Builder: Alexander Construction.

**GEORGIA**—ATLANTA: Apartment, \$2 million. Architect: Melvin Grossman, Miami Beach, Fla. AUGUSTA: Apartments, \$500,000. Sponsor: Cousins Properties Inc., Atlanta. Plans: Thompson & Hancock, Atlanta. DECATUR: Townhouses, \$1 million. Sponsor: Diamond & Kaye, Atlanta. Plans: Albert C. James, Atlanta; Apartments, \$700,000. Sponsor: Leon C. Harrell, Atlanta. Plans: Knox A. Griffin, Atlanta. JONESBORO: Apartments and shopping center, \$10 million. Sponsor: Joseph Meyerhoff Corp., Baltimore, Md. Plans: Toombs-Amisano & Wells, Atlanta.

**HAWAII**—HONOLULU: Townhouses and swimming pool, \$2.5 million. Sponsor: Al Ching Inc. Architect: Clarence Fong & Assoc. WAIKAPU: Apartments, \$5 million. Sponsor: J. Albert & Frances Warford, Honolulu. Plans: John A. McAuliffe Jr., Honolulu.

**ILLINOIS**—ARLINGTON HEIGHTS: 200 houses, \$4 million. Builder: Ted A. Korshal, Chicago. Plans: Ernest Mandel Assocs., Chicago. BARRINGTON: 63 houses, \$1 million. Builder: William Brough. Plans: Edward Greenwald, Chicago. CHICAGO: Condominium apartment, \$3.2 million. Sponsor: American National Bank. Plans: Raggi & Schoenbrod Inc.; Condominium apartment, \$1 million. Architect: Arpen Group; Condominium apartment, \$1 million. Architect: Ronald Handler; Apartments & swimming pool, \$1 million. Architect: Faulkner & Faulkner Assoc.; Apartment, \$2.5 million. Architect: Schiff & Freides Inc., Skokie; Apartments and houses, \$5.5 million. Sponsor: c/o Service Federal S&L. Plans: John W. Moutoussamy. LOVES PARK: Apartment, \$2 million. Sponsor: Nanz Realty, Waukesha, Wis. Plans: Heider & Christiansen, South Milwaukee, Wis. MT. PROSPECT: Apartments, \$2.5 million. Sponsor: J&S Corp., Milwaukee, Wis.

**MARYLAND**—BENGIES: Apartment, \$500,000. Architect: Arthur George Wildberger Jr. & Assoc., Baltimore. CHEVY CHASE: Apartments, \$15 million. Sponsor: Meadowbrook Inc. Plans: Bagley-Soule & Assoc. JOPPATOWNE: Housing development, \$3.5 million. Sponsor: Panitz Co.

Plans: Tippetts-Abbett-McCarthy-Stratton and Donald B. Ratcliffe, Baltimore. SILVER SPRING: 225 houses, swimming pool, \$7,875,000. Builder: A. Sind & Assoc. Plans: Victor Smolen, Washington, D.C.

**MASSACHUSETTS**—BOSTON: Low-income housing, \$2.5 million. Sponsor: Development Corporation of America. Plans: F. A. Stahl & Assoc. BROOKLINE: Apartment, \$950,000. Sponsor: Alta Realty Trust, Arlington. Plans: David Anthony Brignati, Bayside, N.Y. DENNIS: 37 houses, \$1 million. Builder: Edgar Howes. Plans: Scott Assoc. FRAMINGHAM: Apartment, \$2 million. Sponsor: c/o John G. Danielson, Lexington. FRANKLIN: Dormitory, \$500,000. Sponsor: Dean Junior College. Plans: Oscar Padjen, Beverly. GREENFIELD: Apartments, \$1.1 million. Sponsor: H. E. Cline Construction, Newton Highlands. SOUTH BOSTON: Housing complex, \$3 million. Architect: F. A. Stahl & Assoc., Boston. WEST ROXBURY: Apartment, \$700,000. Sponsor: Edward J. Grogan. Plans: Albert C. Rugo, Milton.

**MICHIGAN**—ANN ARBOR: Townhouses, \$2.3 million. Sponsor: Slavik Builders, Oak Park. Plans: P&F Assoc., Oak Park; Apartment, \$5 million. Sponsor: Tower Plaza Inc. Plans: King & Lewis, Detroit. BATTLE CREEK: 120 houses, \$3,060,000. Builder: Donald A. Tidley and Pete Williams. CENTER LINE: Apartments, \$1 million. Sponsor: Center Inc. Architect: Joseph P. Evangelista, Birmingham. DETROIT: Apartment, \$3 million. Architect: Broleman & Rapp, Orlando, Fla. NANKIN: Apartment, \$500,000. Sponsor: Alco Construction, Lansing. Plans: Munson Mattern & Barber, Lansing. SOUTHGATE: Apartment, \$2.8 million. Sponsor: Samuel Brody & Sons, Detroit. Plans: P&F Assoc., Oak Park.

**MINNESOTA**—ALBERT LEA: Apartment, \$1 million. Sponsor: c/o Harvey Paulson. Plans: Patch & Erickson, Minneapolis. ANOKA: 50 houses, \$1 million. Builder: Empire Sales Inc., Minneapolis. INVER GROVE: Apartments, \$2.5 million. Sponsor: Zachman Corp., Minneapolis. ST. LOUIS PARK: Apartments & townhouses, \$3 million. Sponsor: Robert G. Ridgway, Minneapolis. Plans: Alden C. Smith, Minneapolis. ST. PAUL: Apartments, \$1.5 million. Sponsor: Spiegel Construction, St. Paul. Plans: Associated Architects & Engineers Inc.

**MISSOURI**—FLORISSANT: 40 houses, \$750,000. Sponsor: McKee Realty & Development Co., Overland. KANSAS CITY: Apartments, \$500,000. Sponsor: Dutoit Construction, Kansas City. Plans: Curtis Assoc. ST. LOUIS COUNTY: 127 houses, \$2 million. Builder: Conway Builders, Creve Coeur; 916 houses, \$15 million. Builder: Mayfred Corp., c/o Alfred H. Mayer Co., Florissant; 63 houses \$950,000. Builder: Nation-Wide Lifetime Homes, Normandy; 104 houses, \$2.5 million. Builder: Ross-Esslinger Realty Co., University City. Plans: Ralph Fournier, Frontenac. SPRINGFIELD: Dormitory, \$600,000. Sponsor: Drury College. Plans: Richard P. Stahl.

**NEW JERSEY**—BERKELEY HEIGHTS: 50 houses, \$2 million. Builder: Jefro Realty, Springfield. Plans: Silberstein & Silberstein, Newark. CHATHAM: Garden Apartments, \$2 million. Sponsor: Cedar Croft Development, South Orange. Plans: Maslow & Miller, Elizabeth; Garden apartments, \$3 million. Sponsor: Lau-Dan Corp., Newark. DOVER: Garden apartments, \$775,000. Sponsor: Hastings Development, Rutherford; Garden apartments, \$720,000. Sponsor: W. Richards & L. Robbins, Morristown. Plans: Maslow & Miller, Elizabeth. HILLSBOROUGH: Garden apartment & recreation center, \$8 million. Sponsor: Claremont Developers, Somerville. Plans: Collins, Uhl & Hoisington, Princeton. MATAWAN: Garden apartments, \$2.5 million. Sponsor: David & Robert Cronheim, Newark. PERTH AMBOY: Garden apartments, \$1.5 million. Sponsor: State Fayette Inc., Woodbridge. Plans: James J. Macrae, Berkeley

Heights. ROXBURY: 48 houses, \$960,000. Builder: Pleasant Valley Homes, Verona. Plans: D. C. Washington, Gillette.

**NEW YORK**—BEDFORD: Garden apartments, \$720,000. Sponsor: Germaine Development, Bedford Hills. Plans: Siegmund Spiegel, East Meadow. BRENTWOOD: 38 houses, \$700,000. Builder: Island Woods Buildings, Bay Shore. CHEEKTOWAGA: Housing development, \$8 million. Sponsor: Garden Village Development Corp., Seneca. CHESTER: Townhouses, \$1 million. Architect: Samuel Malkind, Nanuet. DIX HILLS: 90 houses, \$1.8 million. Builder: Dix Hills Village. FAR ROCKAWAY: 8 townhouses, \$1 million. Sponsor: Oceanview Townhouse Inc. GREENBURGH: Housing development, \$1.5 million. Sponsor: Realty Equities, New York City. NEW YORK CITY: 130 houses, \$3.9 million. Builder: Anthony Ventura, Yonkers. RIVERHEAD: 100 houses, \$1.6 million. Builder: Riverside Homes. SPRING VALLEY: Garden apartments, \$1.6 million. Sponsor: Emes Construction, Monsey.

**OHIO**—BEACHWOOD: Townhouse apartments, \$500,000. Sponsor: Blane Lawson Construction, Mentor. CHAGRIN FALLS: 25 condominium row houses, \$2.5 million. Builder: Town House Construction, Pepper Pike. Plans: William Dorsky, Cleveland. COLUMBUS: Townhouse apartments, \$1 million. Sponsor: S&B Development Co. Plans: Roland V. Stout; Townhouse apartment and apartments, \$5 million. Sponsor: Warren McFadden. Plans: Brubaker & Brandt; Townhouse apartments, \$2 million. Sponsor: Winthrop Homes Inc. DEFIANCE: 55 houses, \$1.1 million. Builder: Keepport Finance Co., Toledo. GERMAN TOWN: 216 houses, \$3.75 million. Builder: Gibraltar Construction Corp., Dayton. KETTERING: 26 houses, \$510,000. Builder: Western Builders. NORTH CANTON: 27 houses, \$540,000. Builder: Donald W. Gettgey. NORTH OLMSTED: 30 houses, \$600,000. Builder: Sherwood Homes Inc.

**PENNSYLVANIA**—ALLENTOWN: Garden apartments, \$3 million. Sponsor: DePaul Enterprises, Philadelphia. Plans: H. S. Berg Assoc., Philadelphia. HANOVER TOWNSHIP: 79 houses, \$1 million. Builder: Imperial Builders, Allentown. HEMPFIELD TOWNSHIP: 98 houses, \$1,960,000. Builder: Seneca Homes Inc., Irwin. MCMANDLESS TOWNSHIP: 23 houses, \$695,000. Builder: Briarwood Inc., Pittsburgh. NORTH HUNTINGDON TOWNSHIP: 36 houses, \$920,000. Builder: Seneca Homes Inc., Irwin.

**TEXAS**—BEDFORD: 60 houses, \$1 million. Builder: Talco Homes, Hurst. DALLAS: Low-income housing, \$500,000. Sponsor: Dallas Homes. Plans: Benson & Broyhill. GRAND PRAIRIE: Apartment, \$2,225,000. Sponsor: Garland Tredway, Greenville. Plans: James G. Smith & Hubert Miller, Euless. HOUSTON: 28 houses, \$575,000. Builder: R. P. Mangum, Pasadena; 68 houses, \$1.3 million. Builder: Jim H. Martin; 162 houses, \$3 million. Builder: Sentry Homes.

**VIRGINIA**—FAIRFAX: Garden apartments, \$750,000. Architect: Vosbeck & Vosbeck & Assoc., Alexandria. OAKTON: 50 houses, \$2 million. Builder: Grete Construction, Fairfax. PETERSBURG: Townhouse apartments and swimming pool, \$600,000. Sponsor: c/o Virginia Land Mark Corp., Richmond. Plans: Holcombe Vaughan & Evans, Richmond. VIRGINIA BEACH: Garden and townhouse apartments, \$1.5 million. Sponsor: Aragona Enterprises. Plans: MacLane & Chewin-g.

**WISCONSIN**—KENOSHA: 153 houses, \$2.5 million. Builder: John Kreiner & Assoc. Plans: Helmut Ajango & Assoc., Fort Atkinson. MILWAUKEE: Apartment, \$1.8 million. Architect: Kroener Assoc. WAUKESHA: Apartments, \$1.9 million. Sponsor: Martin Heise, Milwaukee. Plans: Norman Minster, Sheboygan.





As seen on *THE PRICE IS RIGHT*

## THE MANUFACTURED CABINET *and the Building Industry*

Eleven years ago when Scheirich Bronzeglow Birch cabinets were first introduced, the manufactured wood cabinet was just beginning to come into its own. Builders who formerly tied up their labor in "finishing out" kitchens were learning they could buy and install cabinets more quickly and more economically than they could build them . . . and get far better quality in the bargain. Today the trend is so firmly established that each year sees the rate of usage of manufactured wood cabinets leaping far ahead of the rate of housing starts.

The H. J. Scheirich Company is grateful for its share of this continuing tide of business, and mindful of the continuing obligation to provide ever better cabinets. That we are successful in our efforts is demonstrated by our reputation for sustained excellence, which is second to none in the industry.



*"The most beautiful kitchens of them all"*

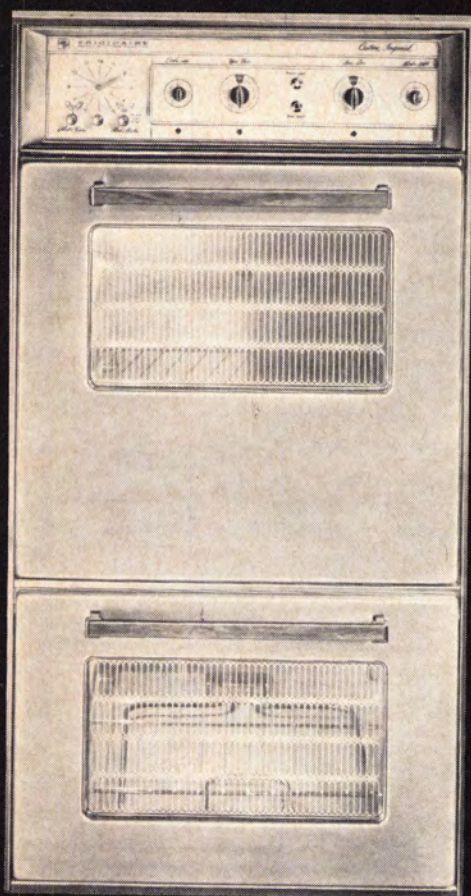
H. J. Scheirich Co. • 250 Ottawa Ave. • Louisville 9, Ky.



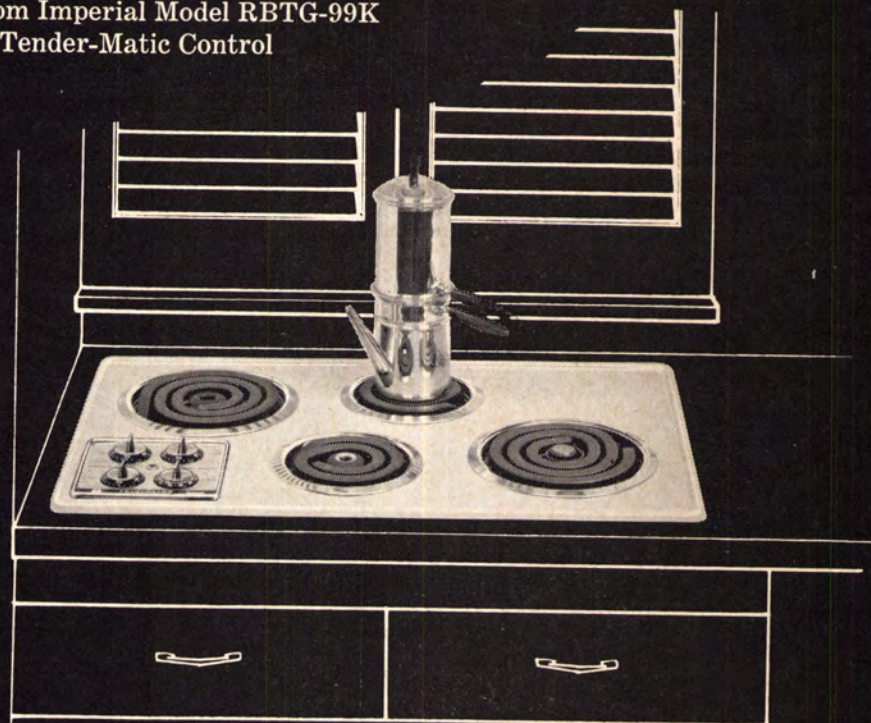


TODAY'S AFFLUENT HOME BUYERS WON'T SETTLE FOR JUST ANY APPLIANCE

# THEY WANT THE FINEST MADE



Frigidaire Built-In Wall Oven,  
Custom Imperial Model RBTG-99K  
with Tender-Matic Control



Frigidaire Cooking Top,  
Imperial Model RBB-101.

## FRIGIDAIRE BUILT-INS ARE!

The people who buy homes today don't have to be concerned with price alone. Their bank accounts are bigger. So when they enter a kitchen, they look for symbols of quality. The mere presence of built-in appliances won't impress them as it once did.

But built-ins with the Frigidaire name will. It stands for the finest, and people know it. And you've got still another edge in the extra convenience Frigidaire built-ins provide. Here are just two of many examples:

A Frigidaire Wall Oven with drop-leaf door and smooth,

rounded oven corners is easy to clean. Saves time. And if the lady of the house is a bit late getting home from an afternoon of shopping, the special Speed Heat Unit on a Frigidaire Cooking Top gets a meal going extra-fast. *This* is added value with a meaning.

Before you settle for just any appliances, look into appliances by the people who know and build for *today's* kitchen buyers. Frigidaire.

P.S. We know builders, too. Frigidaire built-ins are designed for fast, easy installation.

Want to tune in on the thoughts of today's buyers? Get the complete story of "The Home Buying Affluentials." Wire, phone, or write your Frigidaire District Office today.

*Cater to the taste of the "Affluentials"  
with the plus of*

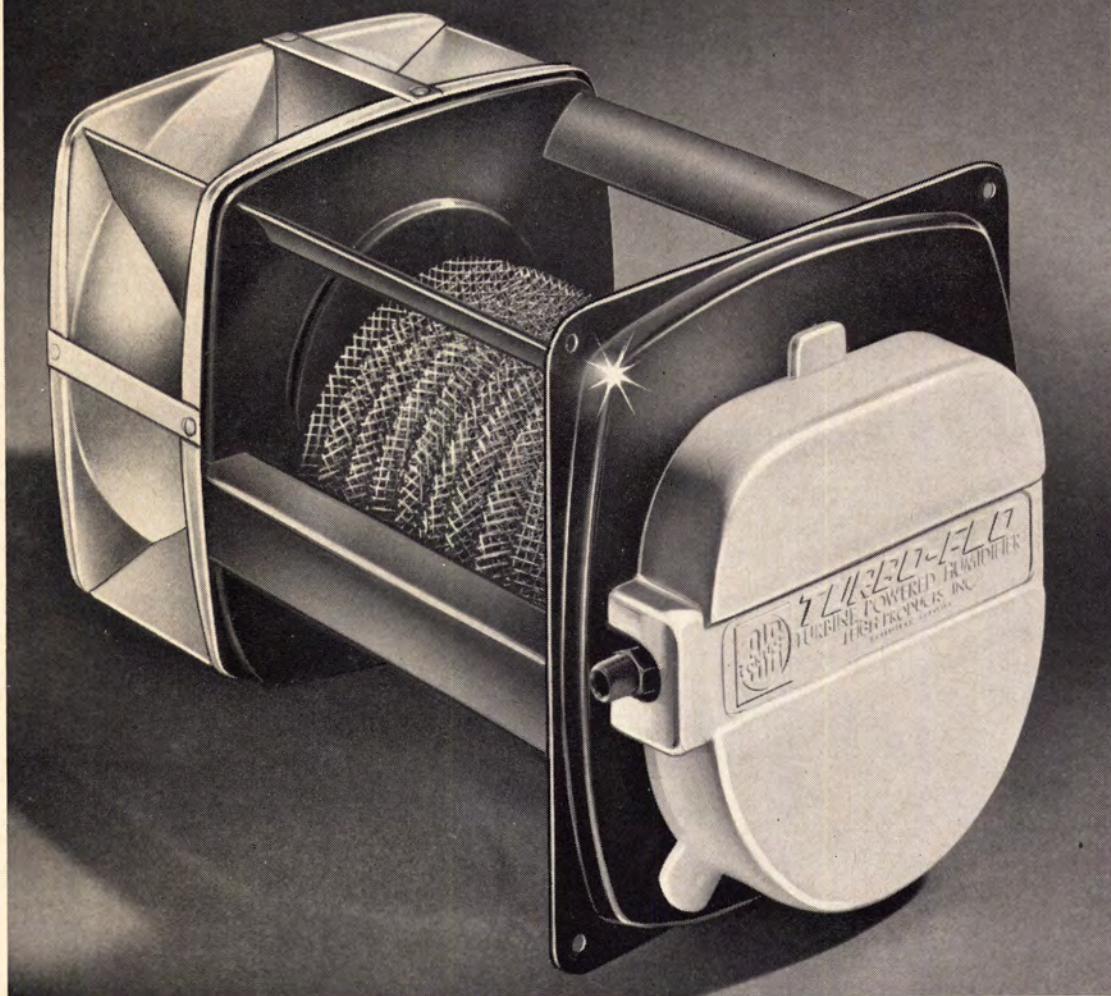


**FRIGIDAIRE**  
APPLIANCES  
PRODUCT OF GENERAL MOTORS



*Leigh* products help you sell houses

## NEW *Leigh* HUMIDIFIER



### Costs so little to sell extra comfort

Now you can give your homebuyers the added comfort of winter air humidification at almost no added cost! The new Air Control Turbo-Flo humidifier, made by Leigh, has plenty of capacity for a home as large as 2,000 sq. ft. But it is priced at less than \$25 list. In other words, it is priced at only a fraction of the cost of other power humidifiers. The secret of its amazing efficiency and economy is its exclusive air turbine. Turbo-Flo runs on air circulated by the blower in a forced air heating system.

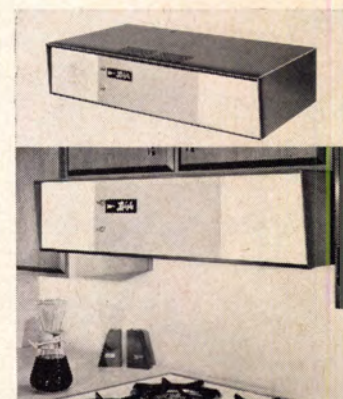
It has no electric motor, no electrical controls. Easy to install anywhere in a forced warm air heating system. You'll see that it is the lowest priced humidifier capable of providing adequate and sustained winter home comfort. Here is a house-selling item you can incorporate into homes you are offering for sale this month. Costs so little—ask your heating contractor or your building materials supplier. For more product information write for Bulletin 414-AC.

Circle 11 on Reader Service Card



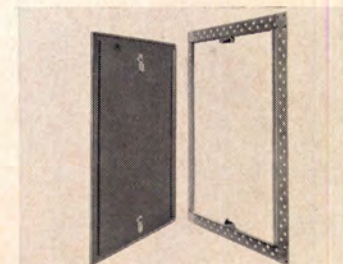
**Doorknockers with viewers** give homeowners attractive door fronts with a vital safety feature—a thru-the-door viewer! Owner can examine all callers before opening door. Welcome protection against violent intrusion. An inexpensive house-selling plus. Write for bulletin 408-L.

Circle 12 on Reader Service Card



**Leigh Glo-vent range hood.** Ducted and duct-free models. Modern rectangular lines. A face that lights up solves question of color coordination. Big performance. G. E. motor. Two button control panel. Four popular sizes. Write for Bulletin 353-L.

Circle 13 on Reader Service Card

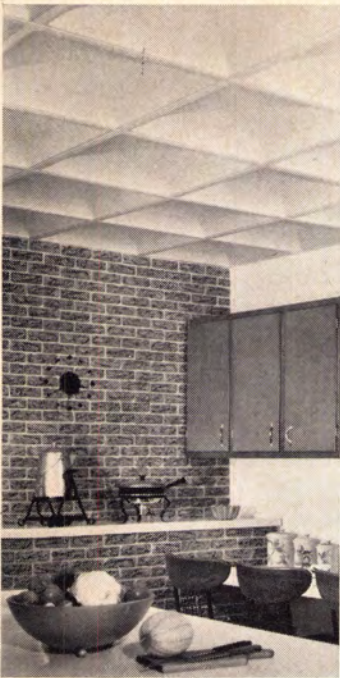


**Leigh steel access doors** are practically invisible when papered or painted to match wall. Use for cleaner treatment over plumbing or electrical connections. Saves tearing open walls later. Gray prime coat, five sizes. Write for literature.

Circle 14 on Reader Service Card



# -and help you cut building costs too!



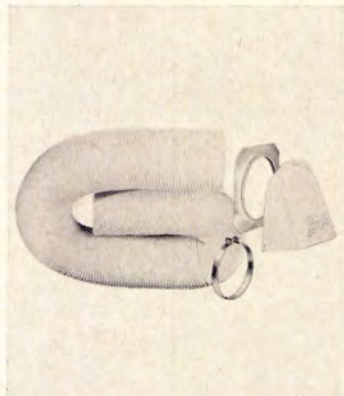
**Suspended ceiling system** for kitchens, bathrooms, foyers. And soon, all through the house! Leigh offers grid hardware and a full assortment of 2' x 2' and 2' x 4' light diffusing or opaque panels. Ideal for new construction or remodeling. Ceiling illustrated at left is formed of new Leigh dome-shaped panels. Crisp lines. White. Light diffusing and exceptionally strong. Easy to install. And economical — a Leigh ceiling often eliminates cost of other ceiling cover, eliminates cost of expensive light fixtures. The savings are considerable! In fact, one of the most economical ceilings you can install is the combination of Leigh grid hardware and the exclusive Leigh-foam opaque panels — perfect for remodeling large residential or nonresidential rooms. For complete information on the full line of Leigh suspended ceiling materials, write for Bulletin 395-L. Circle 15 on Reader Service Card



**Leigh provincial Full-vu doors** with gracefully shaped applied molding enhances French or Italian provincial decor rooms. All Leigh doors, steel or vinyl — the largest selection in the industry — are so quick to install you slash labor costs. Desert white finish. Quality construction for years of service. Smooth, silent operation on nylon glides in tracks, top and bottom. Get full information about these house-selling doors that save you money. Write for Bulletin 327-L. Circle 16 on Reader Service Card



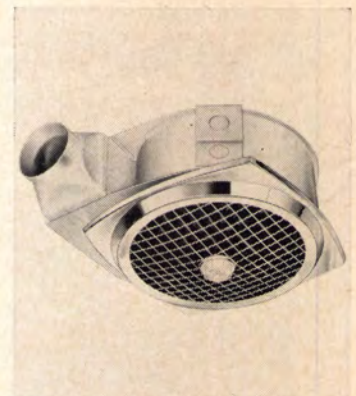
**Built-in automatic toaster** fits in wall stud space. America's newest kitchen built-in — swings out for toasting, swings back in for storage. Takes no cabinet space, no counter space. Helps sell kitchens. U.L. approved. Write for Leigh Bulletin 365-L. Circle 17 on Reader Service Card



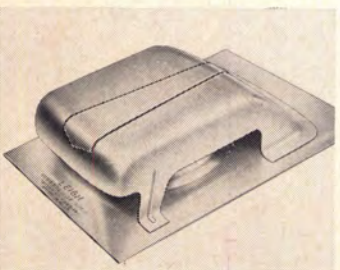
**New dryer vents and kits** by Leigh. For lowest cost venting of clothes dryers (ventilating fans, too). High impact hood, flexible GAMMA POL duct with sections that thread together for runs of any length. See full line, write for Bulletin 411-L. Circle 18 on Reader Service Card



**Leigh adjustable shelves** and rods cost less *installed* than wood. They cut labor costs dramatically, yet provide for unlimited flexibility in house-selling closets. Made of pre-finished steel, quickly adjusted to exact size required. Write for Bulletin 371-L. Circle 19 on Reader Service Card



**Shhhh---WHISPERVENT.** Leigh's exclusive ventilating fan turns so slowly it doesn't create noise. Yet it has enough capacity for a 55 sq. ft. bathroom. G.E. motor is guaranteed a full year. Lots more plus features. Write for Bulletin 329-L. Circle 20 on Reader Service Card



**Patented Leigh roof ventilator** in aluminum or galvanized steel. Roof proved, weather proved on thousands upon thousands of homes. One piece base. "Rol-Lock" collar, special baffle, 8-mesh screen. Ask for this ventilator by name — the Leigh 405. Circle 21 on Reader Service Card



**Air Control Floor Diffuser.** Exclusive! And low priced! Two-tone terrazzo pattern harmonizes with modern patterned floor coverings. Also in monochrome metal-essent finish. Ask your heating contractor. Or write for Bulletin 321-AC. Circle 22 on Reader Service Card

## Leigh

makes more than  
~~150~~ products for the building industry  
160

Call your supplier or write for more information.



**LEIGH PRODUCTS, INC.**

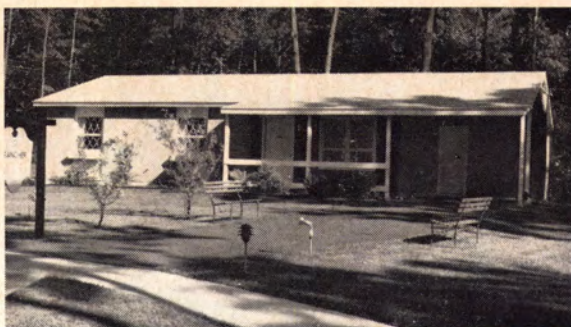
2566 LEE STREET, COOPERSVILLE, MICHIGAN 49404

East Coast Warehouse: Leigh Corp., Roselle, New Jersey. West Coast Warehouse: Leigh Industries, Inc., City of Commerce (Los Angeles), Calif. Made in Canada by Leigh Metal Products Ltd., London, Ontario. Western Canada Sales Agency: E. H. Price Ltd., Winnipeg, Edmonton, New Westminster, Calgary.

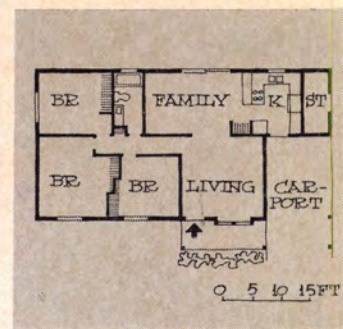


## WHAT THE LEADERS ARE BUILDING

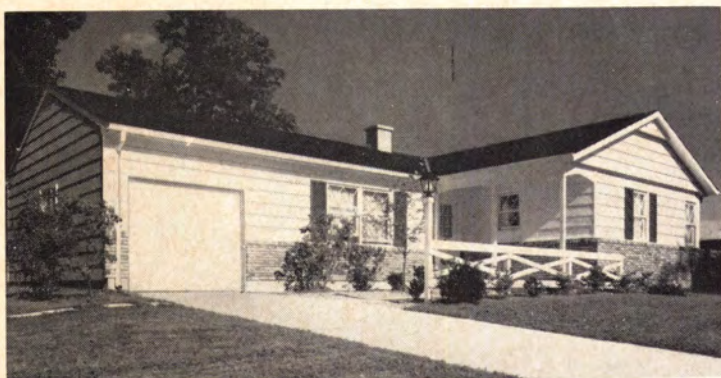
*In 1962 this \$9,690 model was the bestseller in Joppa-towne, Md. But . . .*



**EARLY BESTSELLER** had only 1,057 sq. ft. of living space on a slab, one bathroom. Yearly ground rent was \$120.

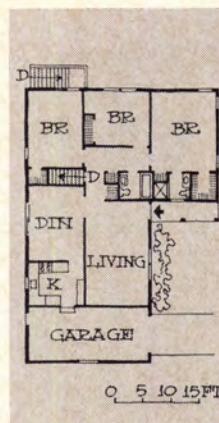


## . . . today's top selling Joppatowne models start at \$15,990



**NEW L-SHAPED RANCH** offers 1,200 sq. ft. It has a full basement and a private bath off the master bedroom. Price: \$16,990. Ground rent: \$180.

Morton Tadder



When Panitz & Co. opened their 1,240-acre project three years ago, all five models were under \$13,490, and the smallest and least expensive, shown at the top of the page, was the fastest selling.

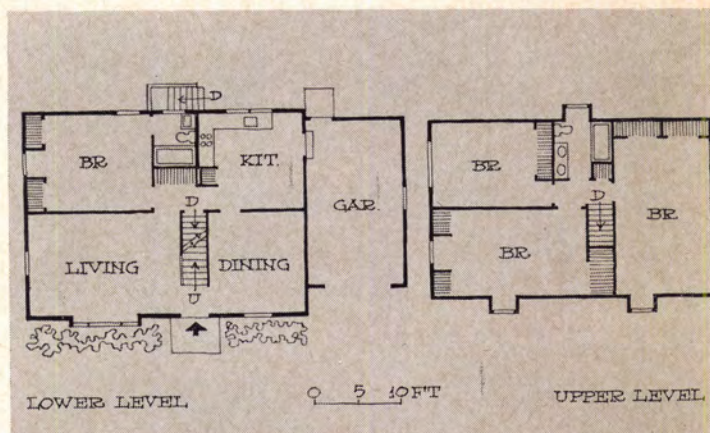
Today, the least expensive model (\$15,990) is the bestseller—by a whisker. But three quarters of Panitz' 309 sales in 1965 were higher priced models like those shown below, and the highest-priced model (bottom of page) is virtually tied for top selling honors.

Joppatowne's new models reflect the U.S. buyer's new affluence. They are bigger, include more bathrooms and many offer full basements in place of slabs.

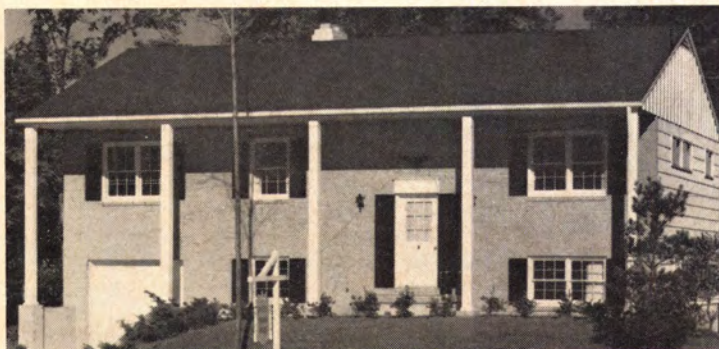


**CAPE COD MODEL**, with 1,700 sq. ft. of living space, costs \$17,790 plus \$940 for optional garage. Ground rent is \$180. Alternate plan for upper

Morton Tadder

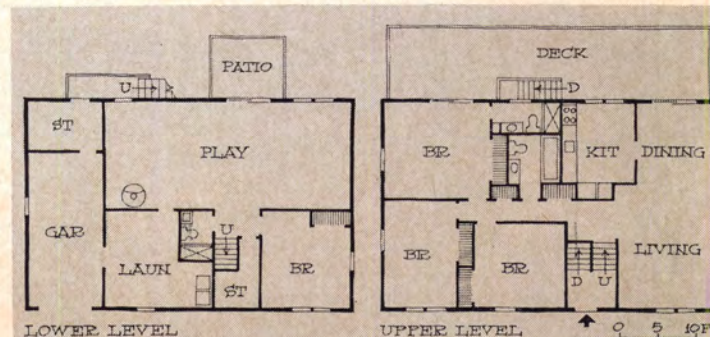


level adds a fifth bedroom. A 1962, 1½-story plan with only 1,583 sq. ft. and two bedrooms on lower level sold for \$11,990.



**SPLIT-ENTRY BY-LEVEL**, at 1,900 sq. ft., is the largest of five models and also the most expensive. Priced at \$19,990, plus \$240 yearly ground rent,

Morton Tadder



it accounted for 25% of the 309 sales last year. Features include upper level deck and finished recreation room with fireplace.

Letters start on p. 62

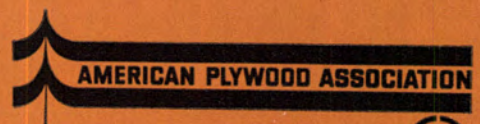
HOUSE & HOME



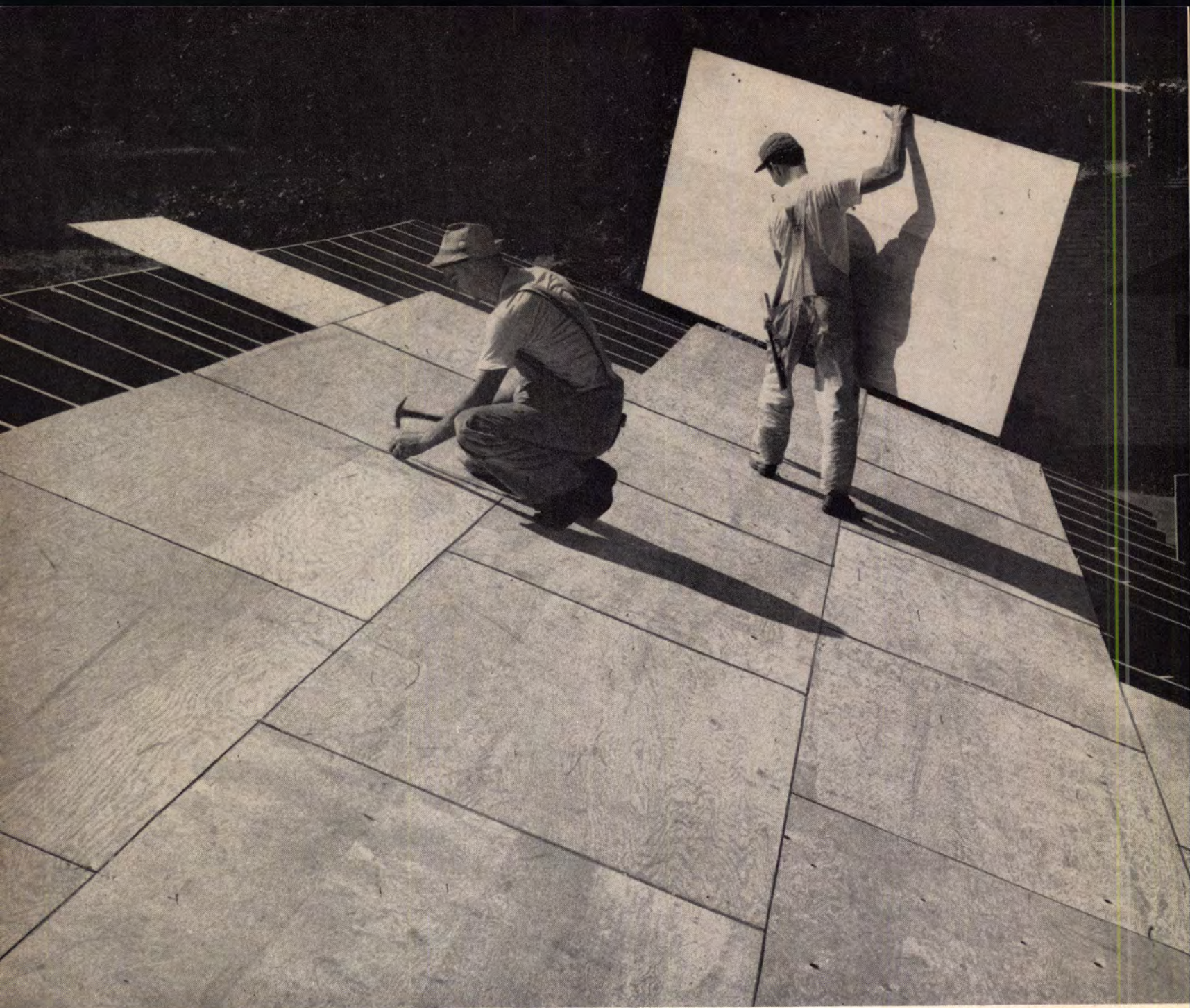
# PLYWOOD SHEATHING AND SUBFLOORING IS THE FINEST CONSTRUCTION MONEY CAN BUY.



ANOTHER NINE-PAGE REPORT TO BUILDERS FROM





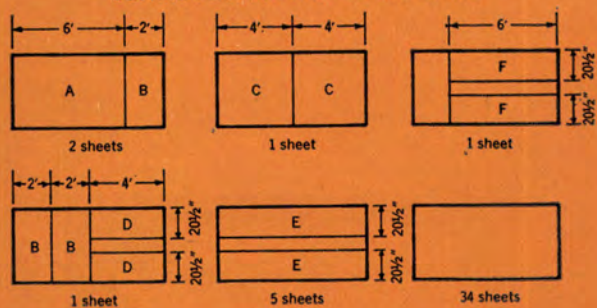


**EXAMPLE OF PLYWOOD SHEATHING LAYOUT**  
(Pitched Roof, 50' x 27'-5"; trusses 2' o.c.)

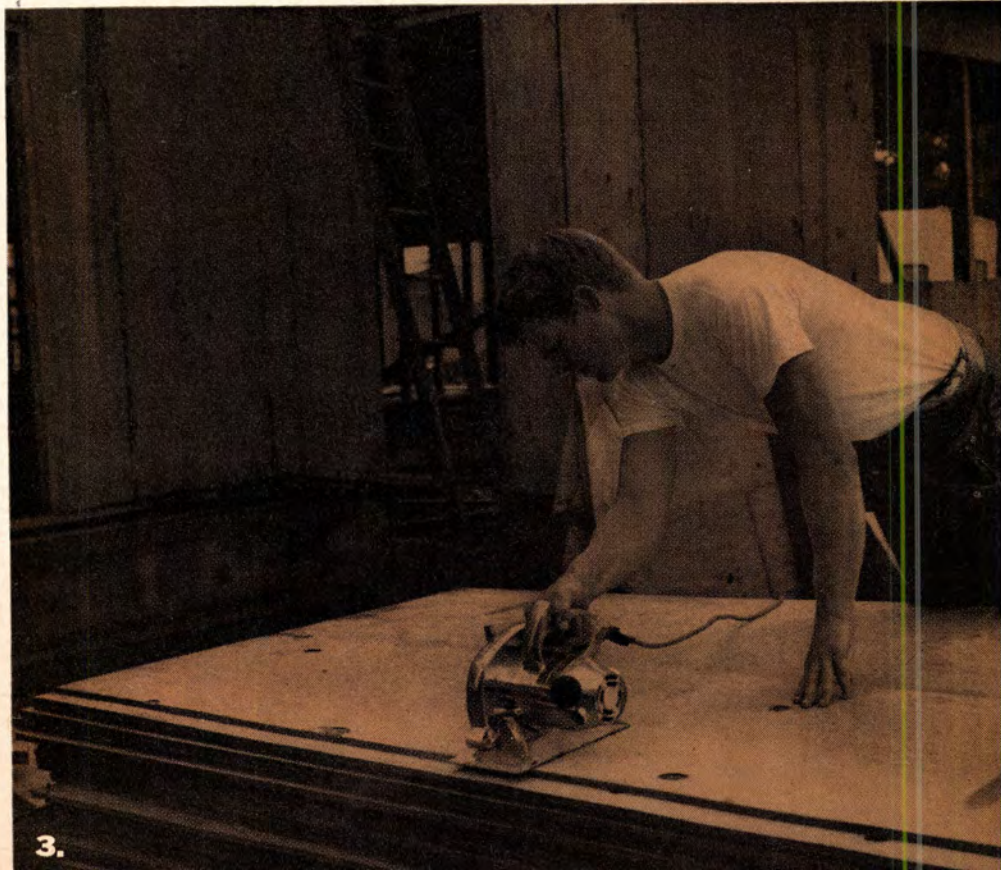


1.

**CUTTING PLAN FOR ROOF LAYOUT ABOVE**



2.



3.



# Even though you're already saving money with plywood roof sheathing you can probably save still more.

## NAHB's new TAMAP study shows new ways to cut costs to the bone.

A new study by the NAHB Research Foundation for the American Plywood Association shows you how to save up to 15 percent on roof sheathing jobs.

Careful layout and cutting of plywood plus more efficient handling and fastening are pinpointed as areas of biggest potential savings.

The study used the Time and Methods Analysis Program (TAMAP) approach.

It shows a potential saving of 15 percent or about \$24.00 for a roof with 1,600 sq. ft. Some builders will save less, some a lot more. But most can reduce labor costs by as much as a third and materials costs by at least 10 percent.

Here are the major recommendations:

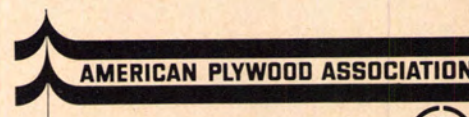
First, plan framing or truss placement to take advantage of plywood's two-foot module. This minimizes cutting and waste. Draw the roof framing plan ahead of time. Then draw each sheet of plywood on the roof plan.

**(1)** Sheathing layout for a 1,371-sq. ft. roof shows how the builder can pre-plan to use as many full sheets as possible. If the 44 sheets in this layout are cut and used as shown, there's only 8 sq. ft. of scrap.

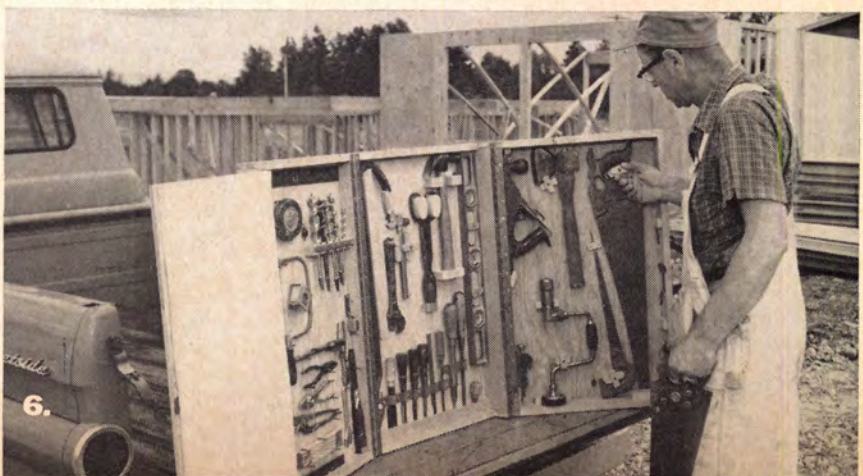
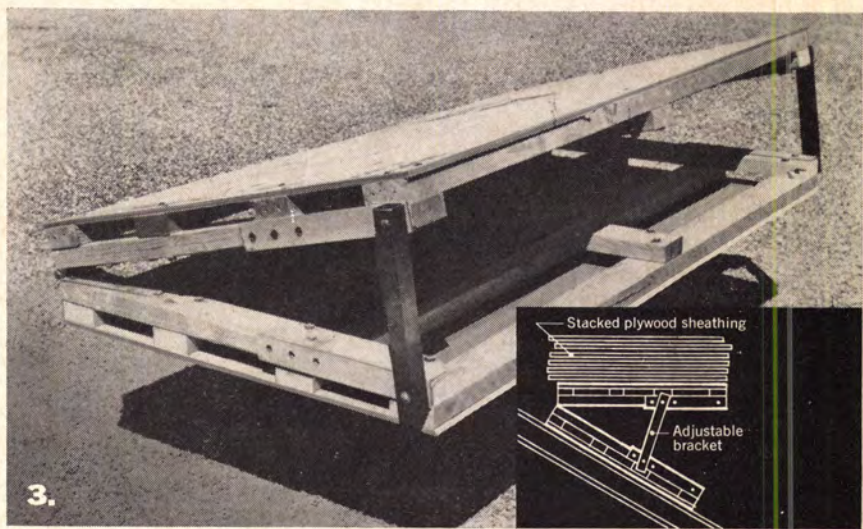
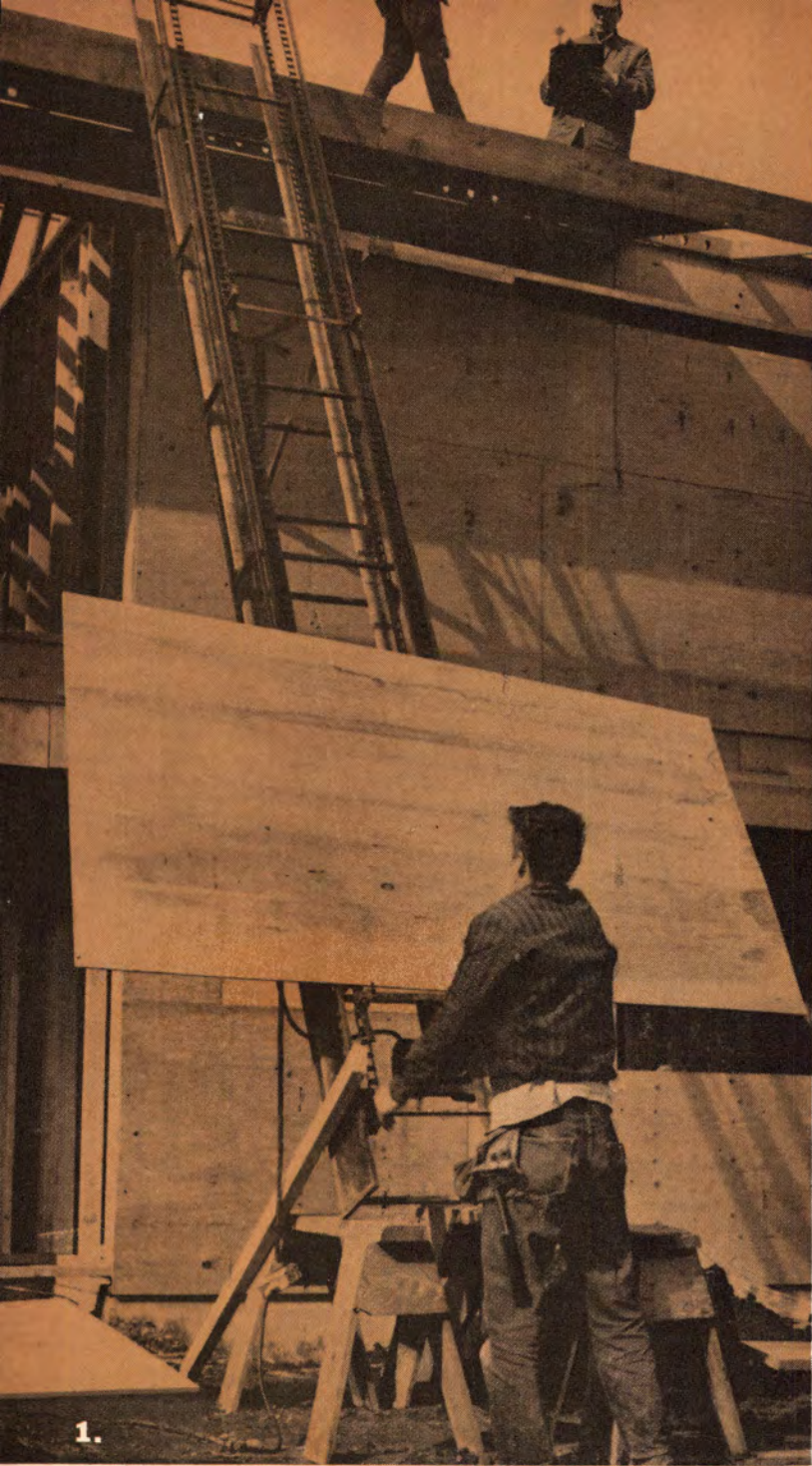
**(2)** Work out a cutting plan. Plan cuts so leftover pieces can be used elsewhere. If plywood is pre-cut, number or letter all pieces for identification.

**(3)** Make sure the plywood is delivered and cut as close as possible to where it will be used.

*(Continued)*









# TAMAP study shows six more ways to cut roof sheathing costs.

Every builder who uses plywood roof sheathing (and 65 percent do) should study his handling methods for ways to cut costs. The TAMAP study shows that 40 percent of your labor costs are in handling plywood, from delivery point to in-place roof position.

**(1)** Large volume builders can save on handling costs with a mechanical conveyor or forklift.

**(2)** Simple lean-to racks are the answer for medium or small volume builders. Panels for an entire roof can be stacked this way, with upper ends in easy reach of the sheathing crew. Simply nail scrap plywood to a pair of braced 2x4's or a ladder. (Metal brackets that serve the same purpose are also available.)

**(3)** An adjustable platform to keep stacks of plywood level on pitched roofs can save a surprising amount of labor. This one is basically a plywood pallet. In use, adjust pitch by positioning the metal bracket in varying sets of holes. Other types can be made from angle irons or 2x4's and plywood.

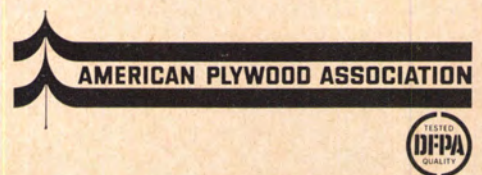
**(4)** One man can position full sheets of plywood by using a conventional carpenter's hammer with sharpened claws. This often eliminates the need for a second man.

**(5)** Builders in the TAMAP study saved an average of a little over one hour per 2,000-sq. ft. roof by using mechanical fastening. So it may pay you to compare both labor *and* material costs of hand and mechanical fastening methods.

**(6)** Workmen can spend considerable time looking for tools, the TAMAP study showed. One solution: a tool box that you carry like a suitcase, open up to make a free-standing tool board. Free plans for the TAMAP Tool Box may be obtained from American Plywood Association, Tacoma, Washington 98401.

**Send for your free copy** of the TAMAP report summary, with details on these and many other cost-cutting recommendations. Just write TAMAP, Box 362, American Plywood Association, Tacoma, Washington 98401. (U.S. only please.)

*(Continued)*

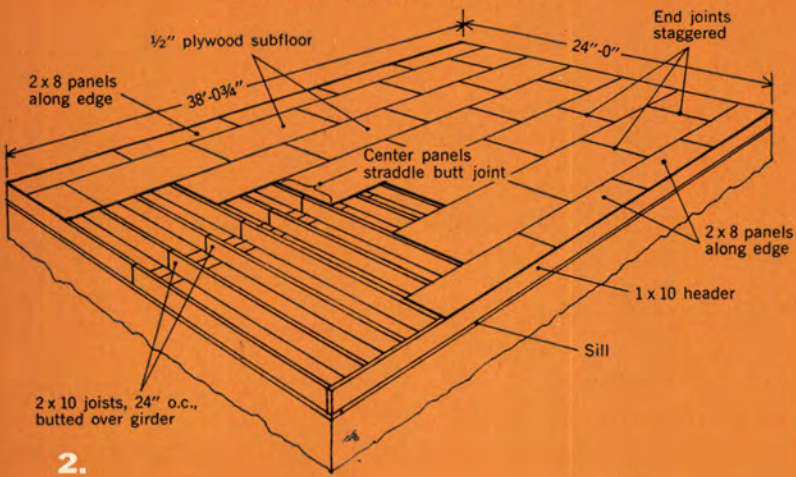






1.

#### LOWEST COST PLYWOOD FLOOR SYSTEM



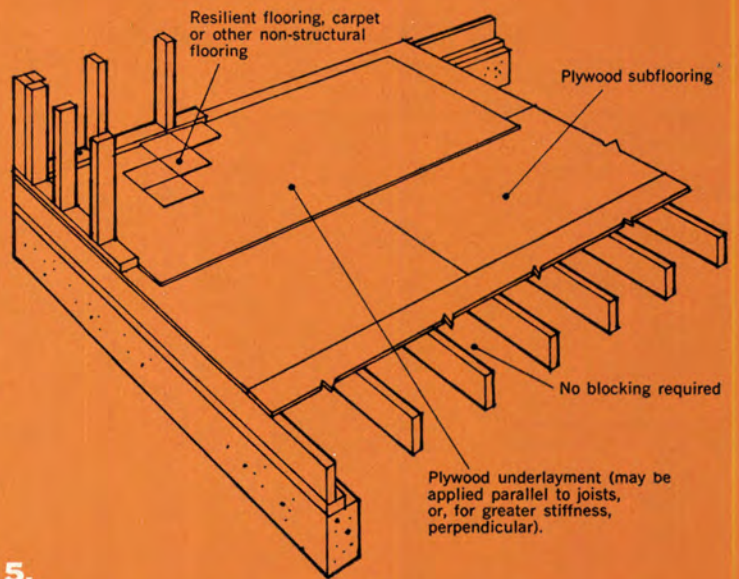
2.

3.

#### COST BREAKDOWN FOR LOWEST COST SYSTEM

Item	Shop Labor	Field Labor	Total Labor	Total Mtl.	Total
Framing	6.20	11.22	17.42	124.47	141.89
Subfloor	1.45	9.48	10.93	116.00	126.93
Subtotal	7.65	20.70	28.35	240.47	268.82
Bridging		9.36	9.36	5.22	14.58
<b>TOTAL</b>	<b>\$7.65</b>	<b>\$30.06</b>	<b>\$37.71</b>	<b>\$245.69</b>	<b>\$283.40</b>

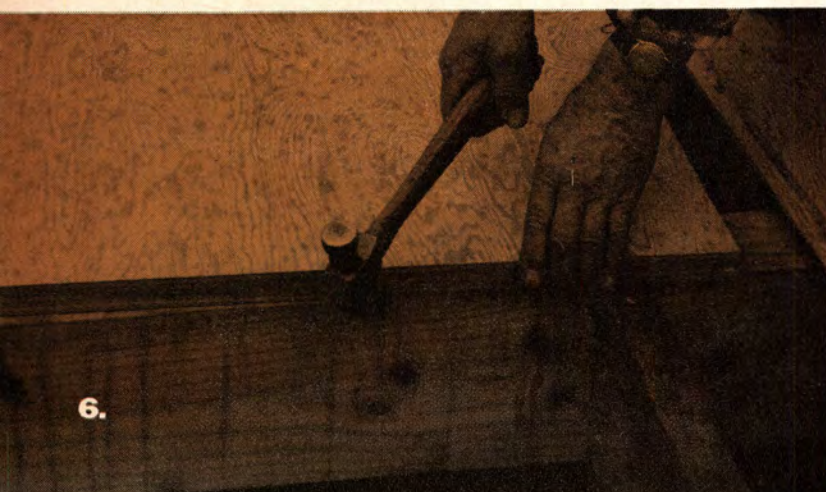
#### PLYWOOD UNDERLAYMENT APPLICATION



5.

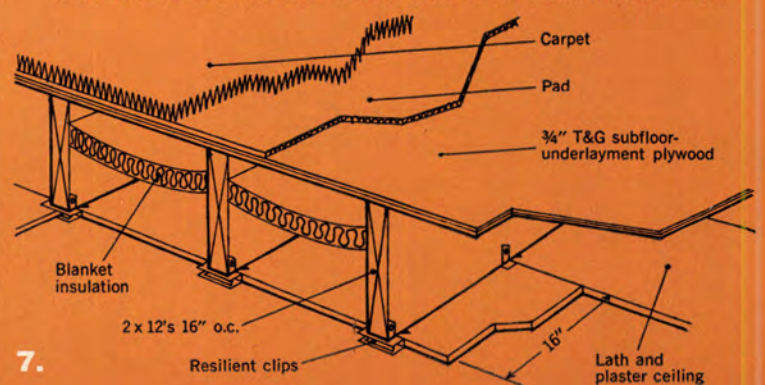


4.



6.

#### SOUND-CONDITIONED PARTY FLOOR WITH PLYWOOD SUBFLOOR-UNDERLAYMENT



7.



# Boards or plywood?

## New cost study proves what most builders already know: Plywood subfloors cost less for both labor and materials.

(And plywood underlayment does the best job under  
any kind of resilient flooring.)

Plywood won hands down when the Small Homes Council-Building Research Council of the University of Illinois recently took a look at the costs of five floor systems.

All five were installed by the same crew, under the same conditions. Builder was William Leichter, Longmont, Colorado.

**(1)** Plywood over butted joists (rather than lapped) was used for both the lowest cost systems.

**(2,3)** The lowest of all (\$283 for the 912-sq.-ft. floor) used 1/2" plywood over 2x10's, 24" o.c.

Other systems used plywood over 2x8's, diagonal and T&G boards, and preframed plywood panels.

Builders may obtain the complete report for \$1.50 from the Small Homes Council, University of Illinois, Urbana, Ill.

All the floor systems included in the above study were designed for the type of hardwood flooring which doesn't call for separate underlayment. As a base for resilient floor coverings, use plywood underlayment (*not* ordinary plugged Interior sheathing).

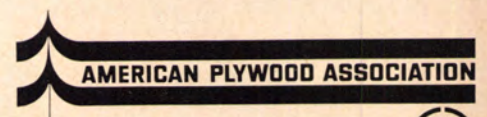
**(4,5)** Underlayment-grade plywood with a smooth sanded face and a special second ply will resist bumps, concentrated loads, jabs and blows. It comes in thicknesses from 1/4" on up.

**(6)** Extra-strong, 1 1/8-in. 2-4-1® plywood is subfloor and underlayment all in one panel. It has T&G edges, needs support only at 4-ft. intervals.

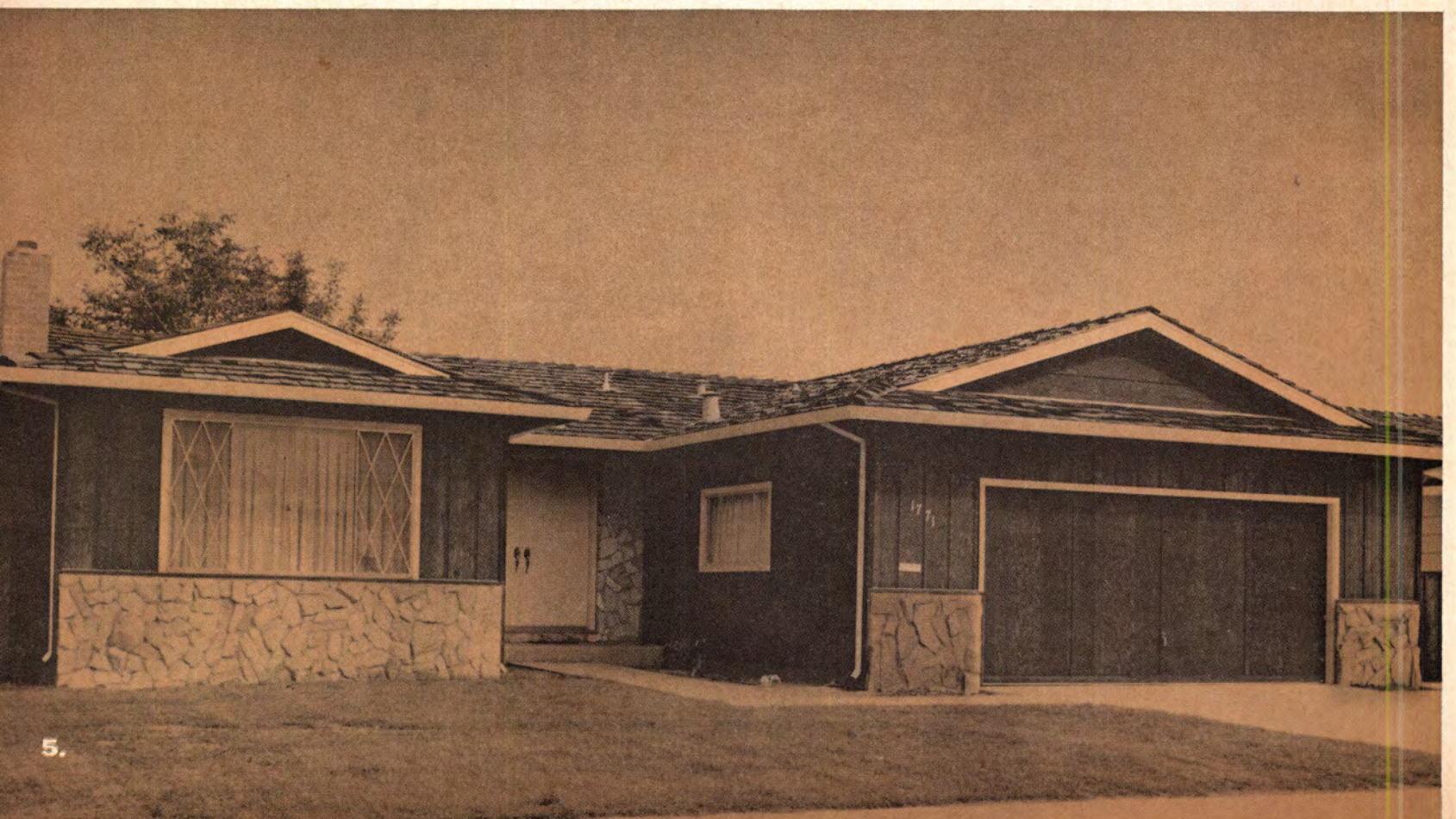
**(7)** This plywood floor system with 3/4" T&G subfloor-underlayment was specified in a Livonia, Michigan, apartment because it proved less expensive than a competitive fiberboard system, and gave superior control of airborne sound. Architects: Melvin H. Sachs & Associates. General Contractor: K & C Associates.

**Send for free booklets** on plywood floor systems, with recommendations on grades, application methods. Write (U.S. only): Floors, P. O. Box 951, American Plywood Association, Tacoma, Washington 98401.

(Continued)









# Half-inch plywood is the strongest wall sheathing you can use, but if costs are really important, try $\frac{3}{8}$ " or $\frac{5}{16}$ ".

And if you want to save even more, try Exterior plywood that serves as siding and sheathing too.

Bert Lenting, partner in Vista View Builders, Renton, Washington, switched to  $\frac{3}{8}$ " plywood wall sheathing eight years ago.

"It costs a good deal less than half-inch," he says, "and it's plenty strong." Lenting's firm (like Schulte & Blackwell, below) saves time with tilt-up.

**(1)** Wall sections are sheathed on the job, then **(2)** tilted up into place. Siding and plywood accent panels are applied later.

Lenting uses plywood roof sheathing too, and figures that altogether he saves at least \$100 a house with time-saving plywood applications.

Vista View builds about 24 quality homes per year in King County, Washington. Most are in the \$24,000-\$30,000 range.

Single-wall plywood construction saves two weeks per house for Schulte & Blackwell, Santa Clara County, California builders.

**(3)** They use rough-sawn grooved plywood, applied directly to the studs. (In this area, insulation between studs isn't necessary.) **(4)** They assemble entire walls on the deck slab, then tilt them into place. The wall system cuts labor costs so much that it compares with stucco—the most inexpensive surfacing in the area.

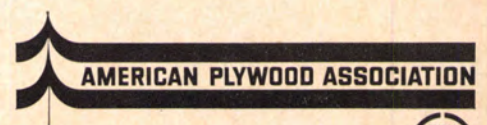
**(5)** Blackwell says, "This means we can offer homes in the same price range with stucco, but with the extra beauty of wood siding." They were worried

at first about public reaction to a non-stucco house, but sales have been ahead of building schedules from the start.

**For free booklets** on plywood wall sheathing and new plywood sidings, write (U.S. only): Walls, P. O. Box 869 American Plywood Association, Tacoma, Washington 98401.

## The DFPA grade-trademark is your assurance of quality plywood.

It's essential to use highest quality plywood sheathing—whether for roof, wall or floor. You must be able to assure your customers of quality construction, and you want to avoid costly callbacks. So it pays to insist on the American Plywood Association's DFPA grade-trademark whenever you buy or specify plywood. That means it was manufactured according to the high standards of the Association's testing and inspection program. Always look for this grade-trademark on every panel.





## LETTERS

### Rent supplements

H&H: Congratulations on your excellent editorial on rent supplements [Dec.]. It's good to see someone like you, with a position of authority and power, who has a social as well as an economic conscience and isn't afraid to say so. Even more important, you're willing to try to "sell" your ideas—which aren't always too acceptable in the business world—to others.

Your comments about Rep. Ford's Spartan views of the profit motive, and the fact that rent supplements are peanuts compared to the money set aside to put a man on the moon show your concern for the welfare of the people.

Also, you sum up the situation well, even for those who don't recognize any social responsibility, by your explanation that slums already exact high subsidies from the city (in taxes they don't pay), and by pointing out that Congress will ask for more direct subsidies if the industry doesn't support the rent subsidy program, which can not only aid welfare of the people but also expand the housing market and bring in a "reasonable" profit for builders.

C. E. CUSTER, publicity  
American Plywood Assn.  
Tacoma, Wash.

### Mortgage convention

H&H: You have never had a write-up as interesting and humorous, but with such an impact, as the one on mortgaging's battle of Chicago [NEWS, Nov.].

RAYMOND H. LAPIN, president  
Bankers Mortgage Company of California  
San Francisco

### A house as an investment

H&H: Your article based on the Eichler Report [Nov.] is extremely timely. This is generally the time of year most builders and developers plan next year's new models, subdivisions, etc., or reappraise their previous business year.

I believe you are beginning to approach a subject that should be given more attention by everybody in the housing industry. It seems as though demonstrating investment value, providing the features that truly motivate the consumer and providing effective market research are all subjects which appear in the day-to-day vocabulary of other industries more than our own. As E. M. Estes, vice president of General Motors, summed up

recently: "The auto buyer, who may be a conformist in many things, is an individualist when it comes to buying a car or any other big ticket item."

Unfortunately, we in the housing industry still fail to recognize this. Yet we know that homebuyers do want more and more sizes, shapes, colors, features, textures, patterns, plans, designs and more product selection. Unfortunately, however, many present-day builders do not offer a fraction of the choices in housing that the auto makers can provide.

Careful analysis just a decade ago showed more money was spent on housing than on any other single purchase the consumer made in his lifetime. Today, all this is changed. Expenditures for automobiles far exceed those for housing. Why? The answer should be simple, but housing market research fails to keep up with other industries.

Investment value must be explored with a professional flair, challenged and sold to the consumer if we ever expect to reverse this trend. I believe your article is a stimulus for such exploration.

DONALD S. CONDON, vice president  
Howard T. Keating Co.  
Birmingham, Mich.

### Management case studies

H&H: Your articles on better management [Oct.] were extremely interesting. But I have a couple of questions.

Your illustration in the article about John Minchew deals with net profit before taxes as the percentage of sales. Is this percentage based on total sales of both house product and land product or is it based only on the construction operation?

If Minchew can show a return of 9.5% strictly on his construction operation, he is doing extremely well. If he has combined construction and land sales, what is the average cost for the construction operation?

HENRY D. MAYER  
Mayer Construction Co.  
Harvey Cedars, N.J.

*John Minchew treats his land as a raw material for the final house package, just like studs and plywood. His land thus goes into the houses as a raw cost and the final net profit includes both land and house.—Ed.*

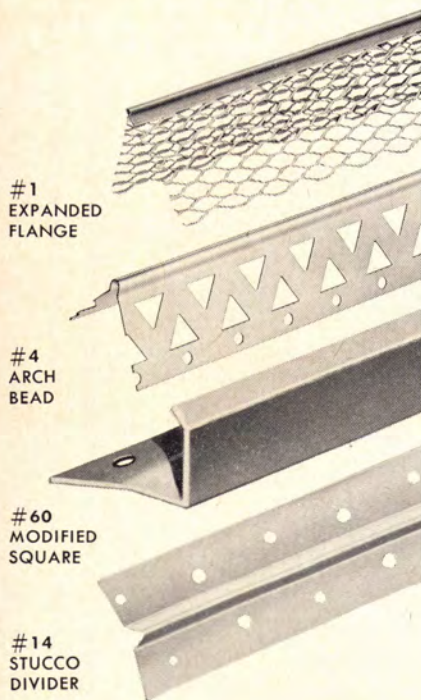
H&H: Your article on management was excellent. It was one of the most informative and enlightening articles I have ever read.

ALBERT H. SMALL  
Southern Engineering Corp.  
Washington, D.C.



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## EDITORIAL

### *Department of HUD*

## **Let's hope the patient won't die while the physicians ponder the remedy**

Government's role in housing is limping into the new year, and the housing industry's concern is quite serious. The deep freeze on the new department of Housing and Urban Development raises some hard questions both about the Administration's attitudes and about HUD's bright promise. To wit:

- We don't really have HUD yet, even though it was signed into law five months ago. Is this an admission that President Johnson just can't seem to get a handle on the format of his Great Society Department?
- Two teams of presidential advisors worked themselves into ignominy drafting administrative plans for HUD. What was wrong with their blueprints?
- Why is it that the third team of advisors does not include a single spokesman for the housing industry—not one architect, not one planner?
- Does the Administration realize that the private housing industry will create 90% of our future urban and suburban environment, no matter what the academicians and deep thinkers say or do?
- Does the Administration honestly think that any lasting solutions to the social, economic and physical problems of the Great Society can be found until we successfully attack housing problems in our urban centers?

The chilling fact is that the Johnson Administration has gone underground to ponder HUD's future. Task Force III is holding hearings behind closed doors. Experienced housing officials are asked to appear as a courtesy, and the private housing and mortgage finance organizations, which last year provided the broad support for the Housing Dept., aren't even being told where the meetings are being held.

We cannot conjure a better way to weaken the potential effectiveness of this new department. Day by day the chances of making HUD an effective working tool in our urban environment are getting weaker.

And things may get worse. The President may ask Congress to hook even more cars on the HUD train—poverty war programs, VA mortgage guarantees, the Home Loan Bank Board. Any such moves will stir up powerful opposition, and that means a new battle royal over HUD in this session of Congress. It could make 1965's debate over the department seem like tea-time at the ladies sewing circle.

The whole mess is the more implausible because plans

for HUD are almost six years old. Said the Democratic Platform in 1960: "We will give the city dweller a voice at the Cabinet table by bringing together within a single department programs concerned with urban and metropolitan problems." The fact that no secretary has been named to HUD, five months after its creation, is an indication the Administration does not know what it wants to do with the new department.

Another baffling element is the fact that we know the Administration is not unaware of the housing industry and its importance to over-all urban solutions. At their convention last month, Interior Secretary Stewart L. Udall told the NAHB: "You must be concerned with the total environment of man. You must concern yourselves with the whole community . . . you are the builders of our homes. We look to you for leadership."

The bill creating HUD said: "Establishment of an executive department is desirable . . . to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries in housing urban development and the national economy." The bill also said: "The secretary shall . . . encourage private enterprise to serve as large a part of the nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the department."

These phrases are not window-dressing. They are there for a good reason: nothing is going to be done about our urban problems without the private housing industry playing a major role.

Warned HHFA Administrator Robert C. Weaver last year: "I hope that future historians, when writing about the 1960s, do not report as negative a picture as that which existed in our 19th century cities. Will they write that we were as impotent in dealing with the forces creating urban slums as we were in dealing with early urban problems?" At the rate the Administration is moving on the new department, future historians may indeed conclude that we and our government were impotent to solve the urban failings we so loudly decried.

How can you change this situation? Every member of the housing industry can call or write his Senator and Congressman in Washington and ask him the questions above. That might get some action.

—RICHARD W. O'NEILL



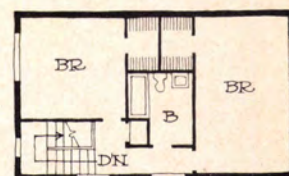
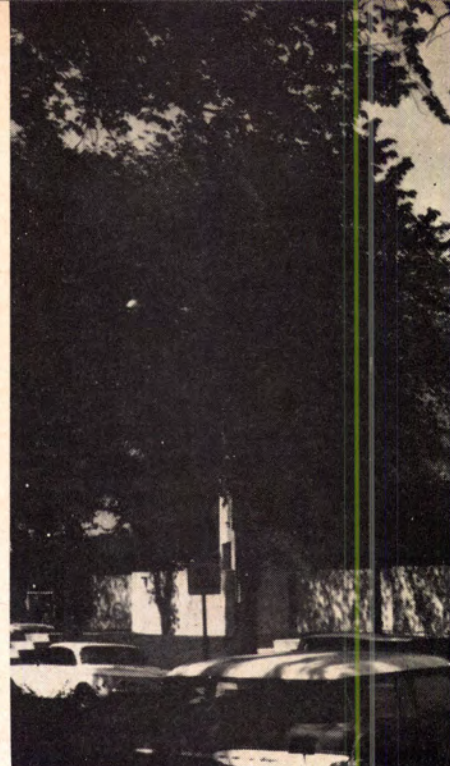
# New designs to meet the growing demand for townhouse living

This demand reflects an almost revolutionary shift in America's living habits. More and more families have shown a willingness to live smack up against their neighbors if—and this is the key to the townhouse market—such proximity makes possible more comfort for their housing dollar.

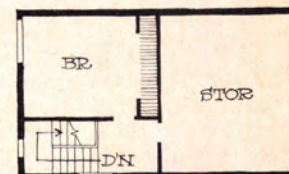
The seven projects that follow were selected because they amply fulfill this requirement. Those in the lower-price brackets, such as the Canadian project on page 77, bring parklike, automobile-free living well within the means of lower-income families. And those in the upper-price range, such as the San Francisco project on page 74, offer a new standard in both luxury and design.

The better value in these projects is partly the result of lower costs. Townhouses, with their higher density, make more efficient use of land (hence they can often be built in more desirable locations). And because they are attached, they permit lower development and construction costs.

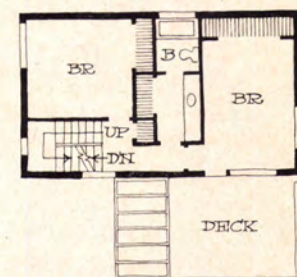
But most of the credit for the current popularity of townhouses must go to the builders, architects and developers who are creating today's most successful projects. Five years ago, when a picture of Bollinger-Martin's townhouses on *HOUSE & HOME*'s cover brought hundreds of builders to Louisville for a first-hand look, the typical townhouse project was simply a group of row houses. Today, at its best, it is a self-contained residential community offering spacious, well-planned houses, low upkeep, excellent recreation facilities and—despite its cheek-by-jowl houses—a degree of privacy unmatched by many high-priced detached-house communities.



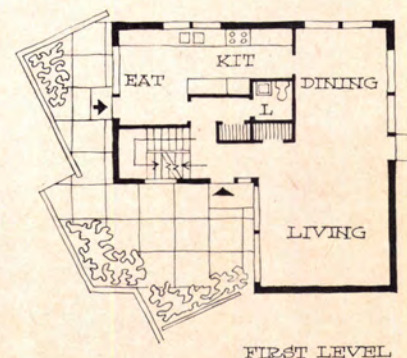
ALTERNATE THIRD LEVEL  
4-BEDROOM UNIT



ALTERNATE THIRD LEVEL  
3-BEDROOM UNIT



0 5 10 FT SECOND LEVEL



FIRST LEVEL

**THREE-STORY PLAN** is offered with three or four bedrooms.





**EXTERIOR BRICK WALLS** blend with neighborhood buildings. Strong roof angles are a key design element. Masonry walls shield project from sidewalk.

## Three-story townhouses for a small city site

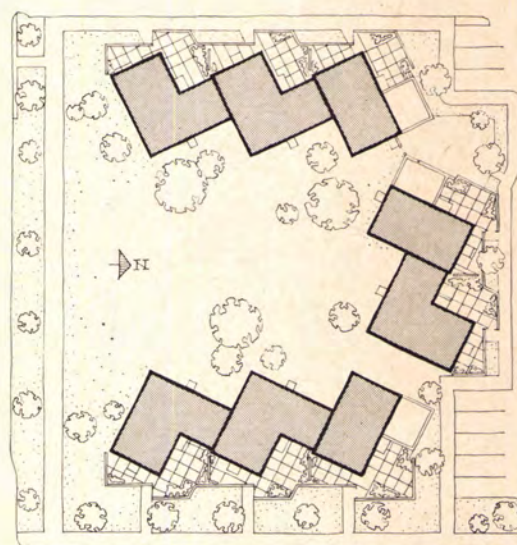
Although each of the eight buildings offers 2,000 sq. ft. of living area, it covers only 760 sq. ft. of land. So more than two thirds of the 28,000' lot is available for patios, parking and a common green area.

The brick townhouses are built in three groups and are turned at a slight angle from the street to add privacy (*site plan, right*). Ground-level patios are shielded from one another by walls, and second-floor roof gardens over the living rooms are shielded by the buildings themselves.

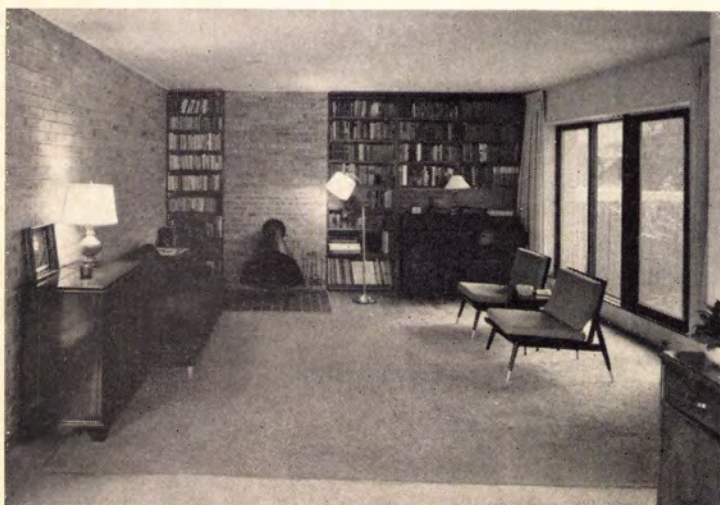
The buildings' brick walls were extended above the parapet roofs both to add design interest and to save money. Construction costs were \$16 a sq. ft. (not unusually high for Chicago) and they would have been higher if bricks had had to be split at the roof line.

The project was built for faculty families at the Chicago Theological Seminary.

Architect: Loeb, Schlossman, Bennett & Dart. Builder: Young & Sons Construction Co. Inc. Location: Chicago.



**SITE PLAN** shows buildings angled from street to give privacy to patios and roof gardens. Parking is separate.

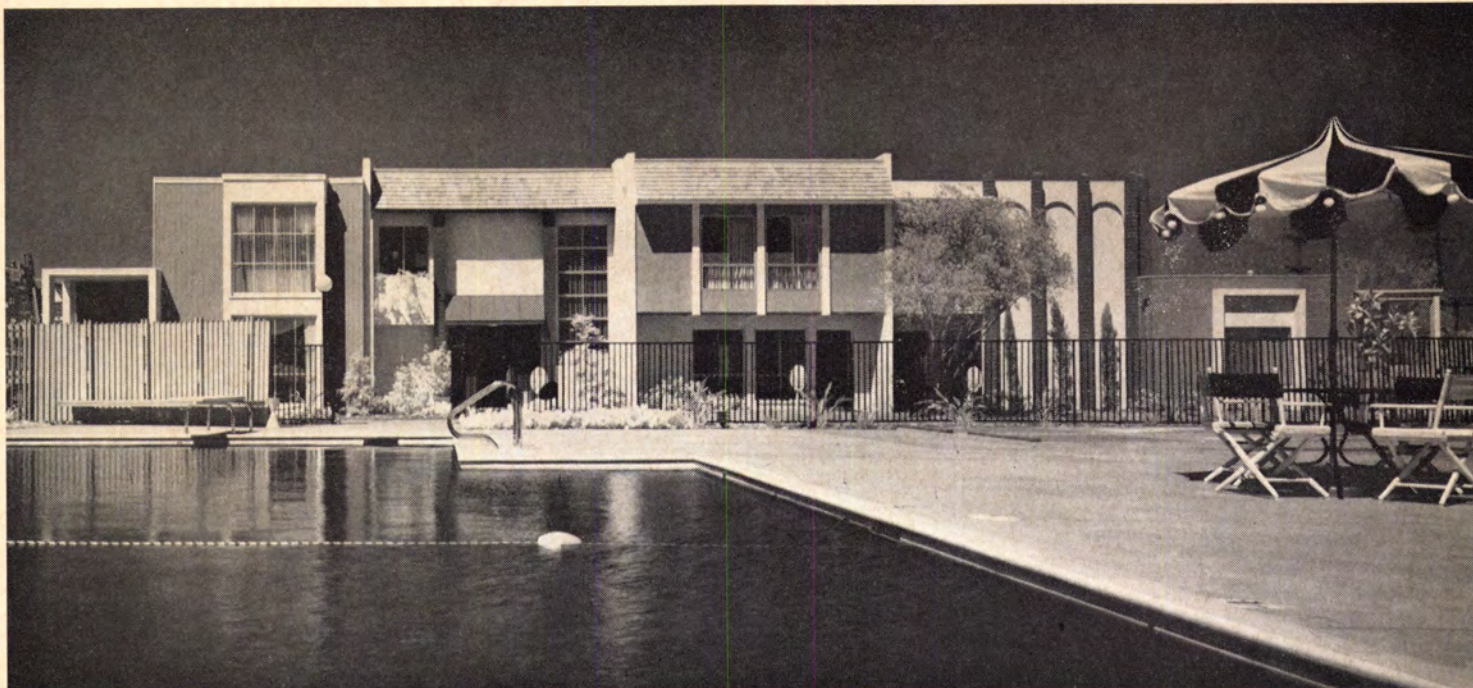


**INTERIOR BRICK WALLS** provide texture and color. Built-in book shelves are an important feature for faculty living. Windows, right, overlook patio.



**PERIMETER SITING** leaves most of the small lot free for family recreation. Trees were saved to shield the area from the street.





**CONTEMPORARY TWO-STORY BLOCK** offers a wide variety of facades but retains basic straight-line design. Models include from one to four bedrooms.

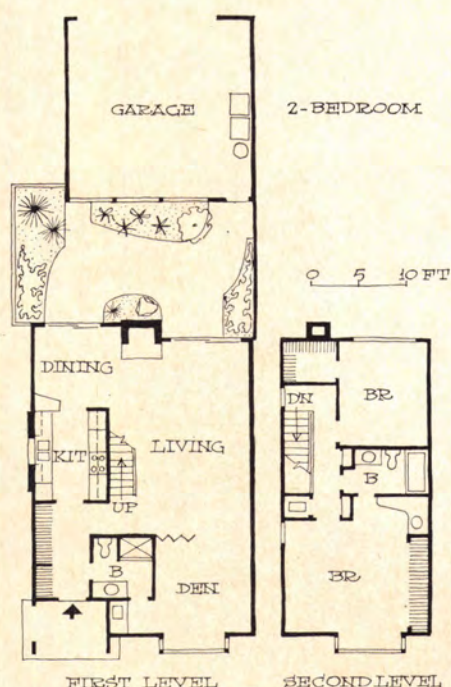
## Three distinct styles in one townhouse project

In all, 27 exterior designs are offered in contemporary (*above*), traditional (*right*) and California ranch styles (*below right*). And there are nine different floor plans. The result: this southern California project proved to be an immediate success in what is considered an overbuilt market. Since the project was opened in June, all of the first 140 townhouses have been sold. The one-story ranches are selling particularly well to younger families. And since the project is only a mile from the beach, some units are even being bought as vacation homes.

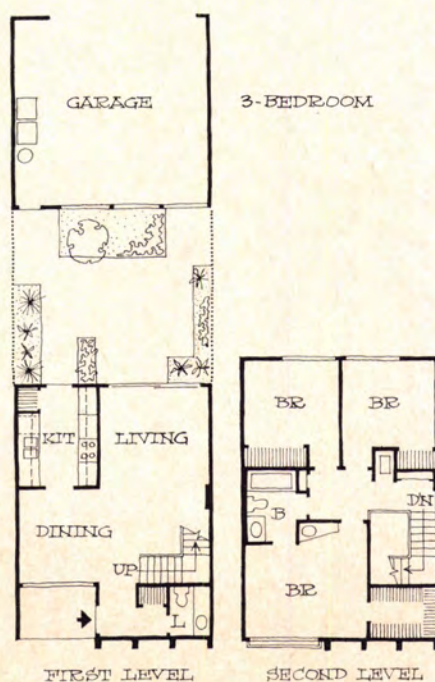
Prices for the condominium units range from \$15,200 for a one-bedroom model to \$22,950 for a four-bedroom, three-bath model. Each house has a two-and-a-half-car garage.

The 64-acre project features four swim cabanas, a 30-acre park and a clubhouse that accommodates 450 persons. There will be 588 units when completed. Financing is FHA: 35-year mortgages at 5¼%.

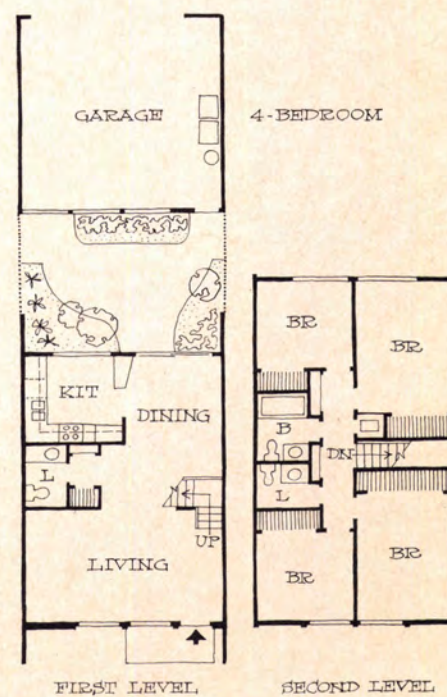
Architect: Richard Leitch, AIA. Builder: C-D Development Co. Location: Huntington Beach, Calif.



**TWO-BEDROOM PLAN** features built-in bar in den. Price: \$18,950 to \$22,750.

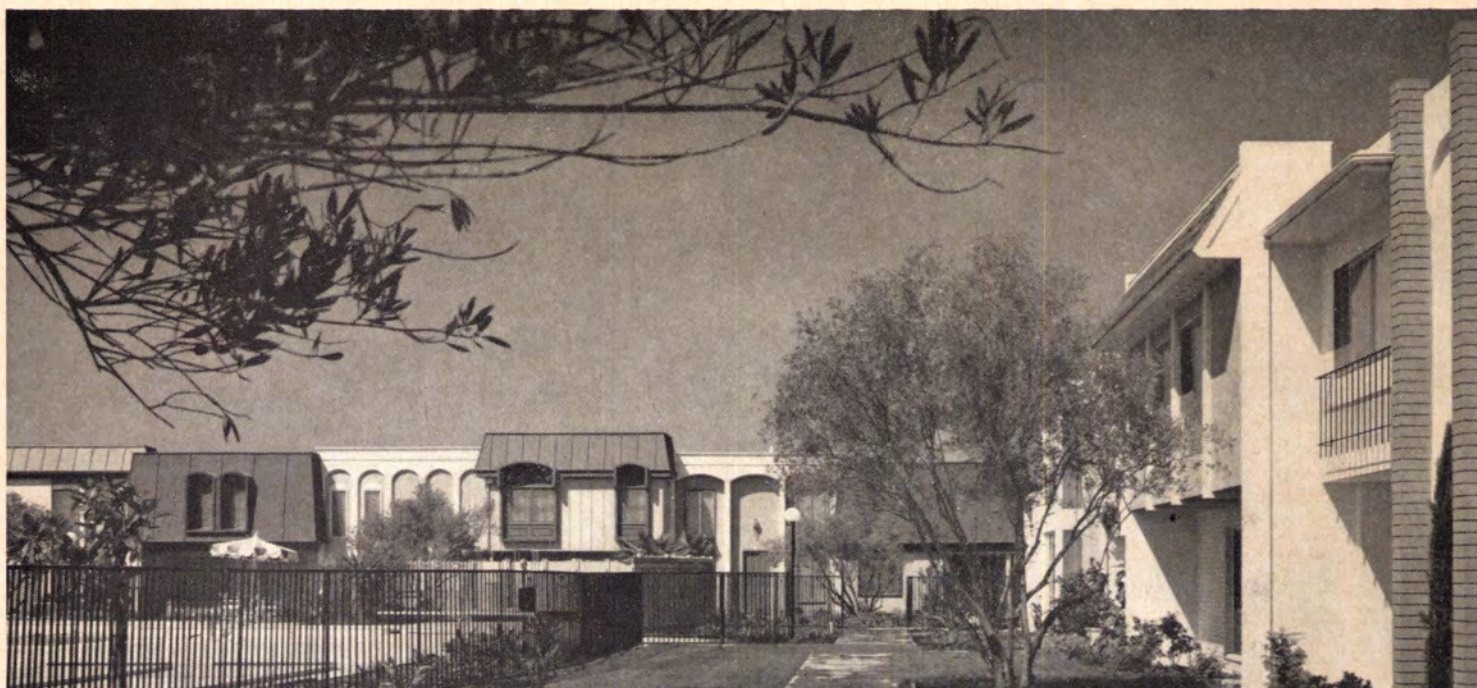


**THREE-BEDROOM PLAN** has 1,217 sq. ft. and big patio. Price: about \$20,000.



**FOUR-BEDROOM PLAN** has three baths and kitchen snack bar. Price: about \$20,000.





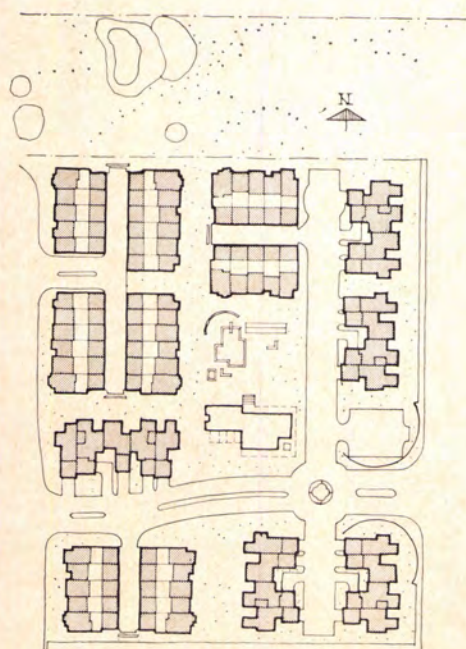
**TRADITIONAL BLOCK** features heavy mansard roofs and curved windows in French Regency style. Contemporary units are visible at right.



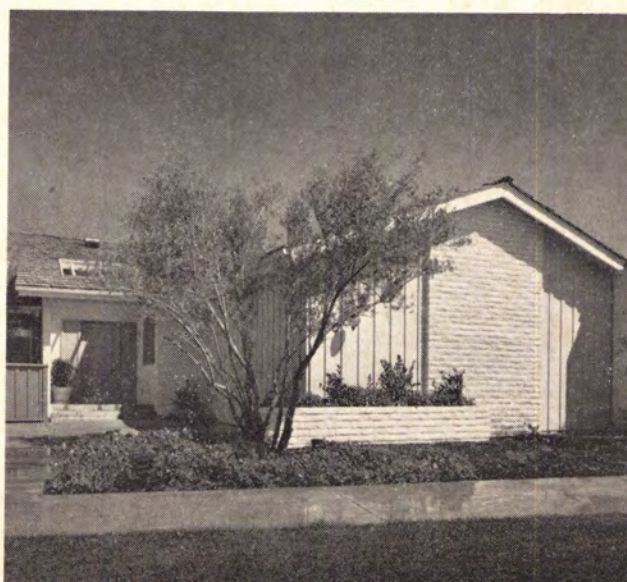
**TYPICAL KITCHEN** has hand-rubbed hardwood cabinets and built-in appliances. Kitchen and all other rooms except entry foyer are carpeted.



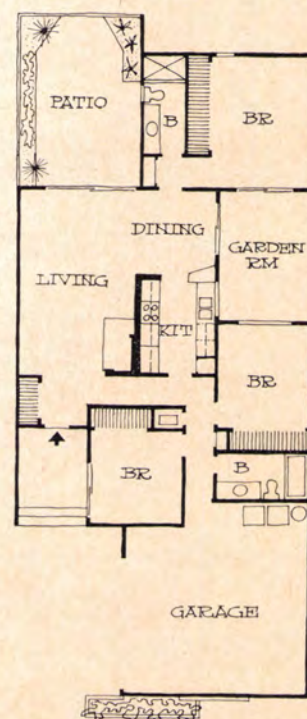
**HALLWAY CLOSETS** typify generous storage area offered in project. These pantry closets are off kitchen in two-bedroom, two-story model.



**SITE PLAN** shows dead end roads that serve as driveways to rear garages.

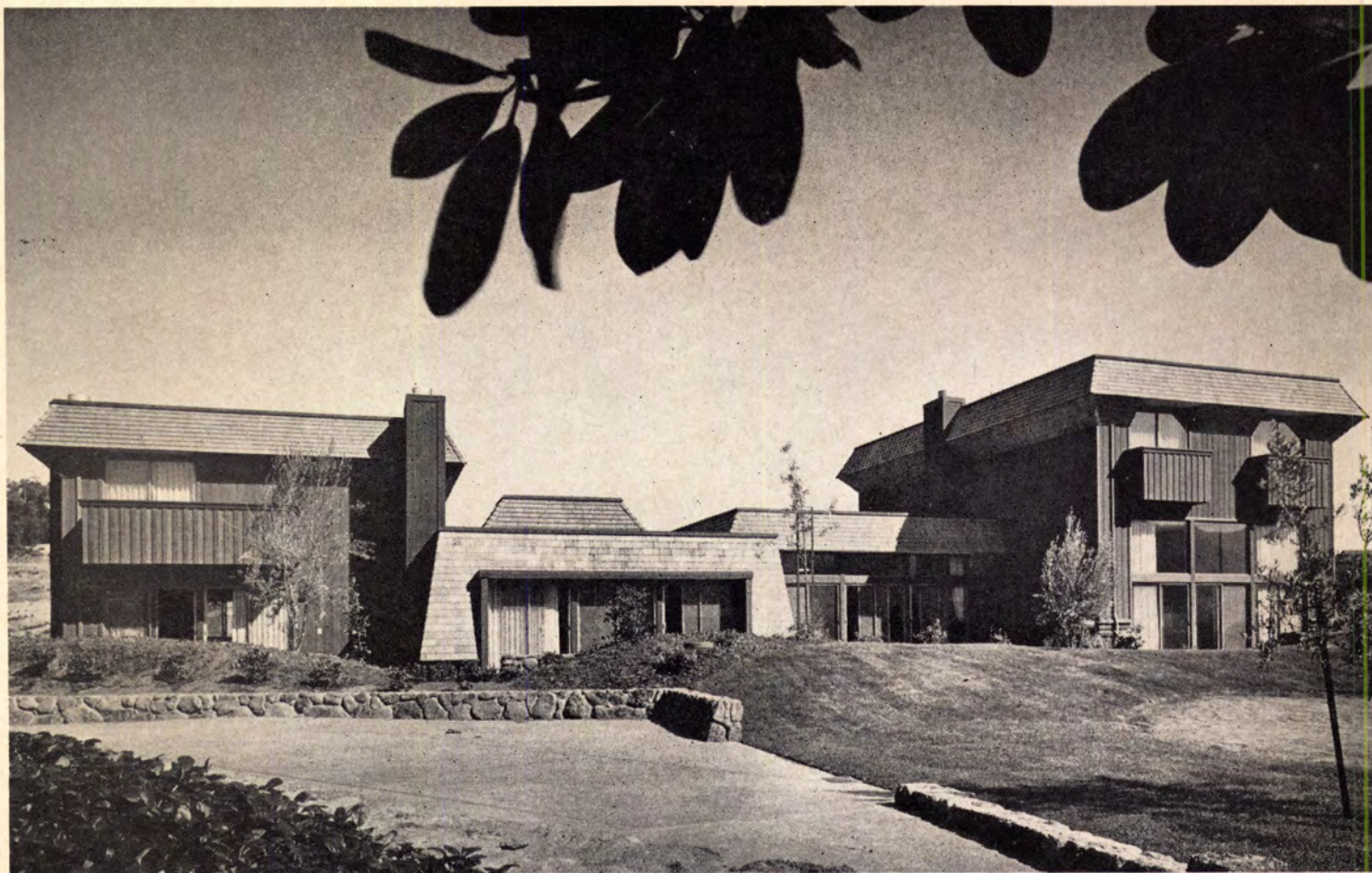


**ONE-STORY UNITS**, designed to look like California ranches, are bestsellers, especially among young families. Land plan is being altered to allow more of them. The attached units feature atrium-like garden rooms (*plan at right*). Price: \$19,650 to \$22,950.



*continued*





**SPLIT-LEVEL TOWNHOUSES** face a rolling green. All four models have garages and entrances in rear and finished storage areas in basements.

## A high-priced project with strong regional flavor



**SITE PLAN** shows units clustered around park and 75' swimming pool. Thirty units are being built; 82 are planned. Models in black are pictured above.

The design is based on the classic San Francisco style—redwood siding, heavy mansard roofs with cedar shingles and a wealth of wood detailing both outside and inside the houses. The rolling site in Marin County is also characteristic of the Bay area.

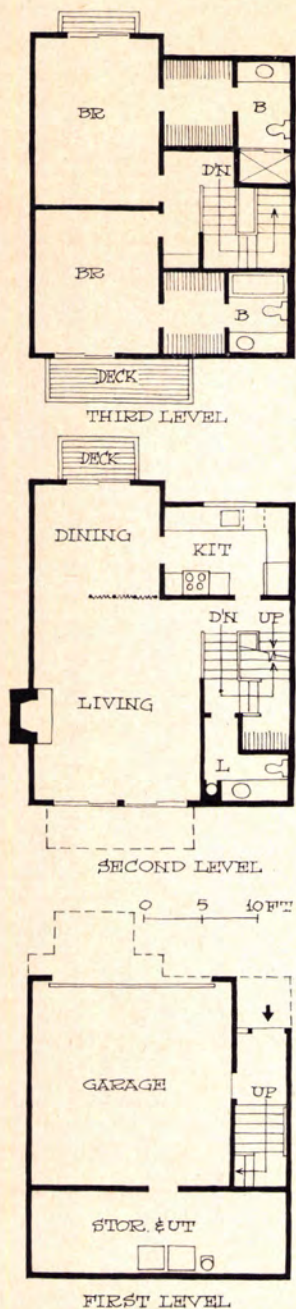
The project is intended primarily for adult living (no children under 13 are allowed). Facilities include a private club, two putting greens, a 75' swimming pool and a 1½-acre park. Since the July opening, about three of the high-priced condominiums (\$37,500 to \$49,500) have been sold each week.

Four basic floor plans are offered in one-story, two-story and split-level designs. To date, the largest model is the bestseller. It has three big bedrooms (including a 21'x14' master bedroom), a large living room, a family room and a study. All units are sold with carpets and drapes.

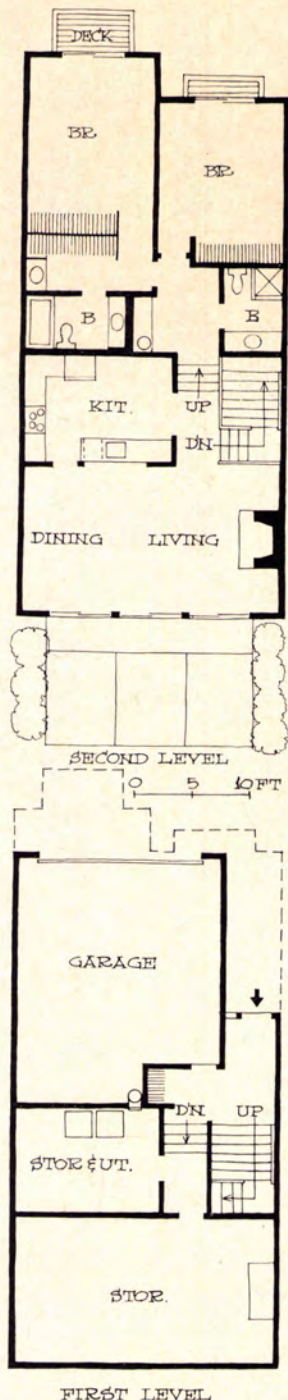
When completed, the eight-acre project will include 82 units. Total cost is estimated at \$3.5 million.

Architect: Bushnell, Jessup, Murphy & Van De Weghe. Builder: D. M. Christensen. Location: Peacock Gap, Calif.

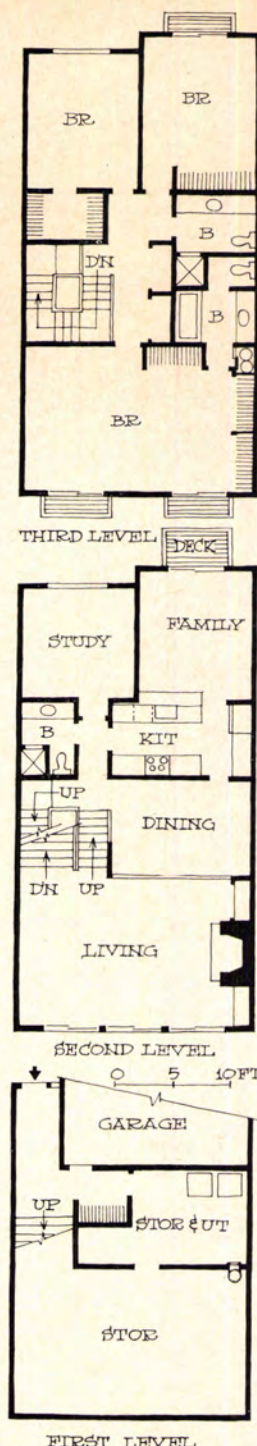




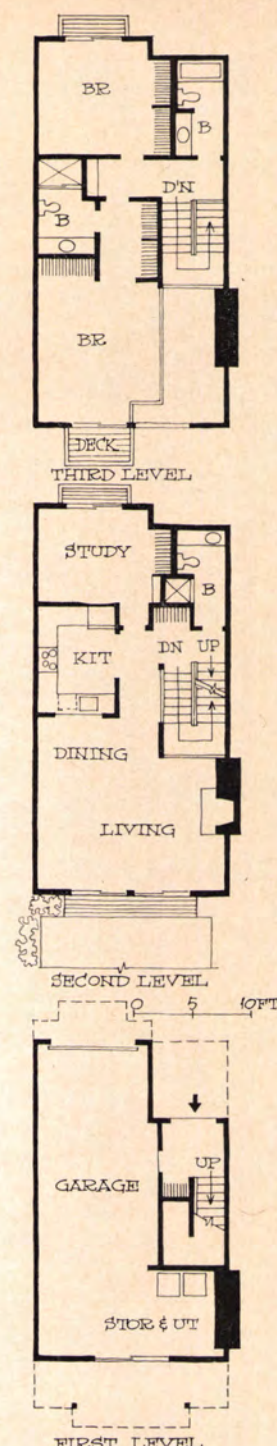
**TWO-STORY PLAN** with 1,469 sq. ft. (first house at left) has split-entry. Price: \$40,850.



**ONE-STORY PLAN** is offered in two center houses (left). It has 1,427 sq. ft. Price: \$38,950.



**SPLIT-LEVEL PLAN** (right in photo) isolates kitchen-family room. Area: 2,449 sq. ft. Price: \$49,850.



**LARGER TWO-STORY PLAN** (not pictured) has single-car garage and 1,697 sq. ft. Price: \$38,950.



**HIGH CEILING** and fireplace facade makes 21' x 14' living room look even larger. This room is in split-level, three-bedroom model (plan, above).



**WOOD BALUSTRADES** echo project's traditional redwood facades. The large picture window brings light to the balcony dining room, left.

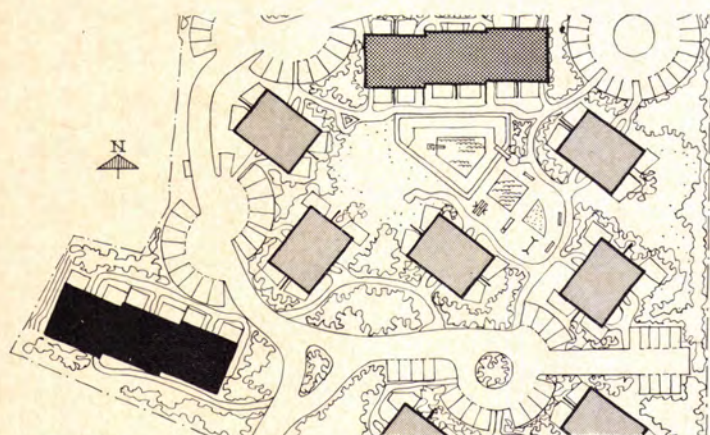
continued





**TWELVE-UNIT BUILDING** steps down a slope at the foot of a wooded hill. Brick chimneys on the front of buildings are a key part of the design.

## A Canadian project that blends into wooded land...



**LAND PLAN** shows how buildings are spread out rather than linked together in long rows, permitting them to be placed on best sites.

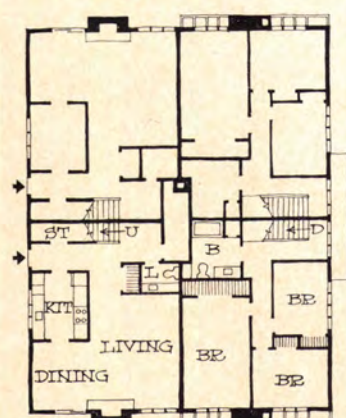
Its 52 units are grouped into 9 buildings—two with 12 units (*photo above*) and 7 fourplexes (*photo below*). With this layout the buildings could be placed on the best sites in the 5-acre tract and a maximum number of trees could be retained.

To match the natural surroundings, wood-shake roofs and massive chimneys were used. The masonry walls were left white to provide dramatic contrast. And the mild British Columbia climate allowed a liberal use of glass.

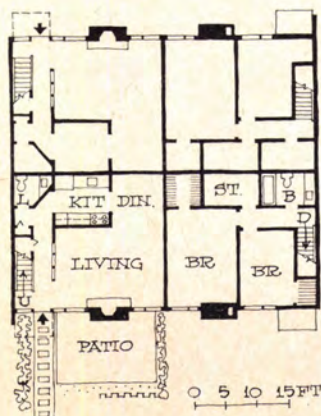
The majority of the tenants are young families who recently moved to the area, so the three-bedroom, two-story unit has proven the most popular of the four floor plans. Each unit has a carport and large storage area. Rents range from \$150 to \$200.

Construction cost was a low \$10 a sq. ft., chiefly because the buildings and apartments are simple squares and because the plan permitted backing up baths in adjacent units. Land costs averaged about \$2,000 for each unit.

Architect: Wilding & Jones. Builder: Edgemont Terraces Ltd. Location: North Vancouver, B.C.



**FOURPLEX PLAN** includes three bedrooms, one and a half baths.

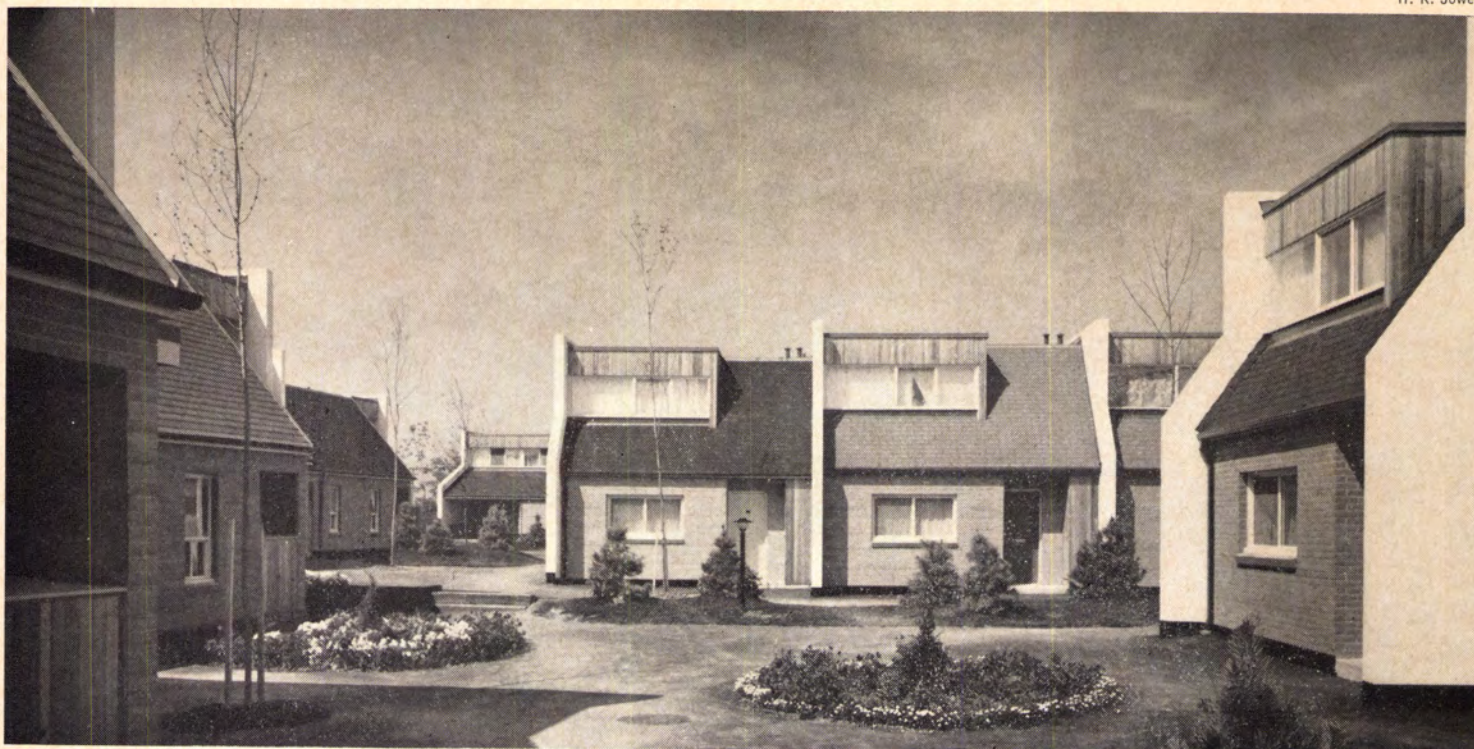


**ROW-HOUSE PLAN** has good traffic pattern for small apartments.



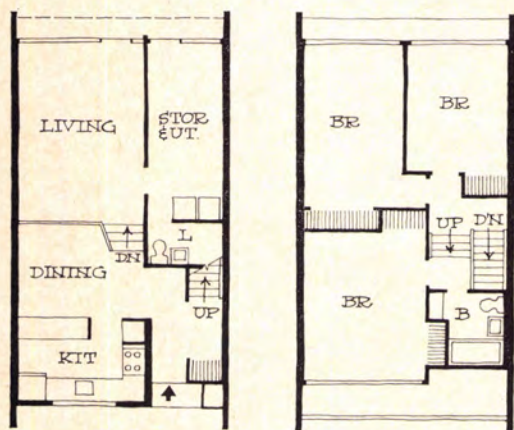
**FOURPLEX BUILDING** was sited so a maximum number of trees could be saved. Stumps of fallen trees line gravel walk-ways that link buildings.





**LOOK-ALIKE FACADES** of low-priced townhouses are broken up by a variety of colors and building materials. Price range: \$12,500 to \$14,000.

## ...and one designed to stand out on flat land



LOWER LEVEL 0 5 10 FT UPPER LEVEL

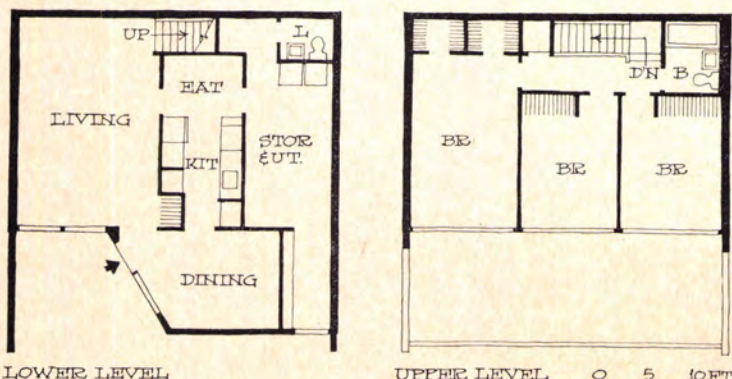
**FLOOR-THROUGH PLAN** (models above) features sunken living room and 1,159 sq. ft. of living area.

The 11-acre site, an old farm, was plowed flat after years of use. And since the units are low-priced (\$12,500 to \$14,000), economics demanded that only two basic designs be used for all 200 units. But rather than disguise the repetition, the architects pointed it up by extending the masonry party walls into prominent fins. The fins also add privacy, cutting down the noise that carries from window to window of adjacent units and helping to isolate outdoor living areas. Larger units have recessed front entrances which double as sheltered patios.

A measure of variety is achieved through colors and materials. For example, the colors of brick siding and roof shingles are varied, and some units have stucco roofs.

The project, which is 100% occupied, is oriented to family living. Parking was put underground so children could play in safety. And the absence of roads permits heavy emphasis on gardens and green areas.

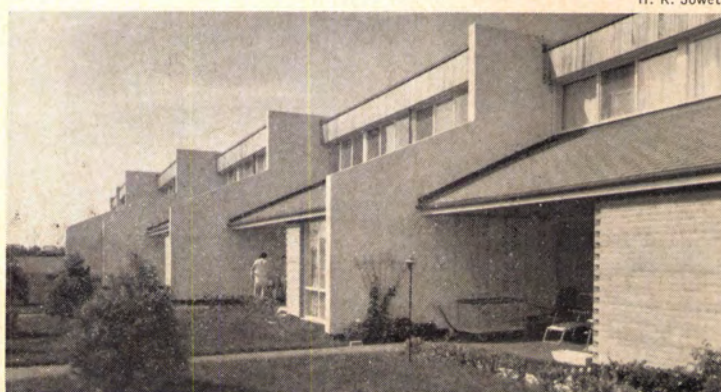
Architect: Klein & Sears. Builder: Rubin Corp. Ltd. Location: North York, Ont.



LOWER LEVEL

UPPER LEVEL 0 5 10 FT

**IN-LINE PLAN** (model at right) has all windows and doors of both levels on the front wall. It has 1,286 sq. ft., including 20'x13' living room.



**EXTENDED FIN WALLS** add privacy. Recessed entrances are also sheltered patios. These back to back models are less expensive than floor-throughs.

*continued*





**IMPRESSIVE ENTRANCE** with arch and fountain emphasizes project's exclusive atmosphere. Blank brick walls of building keep cooling load down.

## A luxury project with individual pools . . .

Although the \$3,000 swimming pools are optional, to date all buyers have chosen to have them built into their 1,200-sq.-ft. atrium patios. As a result, the builder plans to go back and add pools to four still unsold units with plain patios.

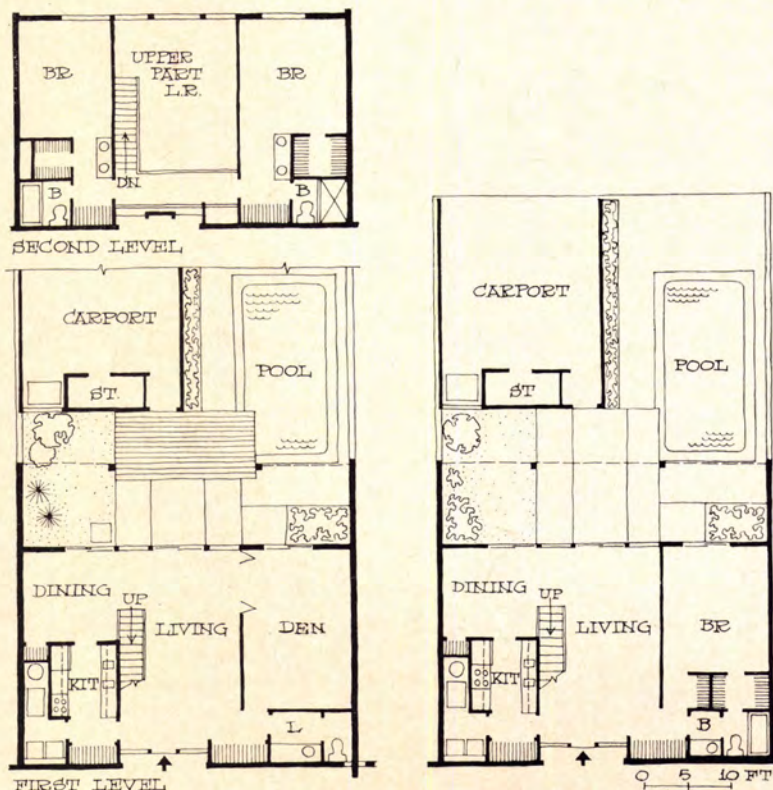
The townhouses, priced at \$33,000 with the pool, have been bought primarily by older families (young children aren't allowed). This has caused one sales problem: older persons don't like climbing stairs to second-story bedrooms. So the builder plans

to change most of the next 24 houses to one-story units.

To keep pace with the highly competitive Phoenix market, the project offers such extras as free decorating consultations, 17' living room ceilings and soft-water systems.

Construction costs were about \$15 a sq. ft., and land costs for the seven-acre urban site, which was zoned for even higher density, were \$17,000 an acre.

Architect: Lazlo Sandor. Builder: Burell, Martin Inc.



**PLAN OPTIONS** permit different first-floor layouts (*bottom drawings*). Two-bedroom second floor (*top drawing*) is offered in all models.



**PRIVATE POOL** is built near carport, left. Big window at rear of patio opens into a two-story living room.





**OLD SPANISH ARCHITECTURE** is a popular sales feature. Buyers have a choice between a carport (*above*) or an enclosed garage.

## ... and one with an entertainment center

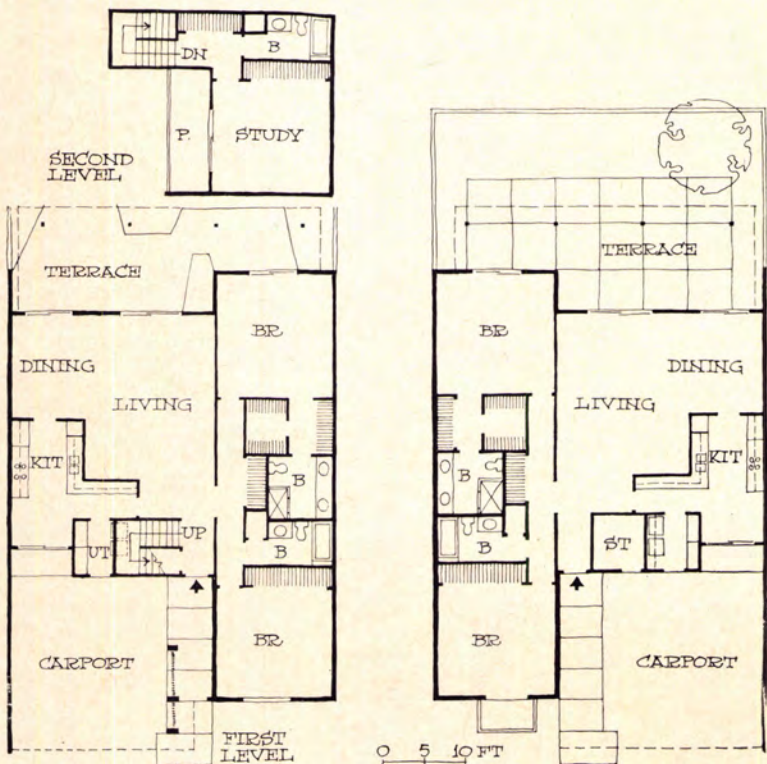
This 47-unit condominium project is centered around a pavilion (*bottom photo*) equipped with full kitchen and bar facilities, which any resident can reserve for private parties. An olympic-size swimming pool is included in the pavilion area.

The project was sold out in four months. Besides the entertainment pavilion, other key sales features were the old Spanish architecture and one-level living (a few units have an extra study or bedroom and a bath on the second floor).

Base prices for the townhouses, which have from 1,765 to 2,254 sq. ft. of living space, range from \$26,900 to \$29,990. But options push the average price to more than \$30,000.

Construction costs were \$15 a sq. ft. The seven-acre site, in a prime location, cost \$120,000. Land development costs are not available.

Architect: Haver, Nunn & Jensen. Builder: Dell Traylor. Location: Phoenix.

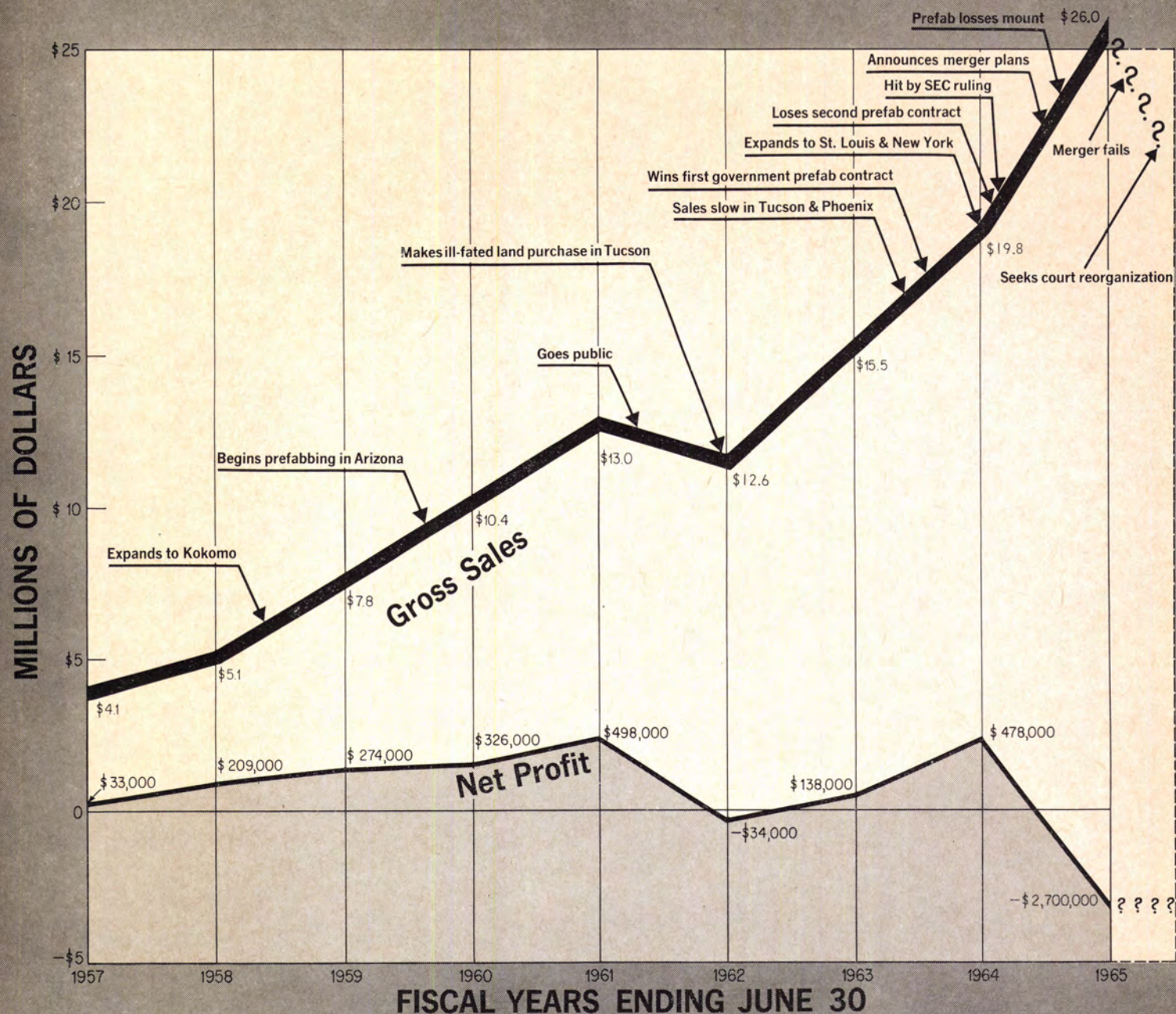


Jerry Duchscherer



**ENTERTAINMENT CENTER** has a bar and kitchen for private parties. There are only 11 children in the 47-unit project.





*How can a builder sell \$25 million worth of houses a year—at a profit—and still wind up in bankruptcy court? You'll find the answers in this story of . . .*

## Why the roof collapsed on Lusk Corp.

Five years ago Bob Lusk was heralded as the "new management man" of housing. He had an impressive set of credentials: an engineering degree from Rice, a master's degree from Harvard Business School, 12 years' experience as a homebuilder and a sheaf of design and marketing awards for his houses. And he was backed by a blue-ribbon management corps of fellow

Harvard Business School graduates.

Four years ago his Lusk Corp. hit Wall Street as a hot issue and quickly sold \$2,250,000 of stock and debentures. In the ensuing years the company appeared to be living up to its billing as sales record after sales record toppled with each annual report (*see graph*) and the company marched from one housing market to

another from coast to coast.

But less than three months ago, disenchanted creditors asked a federal court to reorganize Lusk Corp. under Chapter X of the Bankruptcy Act. And a week later Lusk voluntarily asked for court protection while he regrouped, saying, "It is impossible . . . to continue operating."

Just before the company landed in



court, Lusk had told a creditors' meeting that the company owed \$30 million, mostly for land but including trade credit from suppliers estimated at \$3 million.

Housing men have not witnessed a collapse of comparable magnitude since Taylor International Corp. of Miami crumpled with excess debt of \$6.6 million in 1962. (Last spring real estate wheeler-dealer Bill Zeckendorf's Webb & Knapp Corp. fell into the bankruptcy courts owing \$31.8 million, but w&k was not primarily a housing company.)

What went wrong inside Lusk Corp.?

Ask that question of the men involved and you hear a story of management forced by over-extended capital to be right on every decision.

"You had to draw to an inside straight and hit every time," recalls one former executive. When the inside straight failed to materialize, management was plunged into a series of emergency decisions which threw the company into a tailspin.

#### **Lusk's troubles are partly a result of trying to grow too fast**

That's the opinion of Ed Butterbaugh, the Ernst & Ernst partner in Tucson who gained intimate knowledge of the company's affairs in the four years he audited Lusk's books.

Indeed, growth was something of a holy grail for Bob Lusk, and as founder, president and 72% stockholder he stamped his growthmanship on Lusk Corp.

"The builder who says he doesn't want to get bigger had better think again," Lusk told HOUSE & HOME five years ago. "Nobody in this business can stand still and expect to survive the sixties."

Lusk searched tirelessly for new markets. Seeking to expand from his Tucson headquarters, he tested El Paso in 1959, but zoning stymied him. He also entered Las Vegas that year, but the market turned soft and he pulled up stakes.

The next year, 1960, he opened successfully in Phoenix, and leaped to Kokomo, Ind., 1,500 miles from home base. After selling 900 houses in Kokomo, he moved the operation to Indianapolis. In June 1962, sales stood at \$12.6 million.

More expansion followed. The next year land was bought for 296 apartments in Albuquerque, and more land was optioned in Chicago. Sales for fiscal 1963 jumped to \$15.5 million and Lusk told stockholders: "We are continuing to explore on an accelerated basis new cities for expansion."

But he also sounded a note of caution: growth would not bring immediate earnings.

"In effect, we are somewhat mortgaging present earnings to achieve greater future profit returns."

Still fiscal 1964 was cheerily profitable. Sales boomed to \$19.8 million, profits to \$477,000. Lusk dramatized the eight lo-

cations in which it was now operating with an impressive two-page map in the annual report and said that new condominium projects in St. Louis, Sacramento and suburban Westchester County, N.Y., would soon be on stream with more sales.

"Continued aggressive expansion in fiscal 1965 could yield sales in excess of \$30 million," Lusk said.

#### **Rapid growth stretched the company's limited capital resources too far**

Tooling up for the new markets had drained Lusk's cash on hand from \$542,000 in 1963 to \$267,000 in 1964. And while stockholder's equity, or net worth, was fixed at \$3.1 million, there were potential problems.

"A very significant portion of the net worth was tied up in land—it was not liquid," observes Allen Newmark, the New York City underwriter for Burnham & Co. who sat on Lusk's board for four years after being instrumental in bringing its stock to the public. "Furthermore, a home-builder should have a net worth of one-tenth his sales volume. Lusk estimated a 50% sales increase—with no increase in capital. It was trying to do too much with too little."

#### **Management bet too heavily on rising land values as a prop for credit**

In the early and middle 1950s, when Lusk began making his mark, land speculation was a way of life in Tucson and Phoenix.

"Land was turned over two and three times a year at fantastic profits," recalls one resident. "You had to see it to believe it."

Lusk Corp. made its biggest early profits in land. The company tried to anticipate future growth and buy five years ahead of it, saying in its prospectus, "... this has enabled the company to develop properties at prices substantially below market prices at the time of development." And once land was purchased, Lusk borrowed on the equity to get more working capital. Rising land prices boosted this equity, he explained. But he added this: "Should the market value of the land decrease, the company's equity in such land would decrease."

This pro-forma caveat proved prophetic.

When Lusk went public, it owned 6,771 acres—nearly 6,000 concentrated in Tucson.

New board members, including Allen Newmark, suggested lightening this load, and in June 1962 Lusk reported he had trimmed inventory to 2,614 acres, netting \$2.7 million in the process.

But the Tucson and Phoenix housing markets continued strong, so during the selloff Lusk picked up 186 new acres in Phoenix and 943 acres in Tucson. The Tucson purchases looked like a coup:

Lusk assembled one of the last vacant square-mile sections—640 acres—squarely in the only path left open for Tucson expansion. Surrounding purchases boosted the tract to 810 acres, and there Lusk planned his *pièce de résistance*: Lakeside, the only southern Arizona subdivision with a man-made lake.

But in mid-1963, when Lakeside's models opened, the market was turning soft. From a peak of 5,895 units in 1963, the Tucson market tailed off to 3,150 units in 1964 and about 2,100 units in 1965. The Phoenix market also fell out of bed, dropping from 15,022 units in 1963 to barely half that number last year.

#### **Land speculation stopped—and left Lusk with a cash devouring inventory**

Investment land sales dropped from \$2.7 million in 1962 to \$480,000 in 1963, leaving Lusk with raw land carried on the books at \$3.7 million and \$2,681,000 payments due within the year at an average 8% interest.

To stem the cash drain of land loan payments, Lusk hired Ben Storek, a Harvard Business School man with impressive experience as manager of Southern Arizona Bank's \$30 million trust portfolio of real estate, stocks, bonds and mortgages.

Judging from Tucson court records, Storek appears to have continued to the hilt the Lusk practice of raising cash on land equity and selling properties in a declining market. Lakeside lots were mortgaged for loans at 8% interest and 2% fees. The lender, Majestic Investment Co., in turn assigned the loans to 230 Tucson retirees.

In addition, land was "sold" on small down payment, no-interest contracts with the balance due several years in the future. Then the sales contracts were pledged as accounts receivable for bank loans. Some choice commercial building sites were appraised and reappraised at ever-higher figures and mortgages placed on the land—at spiraling interest rates. Court records reveal many parcels with three mortgages, some carrying 15% interest.

Then came a crushing blow. Early in 1964 the Securities and Exchange Commission, seeking to make reports of all land selling companies uniform, ruled that a company could report profits only when the cash was received. The SEC insisted that Lusk's low down payment, no-interest "sales" were really options and told Lusk's auditors to deduct \$969,000 reported as profit two years previously and to set aside the amount as a "reserve for unrealized profit."

This was done and recorded in a brief and seemingly innocuous "Note K" to the June 1964 financial report. It had the effect of turning Lusk's reported \$654,000 profit for 1962 into a \$34,000 loss.

Worse, Note K served as a warning flag for prospective lenders and later dealt a

*continued*



damaging blow when Lusk bid for a government contract.

### **Lusk's search for profits led to an ill-starred stab at military housing**

In February 1964, Construction Components Inc., a Lusk subsidiary, took over a \$4,068,000 contract to build 510 prefab units for the Defense Dept. The contract had originally gone to another builder, Home Building Contractors Inc., of Sedalia, Mo. But HBC ran into trouble finding skilled labor at its South Carolina plant and fell behind on the job. The Corps of Engineers refused to grant an extension.

"They said I'd either finish the contract on time or they'd slap a lien on my companies," says Neal Reyburn, HBC president. "The only alternative they gave me was to find a subcontractor. So I found Lusk."

Lusk Corp. felt it had the experience to take on the government job. For one thing, its prefab plant, set up near Tucson in 1960 to build components for Lusk's own houses, was a highly efficient operation. Furthermore, the prospect of getting in on the ground floor for future government contracts was most alluring.

So Construction Components bid on the job at what Ted Steele, Lusk's construction vice president at the time, called "the break-even point, or maybe a little below."

Construction Components did lick the problem that had stymied HBC—labor. By mid-contract, the company was able to report that labor costs were within the original estimates, even though labor training had taken longer than expected.

But this was the only bright spot. In other respects, the government venture turned into a financial Waterloo, and Bob Lusk considers it the biggest single cause of his company's ailments.

### **Inspection problems turned the military venture into a heavy loser**

Corps of Engineer inspectors insisted on rigid tolerances:  $\pm 0"$ ,  $- 1/16"$  on Southern white pine, for example.

"Wood will expand that much if you let it stand 24 hours on a cement floor," says Ted Steele. "But even more disturbing was the lack of definition—they [the inspectors] were always saying, 'We'll take it under advisement.'"

These tough requirements hurt Construction Components in two ways. First, they caused "heavy scrap losses and labor inefficiencies." Second, and more serious, they shot overhead costs into the stratosphere. The cost of dealing with the government, originally estimated at \$60,000 a month, went to \$100,000. What's more, this meter of high overhead kept ticking as the contract stretched from 4 to 13 months. Total overhead, budgeted at \$240,000, wound up at \$1.3 million.

Finally two prefab plants set up in South Carolina to build the Defense Dept.

units (and, hopefully, future government housing) had to be written off to the tune of \$100,000.

Total estimated loss on the \$4 million contract: \$2 million.

"We knew we had a loser quite early in the game," says Robert Taylor, production chief for the South Carolina plants. "But we felt that if we terminated under default, we might become involved in years of litigation."

Lusk had another reason for swallowing the loss (and for building the South Carolina plants): the hope of another—profitable—government contract.

In mid-1964, when the first prefab packages were shipping overseas, Lusk Corp. bid \$12 million on a second prefab contract. The company was low bidder and appeared to have the contract locked up.

But the government insisted that Lusk post a performance bond (no bond was required on the first job, a fact the company now bemoans). And when bonding companies looked at the 1964 financial statement, they balked. Some officials suspect the brief Note K was the real but unstated reason. At any rate, Lusk could not get the bond and had to walk away from the contract. Deeply disappointed, Steele resigned.

Now the fight to save Lusk Corp. was on in earnest. Cash was needed to finish the government contract; cash was needed to pay the debt piling up on Tucson and Phoenix land.

### **To meet the crushing need for cash, Lusk began stripping its subsidiaries**

Or, as Bob Lusk told the court, "Lusk Corp. was required . . . to take from its other subsidiaries cash and other liquid assets . . . and to sell many of the assets of the parent and of the other subsidiaries at distress prices resulting in losses."

The two subsidiaries still selling strongly—in St. Louis and New York—were called on to send profits to the parent company. No separate accounting has been made of how much was drained away, but estimates put it as high as \$1 million. Lawyers Title Co. of Missouri, a lender for the St. Louis project, became concerned for its investment and moved to halt the drain. Lawyers Title advanced \$500,000 on a 3% promissory note to keep the project going, but in return took a trust deed for approximately 460 lots owned by Lusk Corp. of Missouri to secure repayment of "present borrowings, all indebtedness . . . and for future advances of money."

At the same time, land refinancing was pursued even more aggressively in Tucson. Some loans reportedly climbed to 36% interest. And to rid itself of payments on a \$270,000 mortgage on 107 choice acres in Tucson, Lusk Corp. paid about \$30,000 in fees and commissions for the new buyer to assume the loan.

### **When everything else failed, a merger looked like the one way out**

Lusk Corp.'s former treasurer, Russell Wilde, and Underwriter Newmark were the men most involved in the search for a merger partner.

"We looked for a good money man to balance Lusk's marketing ability, and we approached Eli Broad of Kaufman & Broad," says Newmark. Eli Broad, K&B's chief executive, was interested, and in January 1965 Lusk and Broad announced their plans to talk merger.

"The situation was extremely tight then, but it was saved for the time being by the K&B announcement," recalls Newmark.

And a month later, back at Tucson headquarters, Wilde, the last man remaining from Lusk's original management team, resigned because "I thought the deal was set and I had no desire to move to the West Coast."

But, unknown to outsiders, Lusk Corp. was grappling with a new problem. A year earlier the company had signed a one-year note for \$1.6 million with General Electric Corp.'s Hotpoint Division. The payment date arrived, and Lusk asked for an extension, offering to assign to GE virtually all the equity remaining in its Tucson land.

The extension was granted, and in July 1965 papers were filed conveying \$2,164,000 of Lusk Corp.'s equity in land and notes and accounts receivable to GE.

Within two weeks the merger with K&B was called off, and Lusk's other creditors, who held about \$1.2 million in trade bills, voiced strong objection to the GE mortgage.

### **Lusk asked its creditors to go a bit further—and then the roof fell in**

"Lusk called a creditors' meeting," says Newmark, "but it was a mistake to get all the creditors together so they could compare notes." The results of the October meeting confirm his judgment.

Lusk told the creditors his company would post a \$2.7 million loss for the year ending June 30, 1965 on sales of \$26 million. James Shedd, Lusk treasurer, said the company's net worth was \$330,000, down from \$3,115,000 a year earlier, and it did not have cash on hand to pay \$1,252,000 in unsecured debts.

However, Lusk's attorney, Hayes Burch, said unsecured creditors would be able to collect from \$1,580,000 expected from the sale of Arizona land and from \$700,000 in claims under the prefab contract.

Lusk further proposed that the South Carolina, Phoenix and Tucson operations be put in trust to pay creditors. Representatives of two Boston mortgage trusts, Continental Mortgage Investors and First Mortgage Investors, promised to continue interim financing if creditors assented.

Many creditors appeared ready to go along—until they weighed the Hotpoint-GE mortgage. Several attorneys argued that



it gave GE first call on the Tucson land and would be set aside by a court. They pointed out that the Bankruptcy Act requires creditors to challenge any alleged preference like the GE mortgage within four months of the mortgage's filing—and the four months were to expire in 12 days.

A group of three Tucson creditors appeared unwilling to wait any longer. Eight days later they filed the petition which led to placing Lusk Corp. under court protection.

#### Despite Lusk's bleak outlook, the men at the helm haven't called quits

These men—the court-appointed trustee, A. C. Simon, and his attorney, Charles McCarty—are planning on running Lusk Corp. with anything but desperation methods.

"We are not liquidating," says McCarty. "We have two going operations, in St. Louis and Westchester County [neither is in trusteeship], and we are going to keep them open. We are charged by the court to run this business upward, not downward. We are not about to scuttle our going-concern status, and we are not giving assets away. Give me three new profitable projects and we can swing it."

Simon, the trustee, is not so sanguine about the future. "I have never been in housing," he says. "We are charged with running this business, but where is the cash coming from?"

One possibility, says McCarty, is that Lusk Corp. may now be able to borrow money "without resorting to usury." The method: issuing trustee certificates, a credit instrument similar to a bond which generally becomes a first lien on company assets. Creditors would have a voice in the matter, however, and some appear in no mood to sweat out a long wait. Hearings could delay actual issuance of certificates for months.

Nevertheless, McCarty is bubbling with plans to buy land the company already has on option, raise more cash and get the two operating divisions in St. Louis and Westchester County moving into new projects.

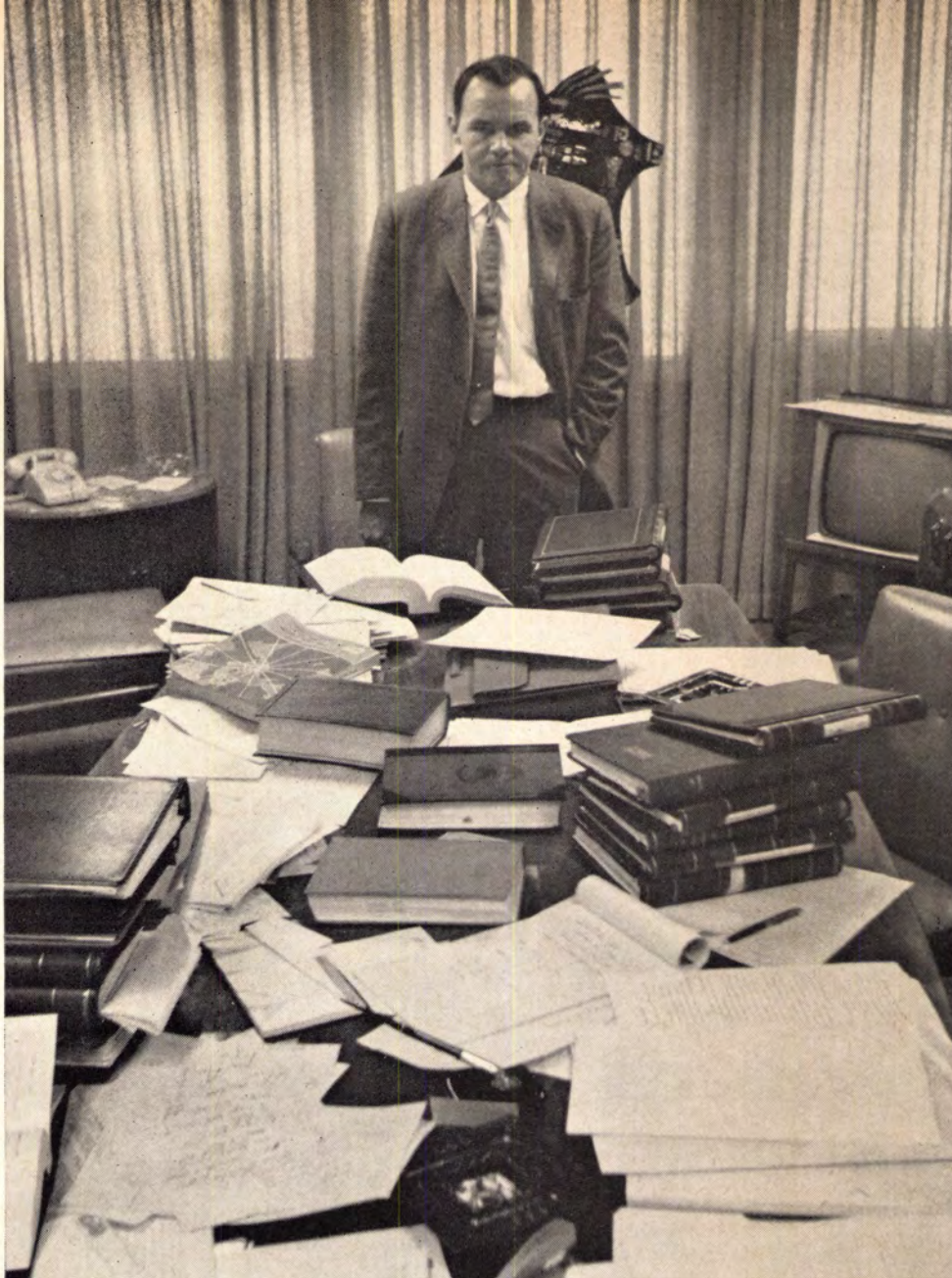
C. J. Odenweller, an SEC attorney who specializes in reorganizations, says companies in worse shape have come back successfully.

"This is just a case of getting some cash into the company to help it to get off its fanny. I am very favorably impressed with Mr. Lusk. He hasn't walked away from it like some others have, and he still has competent people around him."

Says Allen Newmark: "The pity is you have fantastic ability and talent in this company. Our society and economy would be losing something if Lusk Corp. cannot continue."

Concludes McCarty: "To get going, our best asset is Bob Lusk himself and his ability to market houses."

—KENNETH D. CAMPBELL



**TRUSTEE'S LAWYER** Charles McCarty must restore order out of the incredible chaos of the writ-

ten records of Lusk Corp. now piled high on a conference table doubling as his desk.

H&H staff

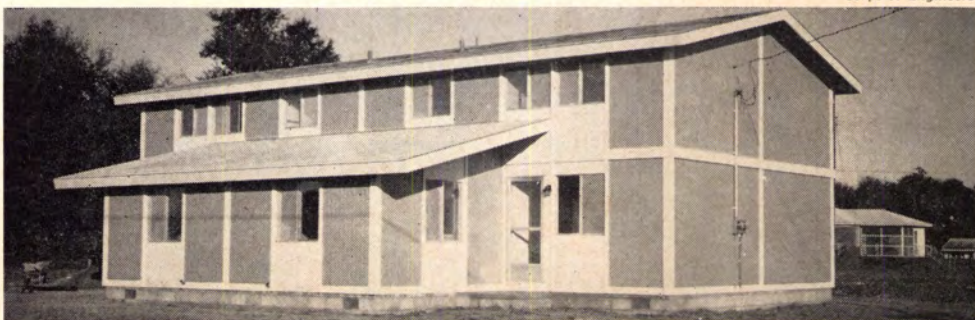


**COURT APPOINTED TRUSTEE A.** C. Simon now runs Lusk.



**POSSIBLE PARTNERS** in last-ditch merger to save Lusk Corp. were Bob Lusk, right, and Eli Broad of Kaufman & Broad Inc.

Corps of Engineers



**GOVERNMENT PREFABS** like these were shipped overseas from two plants in South Carolina. But

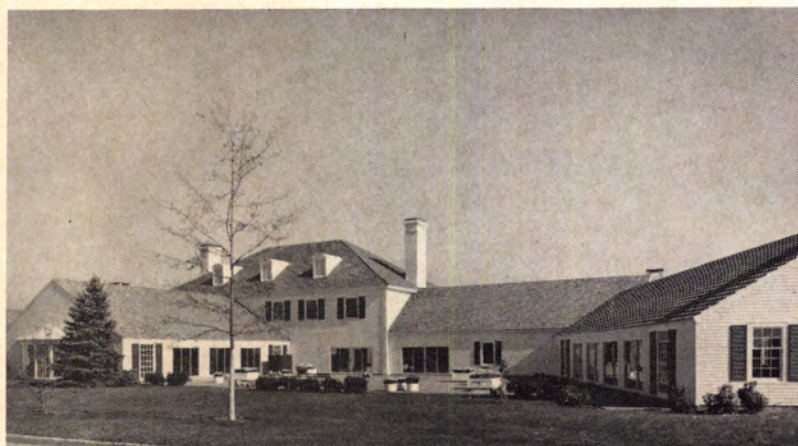
building 510 units brought \$2 million of red ink on a \$4 million contract and forced reorganization.





**MODEL-APARTMENT AREA** includes 33 units in seven groups of attached colonial houses. Black section of plan at right is shown in detail on following pages.

## Vintage houses around a village green? No—



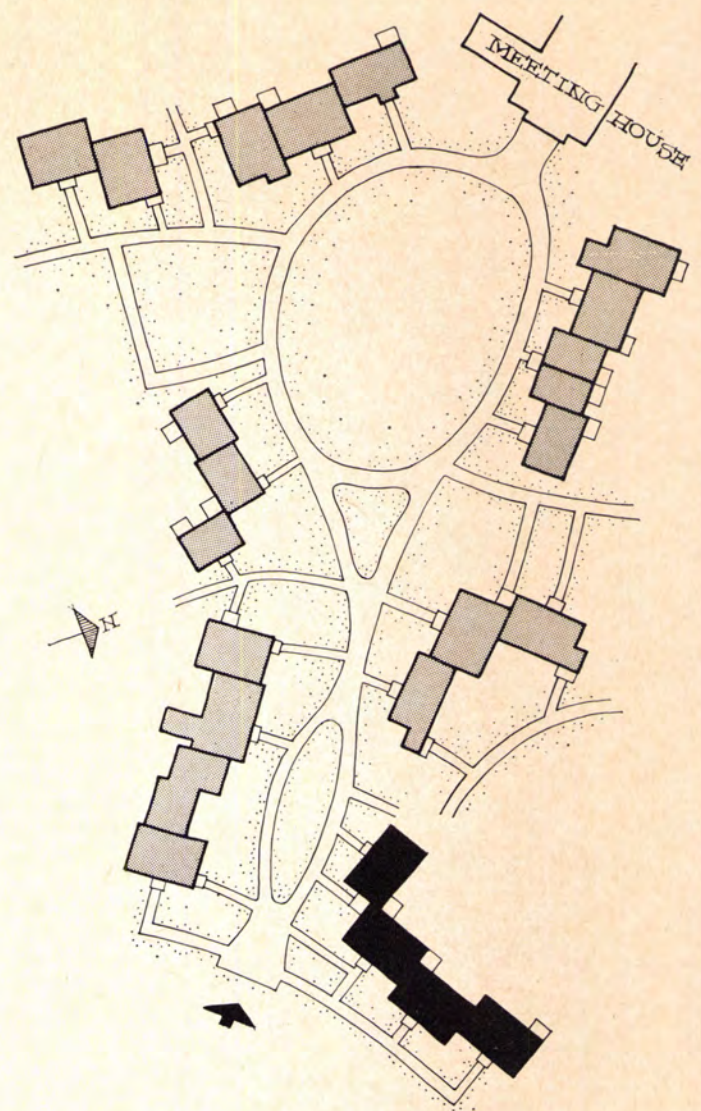
**COLONIAL CLUBHOUSE**, designed as center of community activities, provides facilities for meetings, dinners, hobbies and informal socializing.

Any builder or buyer or architect or planning official who thinks apartments must always look like apartments should study the project shown above.

It looks like a village of detached houses; actually, the houses are tied together in informal groups. Within each group, all houses look like single-family homes, yet most of them contain two apartment units. And every house looks like an authentic colonial home—which is exactly what the architect and builder intended.

The architect is Royal Barry Wills Assoc. of Boston, best known designer of colonial housing. The builder is California's Ross Cortese, biggest builder of retirement housing (\$200 million in sales





## these are garden apartments in a big co-op

since 1961). This project, in Monroe Township near Princeton, N.J., is Cortese's fifth Leisure World retirement community, his second invasion in two months of an East Coast market (the first was near Olney, Md.) and his most ambitious venture to date (30,000 units on 2,600 acres).

Outwardly, Cortese's New Jersey designs are a far cry from his three California projects (H&H, April, '64) and, for that matter, from his Maryland housing. But his marketing aim is the same: a strong appeal to regional market tastes.

The model area (*above*) shows how Cortese is appealing to Northeastern tastes.

1. Seven buildings, each made up of a group of attached houses, are clustered informally around a village green.

2. One house dominates each group, and the others wander off it in much the same way that wings and sheds gradually grew out of early colonial houses.

3. Roof types are varied—hip, gambrel, peaked and gabled.

4. Design is authentic colonial down to the last detail (although several units do have sliding glass doors opening to terraces). And this authenticity is carried out with both traditional materials and new maintenance-free materials—chiefly vinyl siding, used on 70% of the exteriors, and vinyl gutters and downspouts, used on all two-story houses.

In New Jersey, Cortese is offering his widest choice of models to date—16 units ranging from a 576-sq.-ft. efficiency to a

1,350-sq.-ft. duplex. Prices range from \$16,000 to \$25,000, and buyers can get 40-year FHA financing with 10% down payments and 5½% interest.

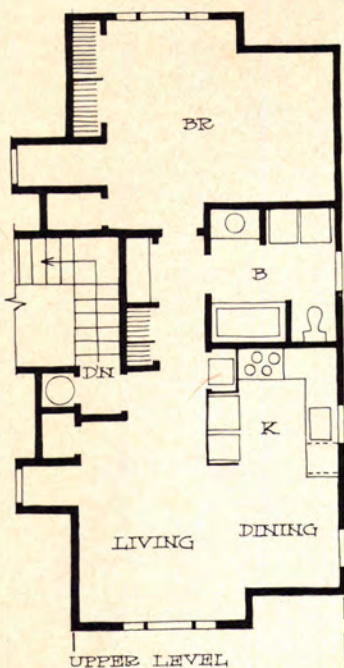
As in other Cortese projects, sales prices include air conditioning, all major appliances, free use of all community facilities, exterior maintenance and snow removal, and an insurance program that pays 80% of medical and hospital costs.

Sales results? Leisure World officials weren't talking when *HOUSE & HOME* went to press because their cooperative project was awaiting clearance by New Jersey and New York securities commissions.

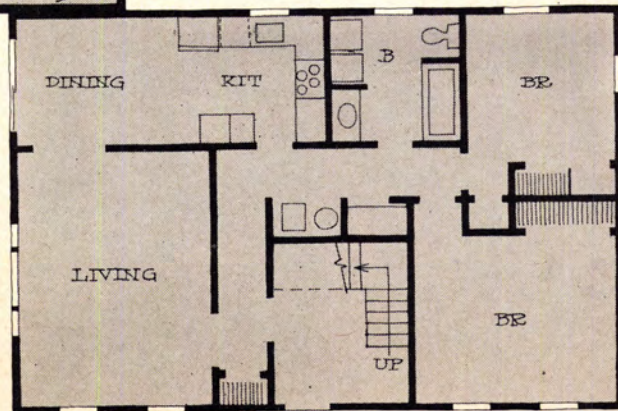
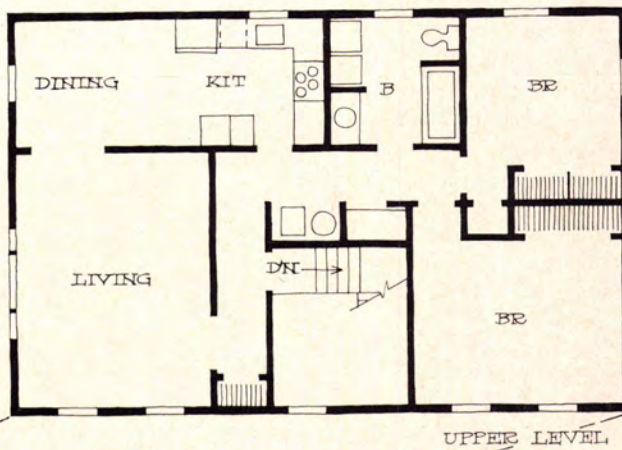
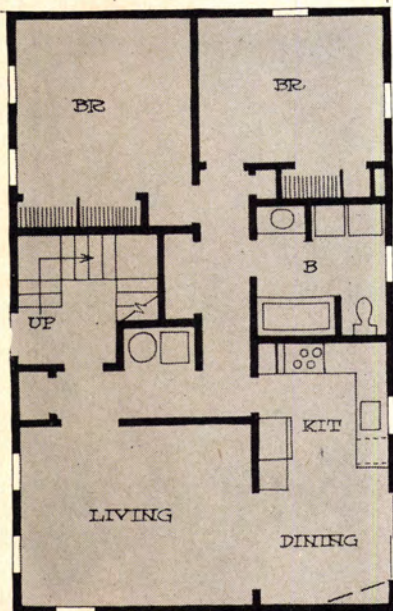
To see how one rambling group of attached houses was designed and planned, turn the page.



## Here's how seven big apartments are arranged in one group

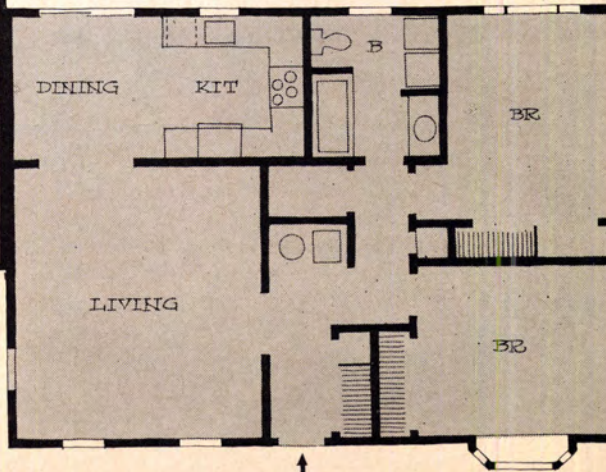


**FOUR-HOUSE GROUP** (one house is behind two-story at left) has rambling plan including four ground-floor apartments (shaded area) and three second-floor units.



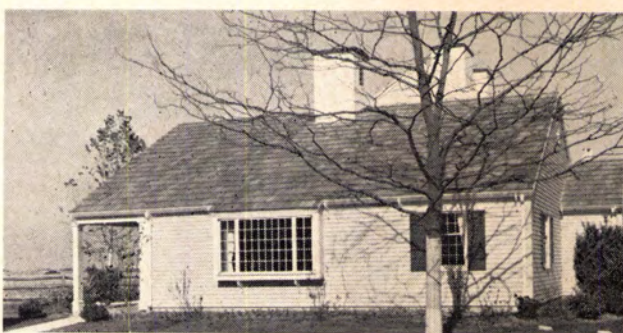
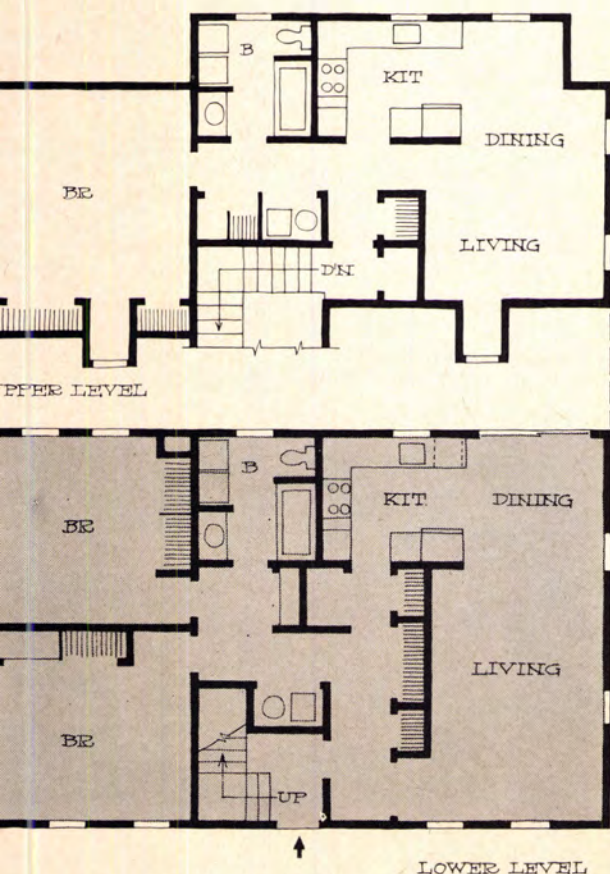
LOWER LEVEL

0 5 10 FT





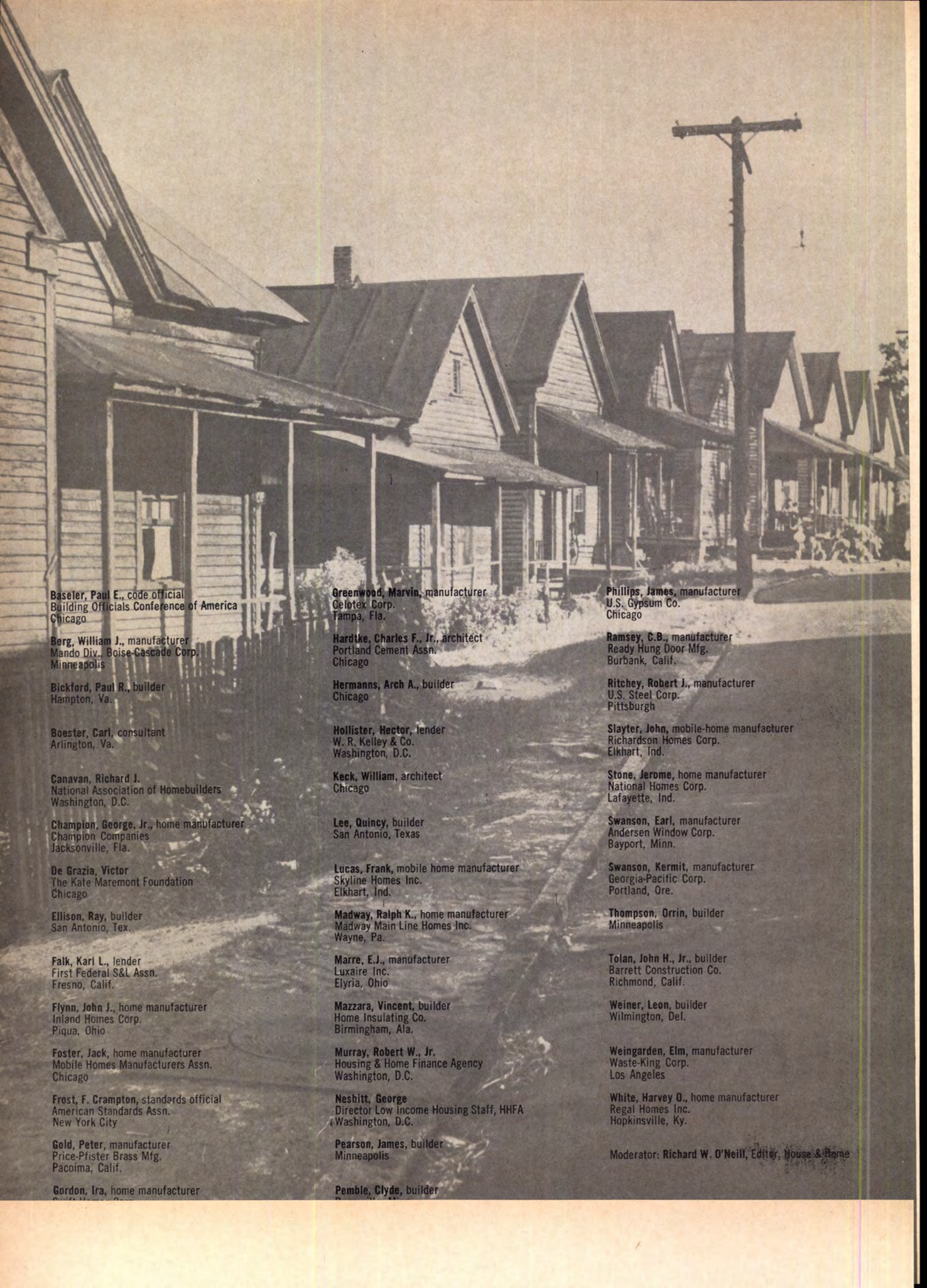
## of attached houses



### Builder Cortese's new project is a showcase of colonial house types

These photos give you a good idea of how he has mixed a variety of authentic colonial designs. From top to bottom: a formal two-story flanked by two lower wings, a hip-roofed two-story linked to an elongated half house, a classic Cape Cod, a two-story, side-entry farmhouse with a one-story wing and a one-story cottage. Big chimneys also house attic vents.





**Baseler, Paul E.**, code official  
Building Officials Conference of America  
Chicago

**Berg, William J.**, manufacturer  
Mando Div., Boise-Cascade Corp.  
Minneapolis

**Bickford, Paul R.**, builder  
Hampton, Va.

**Boester, Carl**, consultant  
Arlington, Va.

**Canavan, Richard J.**  
National Association of Homebuilders  
Washington, D.C.

**Champion, George, Jr.**, home manufacturer  
Champion Companies  
Jacksonville, Fla.

**De Grazia, Victor**  
The Kate Marmont Foundation  
Chicago

**Ellison, Ray**, builder  
San Antonio, Tex.

**Falk, Karl L.**, lender  
First Federal S&L Assn.  
Fresno, Calif.

**Flynn, John J.**, home manufacturer  
Inland Homes Corp.  
Piqua, Ohio

**Foster, Jack**, home manufacturer  
Mobile Homes Manufacturers Assn.  
Chicago

**Frost, F. Crampton**, standards official  
American Standards Assn.  
New York City

**Gold, Peter**, manufacturer  
Price-Pfister Brass Mfg.  
Pacoima, Calif.

**Gordon, Ira**, home manufacturer

**Greenwood, Marvin**, manufacturer  
Celotex Corp.  
Tampa, Fla.

**Hardtke, Charles F., Jr.**, architect  
Portland Cement Assn.  
Chicago

**Hermanns, Arch A.**, builder  
Chicago

**Hollister, Hector**, lender  
W. R. Kelley & Co.  
Washington, D.C.

**Keck, William**, architect  
Chicago

**Lee, Quincy**, builder  
San Antonio, Texas

**Lucas, Frank**, mobile home manufacturer  
Skyline Homes Inc.  
Elkhart, Ind.

**Madway, Ralph K.**, home manufacturer  
Madway Main Line Homes Inc.  
Wayne, Pa.

**Marre, E.J.**, manufacturer  
Luxaire Inc.  
Elyria, Ohio

**Mazzara, Vincent**, builder  
Home Insulating Co.  
Birmingham, Ala.

**Murray, Robert W., Jr.**  
Housing & Home Finance Agency  
Washington, D.C.

**Neshitt, George**  
Director Low Income Housing Staff, HHFA  
Washington, D.C.

**Pearson, James**, builder  
Minneapolis

**Pemble, Clyde**, builder

**Phillips, James**, manufacturer  
U.S. Gypsum Co.  
Chicago

**Ramsey, C.B.**, manufacturer  
Ready Hung Door Mfg.  
Burbank, Calif.

**Ritchey, Robert J.**, manufacturer  
U.S. Steel Corp.  
Pittsburgh

**Slayter, John**, mobile-home manufacturer  
Richardson Homes Corp.  
Elkhart, Ind.

**Stone, Jerome**, home manufacturer  
National Homes Corp.  
Lafayette, Ind.

**Swanson, Earl**, manufacturer  
Andersen Window Corp.  
Bayport, Minn.

**Swanson, Kermit**, manufacturer  
Georgia-Pacific Corp.  
Portland, Ore.

**Thompson, Orrin**, builder  
Minneapolis

**Tolan, John H., Jr.**, builder  
Barrett Construction Co.  
Richmond, Calif.

**Weiner, Leon**, builder  
Wilmington, Del.

**Weingarden, Elm**, manufacturer  
Waste-King Corp.  
Los Angeles

**White, Harvey O.**, home manufacturer  
Regal Homes Inc.  
Hopkinsville, Ky.

Moderator: **Richard W. O'Neill**, Editor, *House & Home*



## ROUNDTABLE REPORT

# How to meet the need for low-income housing

Housing like that on the opposite page is not a rarity in the United States in prosperous 1966. It can be matched in almost every city and town, and in all rural areas, as well. Its very existence shows that many of our fellow citizens are not sharing in our general prosperity, and it also shows that the housing industry has not yet found a way to provide twentieth century housing for a large segment of our potential market.

How large a segment? In the U.S. today, there are over 9 million primary families that have incomes under \$3,000 a year (a primary family is two or more related persons residing together, including a household head). And if we take the Bureau of Labor Statistics' "modest but adequate living" yardstick for a family of four in New York City (\$6,000 a year), we find that there are at least 20 million primary families in the U.S. making less than that.

A look at the housing supply available for this obvious demand shows that there are 11 million substandard dwelling units that lack hot water, plumbing facilities or are otherwise dilapidated. These are not new units that have become rundown—most of them were in existence before 1930. They were bad then, and they're worse now.

The 1965 Housing Act has given the private housing industry a new set of tools to help tap this almost unlimited market. Community-facilities grants, the below-market 221 mortgages, rent supplements and even the \$1.9 billion antipoverty program will all have an effect.

To explore both the problems and the possibilities in the need for low-income housing, HOUSE & HOME brought together 40 of housing's leading venturers into the little-known area of the low-income house buyer or renter. Their findings should be of major importance to everyone in the housing industry who feels we should be housing all Americans, not just the top economic levels.

*For a look at the panel's word-for-word conclusions, turn the page.*

*continued*



# 1

## The new cooperative climate of opinion between the government and the private housing industry will help to build housing for low-income families

*New provisions in the 1965 Housing Act give the private housing industry weapons to attack the market for low-income housing. Builders were consulted by the Administration during the formation of the legislation, and private housing now has a chance to prove that it can make a contribution to the housing of families with limited means.*



**Leon Weiner:** Congress seems determined that this legislation will not be strangled by regulations or foot dragging in the field. They passed it because they want it to work, and we in the housing industry have been challenged to make it work.

**Peter Gold:** Keep in mind the social purposes behind this housing for low-income people, whether or not the building industry can make its customary profit. Unless we meet the challenge, it is going to be met by government or by others.

**Karl Falk:** This new climate is an encouraging sign of public and private cooperation. There are many of us who felt that the public and private sectors in housing have always been compatible. The old doctrinaire positions that prevented the two sec-

tors from working together made no sense then and don't make sense now.

**Clyde Pemble:** Of course we are talking about a gigantic need and initially we will only be able to start small and limited projects. Either we will educate the power structures in all of our cities about the job that has to be done or none of us are going to live long enough to see the job done. Even the \$30 million that will be asked for rent supplements this year will only scratch the surface of the need.

**Elm Weingarden:** We can't talk about these problems taking a generation or two to be solved. We learned this year in Watts that there is an extreme note of urgency to these social problems.

**Bill Berg:** It is obvious that the job is going to be generated only by local pressure. The Administration has gone as far as it can go in authorizing grants and loans for carrying out housing programs, but the real pressure and the burden of getting this job done lies in the cities where the job must be handled locally.

**Ralph Madway:** Somebody has

got to answer the problem. If we don't get off our hands and do something about it and be realistic about the kind of profits we are entitled to, someone else will do something about it. After all, if we don't have anything at stake, what kind of profits are we entitled to in housing projects?



**Pemble:** I have fixed overhead of over a million dollars annually that is very hard to cut down. The social end of these housing programs is a reality. We have to face the social problems, but we can't solve them unless we turn a good profit at the same time. Otherwise we will go out of business.

**Vic De Grazia:** I am associated with a nonprofit foundation founded by a man who said, "business has no business in social welfare. Business is answerable to the stock holders and its job is to make money." There is no more social purpose in this housing act than there is in many other housing programs. The objective is to provide housing for low-income

families, and the only way this can be done under present circumstances is to subsidize these families.



**Marvin Greenwood:** What's wrong with making it possible for responsible builders to build these projects on a cost-plus basis so that they will be assured of a profit?

**Quincy Lee:** I am not in this business just for my health. I am making a profit on 221d3 projects that I consider reasonable. To a degree we do operate on a cost-plus basis.

**Weiner:** I am interested in the low-income market because I am going to sell something to somebody at a profit. But I don't think there is anything to be ashamed of in having my work fulfill a social need.

**Vince Mazzara:** We should remember that we in the housing industry asked for the 1965 Housing Act. The Administration did not cram this down our throats. We asked for the same tools that public housing has.

# 2

## Rent supplements can open up a huge and profitable housing market to private enterprise, if the new program can be made workable

*When Congress is satisfied with the rent-supplement regulations and votes the start-up funds, private builders will be able to make housing available to families they have been unable to reach. Yet the subsidy involved will be far less than it would be for an equal amount of public housing.*

**Weiner:** For many years public housing has not operated well. The rent-supplement program provides an opportunity for us to provide housing for what is probably the single largest market we will ever have. The prob-

lem is that the rent-supplement program right now is a very limited program, and before it's going to become truly effective, it's going to have to be broadened and made far more workable than it is now.

**Falk:** There is some danger in regarding this rent-supplement program as a panacea. Our experience in public housing has shown that there isn't any panacea at all, and I see all kinds of political implications before this thing works. I'm not talking against rent supplements. But I think they should be tried out pretty carefully on an experimental basis before we go into a full-blown crash program and find that we have raised a terrific political storm.



**Robert Murray:** I disagree with that. I think that point of view was defeated in Congress.



This is going to be a full-fledged program from the outset, depending on just how much money we get from Congress.

**George Nesbitt:** Our low-income housing demonstration provided the body of experience for the development of the rent-supplement program. We also tried out the idea of conditional purchase of housing by low-income families. That grew out of the Tulsa program, which was sparked by the local home-builders. People are talking about the risk in housing problem-laden families. There will be more management problems. But we must not confuse all low-income housing with low-income families that are problem laden.

The situation is dismal for many families, but historically in this country we have had people moving up from the low-income level; healthy, upwardly-mobile families, socially and economically. This is where we get our middle class. It's possible, with intelligent selection procedures and good management, to select families that can live in buildings with families who are paying full rent.



**George Champion:** What incentive does the builder have to see that this nonprofit organization or limited dividend operation operates the program successfully?

**Weiner:** Under a nonprofit deal, a builder builds and takes his profit and goes. The nonprofit sponsor is responsible for all the other things, and if you heard the qualifications necessary to become a nonprofit sponsor you would realize that you have to assemble a band of angels. But experience has shown that there are civic-minded people who will operate these nonprofit organizations. In the limited dividend corporation, again the builder builds it and takes his profit. He makes 6% on the cost of the structure. It's a small profit on a continuing basis, but I know an awful lot of apartment houses that don't make much more.

But the fact is that we will be producing units that cost a lot less than public housing units cost now, and the participation of the builders is the opportunity we are looking for.



**Ira Gordon:** In rent supplements and ultimate home ownership, we must think about people making \$50, \$60, \$70 a week, rather than the person making more who can buy his own home. I would assume that the supplement would assist those who are in need of additional income and other necessities of life in addition to their housing assistance.

**Murray:** Our initial income surveys in some markets indicate that no family with a gross income of more than \$6,000 can be getting rent-supplement assistance. If a four-person family can go out locally and find a two bedroom unit for \$60 a month, and nothing less than that, then no family in that area is going to get rent supplements if they have more than \$240 a month income.

The sponsors of the rent-supplement project will get the money directly. The sponsors will themselves pick and choose those people who they will rent to in these projects.

The income limits will vary from market to market. We won't know what these will be in any market until HHFA conducts a market study to determine exactly what a low-income level is in that market, what the demand is and what is the lowest rent level that people can rent for in their market.

No regulation will insist that this program be used to create desegregated housing, no requirements for Negroes and whites to live in the same unit. Units can be built regardless of whether or not there is a workable program in the city or whether or not there is an urban renewal program.

**John Tolan:** The income ceilings of 221d3 do not help develop the best possible nonsegregated project because you need first quality Caucasian families. When you get them, you'll get the best Negro families. When you get the quality Negro and quality white, or nondiscriminatory white, then you're going to have the best possible nonsegregated project. With 221d3 income limits, you begin to thin out this quality of leadership which is so badly needed.



**Lee:** There are a lot of reasons why you can't get builders interested in 221d3. You had better know what you are doing. You have to be a good estimator. You have to know your costs because you have to give FHA your cost breakdown and your payment breakdown if you are using advances. Your attorney is very important in this 221d3. This really resolves itself to know-how and adequate financing. For example, quite often we find that we know more about the program than the local FHA office does.

**Tolan:** There is a profit there. We are on our fourth 221d3 project. On one we tried a rather novel way of handling the management—we had the housing authority manage it. It worked very well. They have the know-how and they are nonprofit and it gave them a bigger spread on their management.

At first, you will take a little bit of a beating and you don't come out quite so well because you are pioneering, but it's been a source of satisfaction to do these jobs.

**De Grazia:** The best way to make rent supplements work in the 221d3 program would be to take them out of all regional offices of FHA and put them into Washington.



**Gold:** But many of the stumbling blocks are not due to the federal government but to the local governments, state, county and city. No matter how often we go to Washington, this really gets down to a local problem and what pressure the builders can bring to bear in their own areas.

**Weiner:** There are problems in the local bureaucracy; I have run into them. But I think that as the program gets used and it

becomes as familiar as the standard FHA program, that this problem will be resolved. The important thing is to begin to use these tools.

I think you have to get Washington into the community, not as a federally imposed program, but as the Department of Agriculture does on a county-by-county basis with the local agricultural agent. We need a local housing agent.

**Nesbitt:** I suspect that something will be happening at the state level which ought to be looked at very carefully. States are taking on some responsibility for urban problems. Maybe some of the things you can't get done at local levels can get done through the state level. For instance, North Carolina has a grant for establishing a housing service to work with the smaller localities in stimulating builders and nonprofit bodies to take on 221d3 jobs.

**Mazzara:** Can we prearrange with FHA to have a 221d3 limited dividend project after five years convert from a rental to condominium? Is there a mechanism?

**Dick Canavan:** Not yet, but the program is relatively new. As soon as you people build more of these, I don't see why we can't do that. But there is a mechanism for spin off on the individual units. But you can't use your 221d3 interest rate.

**Paul Bickford:** There is no guaranteed rent. After an FHA application is made, the hassle begins as to what the rent supplement is going to be.

Basically, FHA processes the case almost backwards for it must first determine what is required for debt service and then figure the loan to make sure it is covered.

Then you have a trial period of roughly six months which consists of reviewing and rehashing the proposed rent supplement. At the end of this period, your maximum rent supplement is fixed for the entire development. Due to the social problems involved, the cost of management would be much higher than normal in housing of this type. When you have to give financial counseling to people at this economic level, it costs money.

Also, you are not going to get a mixing of non-supplemented applicants because a higher operating cost allows a higher rent which exceeds the price offered on the open market. Applicants are not going to pay more to move in with someone who is not paying his full load.

*continued*



# 3

## Older, run-down buildings can be rehabilitated to provide an important volume of low-income housing, if existing roadblocks can be eliminated

*The greatest pool of potential low-income housing lies in the millions of obsolescent structures that can be made into acceptable housing at less cost than new construction. Many small projects have proven this, but some new combination of public powers and private flexibility is still needed.*

**Weiner:** Rehabilitation may be the only way to get the volume of housing units needed for low-income families at the rate they are needed. The policy of destroying existing housing inventory has now been re-examined pretty carefully to see how much of it can be saved. Right now the greatest source of low-income housing is the older house and the conversion of existing large houses and apartments into decent standard housing. I just did a rehabilitation job on 150 houses myself. We bought a company town, a steel town, structurally sound houses about 40 years old. Our profits all hinged on acquiring the property at the right price.

The right price gives you enough latitude in the rehabilitation process to end up with a final product that can reach low-income families. But there is a great public fear about writing down units, especially in an urban renewal area where units can be acquired for \$4,000 or \$5,000 apiece simply because they have been changing hands at that figure. If they are then sold to a developer for rehabilitation for \$1,000, somebody commits political suicide. Now, I submit that that \$1,000 might be a very reasonable figure for that structure before rehabilitation.

Rehabilitation can't be done without some sort of a write-down so that new rental schedules will not be much higher than other current rentals in the area. Through rehabilitation we can produce in a very short period of time a far larger number of units than we can through new construction. But this is probably the toughest area to develop workable, feasible programs. It can provide a supply of low-income housing which cannot be achieved by any kind of new construction, including rent-supplemented projects.

**Murray:** Let me point out that under rent supplements, the project may either be new or rehabilitated existing structures. However, rehabilitation projects must involve rehab amounting to at least one half of the mort-

gaged amount or result in a creation of standard units in a structure previously containing primarily substandard living accommodations.



**De Grazia:** Our foundation owns and is rehabilitating about 1,500 units under the 221d3 program. The average cost of acquisition is about \$4,500; the average rehabilitation is around \$3,500. We end up with a unit about \$8,000, typically, renewed from the ground up. And they rent well. There is a builder profit, too, architectural fees, financing fees and interim financing fees for the mortgage. On one job, two days after completion, we had it 100% occupied, plus a waiting list. We find an enormous number of families who are paying higher rents for units that aren't this good.

New York City has 40,000 of these tenement buildings which must represent close to a million units. You can't tear them all down. Obviously, you have to make a rehab program feasible to save the cities.

But it takes all kinds of angles to do a job. For instance, I am against tax abatement, but in New York on an East Harlem job we are going to get close to 100% tax abatement for ten years to keep the rental level comparable to those the people are now paying. New York is rent controlled and in these units families are paying an average of \$35 a month rent. So to rehabilitate it completely and still keep within striking distance we had to use everything, including tax abatement.

**Weiner:** There still are too

many variables in this thing. What should be the cost of acquisition? If you don't have a federal program, if you try to acquire them conventionally, one by one, you're in trouble. As soon as the other property owners find out what you are doing, the acquisition cost of the units begins to go up.

Next, if you are doing it under a federal program where the government acquires blocks of buildings, you are faced with the question of cost breakdowns. What are the standards for this kind of a thing? It's a completely wide open field and our experiences are limited.

**Gordon:** Could it be done on a scattered unit basis where you have only certain homes that need rehabilitating and not a whole block of homes?

**Weiner:** If you want to go broke, try it that way. You have to move into a fairly concentrated area because the builder and the superintendent have to be experienced beyond the simple operations of new construction. You have to have people who are far more qualified to handle a variety of problems than you do when you are building a new tract.

**Arch Hermanns:** I think you can rehabilitate a scattered lot project providing it is a large enough apartment building. We did this ourselves on a building that cost us \$25,000 for 81 rooms. We could buy it because the city cracked down on all the violations in the building.

The total income operated under slum conditions was \$26,000. We didn't change any of the room sizes or anything else, we just rehabilitated the building as a whole. We spent \$25,000 on rehab. We dropped the rent roll to \$18,000 from \$26,000, and we filled it up immediately with people who lived in the area.

We have no financing because we haven't been able to get a mortgage since it's not in an urban renewal area. If I could get financing, I would be heavily in this field tomorrow morning. I have got a building that cost me \$50,000 with an \$18,000 income, but I can't tie up my capital in property I can't mortgage.



**Canavan:** I'd like to stress the importance of code enforcement in rehabilitation. We are kidding ourselves completely that anything is going to happen in areas that are not urban renewal areas without strong code enforcement. That's the only way you can get slumlords to sell at a reasonable price. They don't want to put thousands into a property, so they'll often sell for a year's rent role. But it's got to be a determined effort. Your conventional lenders are not going into these areas as they might in an urban renewal area. In New York City, the project referred to is an interesting experiment. Already they have got 39 buildings and they are pretty well through with three of them.

There is one financing tool which hasn't been mentioned: the Public Housing Administration indicates they are willing to go along on some scattered house rehabilitation to become public housing units. A private builder would actually acquire single-family housing for a price agreed upon. He would get what amounts to a takeout. He does his own remodeling, and he can buy up these at 20 units a crack.

**Weiner:** There are two choices there: either the builder can buy up properties, which, because of code enforcement, the owners want to get rid of, or PHA will buy these properties and work out a deal with the builder.

**Nesbitt:** In Philadelphia in an area called Queens Village, the citizens themselves have formed a nonprofit corporation to rehabilitate single-family housing. They have picked up 39 single homes and the cost seems to be running around \$2,500. This includes some city-owned tax forfeitures. The rehabilitation costs on the first one are running about \$8,000, but they are having no problem, as of yet, with bidding up the price there because they have got a fairly wide



area and they skip around a bit with their acquisition.

**Dick O'Neill:** But they will find

the next 39 will cost them a good deal more than \$2,500. When Philadelphia's urban rehabilitation effort first started, you

could buy those Father, Son and Holy Ghost buildings for \$4,000 and \$5,000. I don't believe that there is one left in Center City

that you could buy for much less than \$16,000 or \$18,000 today, the exact same building in the exact same condition.

# 4

## Present credit reporting criteria are unrealistic for lower-income families and a barrier to building better housing for them

*When a negative report from a credit jeweler or used-car dealer can make a family ineligible to buy a home, something is wrong with the system. Low-income families should not be judged by the same standards as middle- or upper-income buyers, and credit reports should be more explanatory.*

**Mazzara:** The low-income market is the biggest market we have, but private industry on a private ownership basis cannot house these people, mainly because of our credit reporting systems. In Birmingham, because of the type of credit reporting system we have, we are losing six out of eight possible sales in this low-income bracket.

FHA credit regulations are based on people who earn \$10,000 to \$20,000 and they are applied on the same basis with the same values as the man that earns \$8,000 and under. These two economic individuals are entirely different and they react differently to economic pressures. We are losing buyers every day that we know are good credit risks, just because of these artificial standards. The \$4 credit report is not adequate for a lender to determine whether these people are good credit risks or not. We need a \$25 credit report.



**Hermanns:** So many of these low-income people get suckered into buying stuff at fantastic prices. Take the case of a car that's sold at more than list price—and that often happens. When the man wakes up to the fact that the car isn't worth what he owes on it, he may decide the only way he can get out of it is to give the car back. Then, to get a deficiency judgment off his back, he has to go into bankruptcy and ruin his credit.

**Bickford:** The problem goes back to the fact that there is too much leeway in the state laws,

Merchants selling jewelry, automobiles, clothing, furniture, etc., take advantage of the laws and use the courts as their collection agency. A \$150 gold watch is sold to a low-income individual for a down payment of \$10; Lord only knows how many times that watch gets sold.

A delinquent account allows the merchant to exercise the law in using the court to garnish the man's wages.

**De Grazia:** In Illinois, this last legislative session we just failed to pass a bill requiring a cooling off period on installment contracts so that a person could have 15 days after signing the contract to decide that he didn't want to go through with it. This would have had a tremendous impact on this problem.

**Mazzara:** I have a man who was arrested for grand larceny, that's all that credit report said. FHA just kicked him out. The man actually took his mother's car. He didn't steal it, he borrowed it and went out, but he was arrested and convicted of grand larceny. He was fined \$5 and his mother dropped the case; but FHA turns him down. The credit report does not dig into any mitigating or explanatory circumstances. Of every six cases FHA turns down for me in low income, there are two definitely that are good credit risks, who have good jobs. We check their rent payment records. If they are A-1 and you show it to FHA, then they'll go along with it.

**Nesbitt:** In Gainesville, Fla., 40 of Phil Emmer's 50 families who have been reprocessed by the University of Florida after initial FHA rejection are working out nicely. Repayment experience on the part of these 40 reprocessed families is quite comparable to the repayment experience of 50 other families that were accepted with routine processing.



**Hector Hollister:** Speaking as a mortgage banker, I wouldn't mind seeing the credit reports done away with altogether on low-income people. Don't add to costs by getting a better report which, in my experience, means nothing anyway. What shows up in a credit report has very little bearing on the payment experience that you will find in the person involved. Any investigation of people in that income level probably is meaningless, and any attempt to expand it would not bring out anything that you don't know anyway.

**Falk:** But you have to run a credit check because you are actually lending somebody else's money and your first duty has to be to your depositors. When we get a credit check that is negative, we give the guy a chance to explain it.

The question is whether there's enough income to be able to support the payment along with his past payment record, not necessarily doing away with the credit check or getting an even more intensive one.

**Hollister:** I didn't mean that there should be no credit investigation. What I said was that for people in the low-income bracket the credit reporting system does not tell you what you need to know.

**Murray:** In the rent-supplement program no credit reports are involved. You don't look at a credit report to see whether a guy can qualify to be a tenant.

**Weiner:** The standard for low-income people should be rental or mortgage payment history only. If he made these payments, we'll take the risk. I think you'll find out that that's the kind of

stuff that Phil Emmer has proven. These people turn out to be pretty damn good risks.

**Hermanns:** We have one man who interviews these people. He says, "Do you really want this house? You've given us a deposit. If you don't want the house, we'll give you back this deposit, but if you want the house, you will have to pay off a certain number of your debts and when you bring us back proof of payment, we will process your deal."

You'd be surprised at the number of people that are able to qualify when they are given the facts of life. They actually work hard to do it.

In one development alone, we have already housed 991 of them in a 3½-year period. We've got 150 into the second development and we have 120 more houses sold, just waiting for approvals on them. These people are anxious to get a house.

**De Grazia:** Maybe we ought to look into the proposition: "Can lending institutions charge higher rates of interest for home purchasers where the risk is greater?" and spell it out in the law and allow it.

**Champion:** We did just that in shell housing. We built 5,000 houses in one year designed for low-income people. We could not get any kind of conventional financing for those low-income people. We used consumer financing. We could have built 30,000 houses a year had we been able to set up an organization fast enough to do it.

The market demand is still there. There are untold millions in the Southeast and probably all over the country who are inadequately housed and who would go into a no-down-payment home purchase situation.

But you can't protect a man from himself. If he has in the past bought a ring for \$5,000, or a furnace for \$6,000, he's going to do it again, and there's no way to keep him from the Title 1 boys who come around.

Our collection costs ran about 2% per payment, so therefore, it couldn't be an FHA-insured loan, because nobody could service the

*continued*



loan at 2% collection cost. Although the market is there and it's huge, conventional financing soon became disenchanted.

When you have to collect from this kind of customer, your collection costs go so high that the interest rates you charge must be substantially higher than the interest costs that are charged a man with a reasonable income buying a \$20,000 house. Actually, we took quite a bath in shell houses and had to quickly convert it into another type of operation to cover the big debit that we'd made.



**Weingarten:** Ideally, when a low-income family is going to buy a home, they should get ready maybe a year in advance. There should be some kind of a

class which they can attend and study such things as family budgeting, the significance of the higher prices charged by retail businesses that emphasize credit selling, and all the other ways of extending credit which ruin the possibility of their qualifying for homes.

**Nesbitt:** We have talked in the housing agency about the possibility of a program somewhat along that line. In an urban renewal program or other large-scale government action that involves a lot of family displace-

ment, instead of letting those families sit trembling in fear waiting for the bulldozer, you would advise all who were interested in a program of savings for housing.

**Weiner:** A lot of us have developed our own program of getting low-income families to give us \$10 a week. One of the conditions I have with one of our salesman on a low-income job was that he'd go out and collect a minimum of ten weeks from some buyers and we gave him 5% of his collections.

## 5

### **Rural areas, which contain almost half of all dilapidated units, present a relatively untapped market for housing in the lower price ranges**

*Difficulties in making inspections and limited financing have severely curtailed new housing in smaller towns and rural areas. But an unexploited market awaits the builders who can serve the rural low-income housing market.*

**Harvey White:** The rural market is a big market. Over 50% of substandard dwelling units are rural. It's a market that hasn't been served.

Rural people want to own their homes if we can provide financing. Until now, we haven't been able to, but the passage of the 1965 Housing Act calls for a revolving fund of a \$100 million for loans to be made directly by the Farmers Home Administration. They have two interest rates—one at 5% for low income, which is a limited program, and the other at 5¾% for moderate income, which is virtually unlimited. They have had a direct loan program for a few years at 4%, and although the demand was fantastic, buyers often had to wait six to eighteen months to get a loan. It was a difficult program to work with because of the shortage of funds. Under the new direct loan program, Farmers Home Administration will sell loans in the open market in blocks to investors. They will service the loan and sell it at whatever the market happens to be on the day they sell it. They can hold up to \$100

million in their own portfolio. Fanny May is going to be a secondary backstop for them if they are unable to sell any part of their portfolio. This will mean that the 5¾% loans will be virtually unlimited. Loans can be 100% for a house and a lot, up to 33 years in any town under 5,500 people, if no other financing is available.



**John Flynn:** We should consider what made FHA's 203i unworkable in rural areas. The district office might have to send a man 100 miles to look at a site. Each time you process a single 203i it's like processing a 100-house subdivision. But most of the processing takes place in the lender's office and

not in the FHA office. It's really a problem of the industry knowing how to put a 203i together.



**White:** However, FHA has indicated that they are going to make processing 203i much easier. It could actually be a better program than the Farmers Home Administration, which requires you to provide a set of plans and specifications for their local representative and the customer and then put the job out for bids.

**Champion:** Of course, there are practical problems involved in any rural program. Overhead costs are very high on a scattered lot basis. Getting subcontractors to travel 50 miles is expensive.

**Flynn:** The manufactured house is the answer to that, and you can use mechanical cores.

**White:** We ship our sections finished from the factory. We

get our preliminary inspections on everything right at the plant, and we take only a few hours at the site to finish a house.



**Falk:** The bulk of our loans are in rural areas. We can go out 50 miles and often have someone else do our inspections so one of our loan officers doesn't have to go out. There are certain problems involved: if you get a house back, the resale would be more difficult. But there are several very successful on-your-lot builders in our area who do this with conventional financing up to 80%.

**White:** Well, that would be most unusual in the South. Kentucky has 72 out of 120 counties with no S&L association. Ninety per cent of all deposits in S&Ls in Kentucky are concentrated in three cities. They will rarely go outside the county line, which is really a metropolitan area.

## 6

### **Mobile homes have reached deep into the low-income market with prices and technology that conventional housing has been unable to achieve**

*Even though most mobile-home buyers have limited incomes, the delinquency rate is under 3%. Mobile homes' exemption from*

*the subdivision standards and real estate taxes demanded of conventional housing gives them a marked advantage.*





**Frank Lucas:** In the past three years, while the construction industry in general has slipped, mobile-home shipments have grown over 100%. We are getting low-income families who keep up their payments.



**Jack Foster:** The mobile-house industry in total is growing about 20% each year. Most of our customers have incomes under \$5,000 a year. Yet delinquencies don't amount to very much—only 2.9% of accounts outstanding. But banks generally will not make loans on mobile homes. Finance companies will and that accounts for the high interest rates.

**Champion:** Mobile Homes are our biggest competition in three military towns. We sell to enlisted men whose incomes range from \$450 to \$550 a month. Almost invariably they are moving out of a mobile home. We take their mobile home in trade, sometimes, and resell them readily. The mobile-home payments run from \$65 to \$85 a

month, depending on how large they are. Lot payments for water and sewer and electricity run from \$12 to \$22 a month. So the service man who is subject to transfer can move into a mobile home and his housing costs run from \$77 to \$105 a month, depending on the kind of facility he gets. And he can get a no-money-down mobile home. They get the down payment from a small loan company and take add-on contract financing for the balance of it.

**Pemble:** Mobile homes have eliminated a great many problems that the homebuilder faces. They get density and excellent coverage of utilities per acre.



**John Slayter:** Add to that the fact that a mobile home never need become a liability to the land. In first-class parks, three- and four-year-old homes are pulled out and relocated on the back end of the park and a new up-to-date home goes in on that prime parking place. So you have this gravitation of old homes moving back into the park, to less desirable parts.

They also have a great depreciation factor. A seven-year-old mobile home in good shape can be purchased for as little as \$1,200. It can be refurbished to first-class condition for another \$600. On a \$30 lot we then have first-class housing for \$68 a month with a legitimate profit

for everybody and no subsidy from anyone.

**Bickford:** Don't forget all the other costs that get thrown in on a house. You buy a piece of raw land and have the title searched, then you subdivide the land and each time you sell a lot there's another title search.



**C. B. Ramsey:** To that add requirements for street improvements, which are usually excessive, and which none of the trailer parks in the area are forced to provide.

**White:** We ought to take a tip from the mobile-home industry. Instead of trying to house people on high-cost land in the larger cities, we should go out to the suburbs where a good many trailer parks already are. And we ought to serve this market as they do. If you walk onto a mobile-home lot, have a decent job and your credit is good, they will deliver you a mobile home the next morning. I don't say we can move this fast in low-cost housing, but people today buy houses like they get haircuts, and they don't want to wait six months.

**De Grazia:** There's another lesson, too. Many of our disqualifications and foreclosures occur because low-income families buy all their furnishings on credit and get taken. A mobile home leaves

them with nothing else to buy for their home.



**Bickford:** But one of the greatest edges a mobile-home manufacturer has is the absence of strict code requirements that most of us face.

**Slayter:** I disagree. Mobile-home manufacturing costs are the same as they are for a manufactured house built in a plant—about \$4 a sq. ft.

**Weiner:** Yes, but you try to build a 10'-wide townhouse anywhere, and sell it today.



**Paul Baseler:** But the Mobile Home Manufacturers Association has established standards that measure up to the standards contained in building codes for minimum room size. There is a slight difference in the habitable room size, a difference of only 2"; and a slight difference in light and ventilation. The mobile home is being built to standards of the housing industry.

# 7

## Zoning has been used as a weapon by many communities to prevent low-income housing or to restrict it to the least desirable locations

*No breakthrough in new low-income programs will mean much if zoning forbids the densities that low-cost housing must have. Government grants for utilities and community facilities, and equitable assessments on vacant land may bring much acreage onto the market at prices that permit low-cost housing.*

**Mazzara:** Four years ago we fought for townhouse zoning in Birmingham. It was our only chance to build in the urban renewal area, but I had an entire church congregation against it because we wanted to change the zoning. The urban renewal peo-

ple supported me, but when they saw 500 people against me, they left zoning as it was.

I don't think that they should put zoning on an urban renewal area until the developers who are actually going to develop it get into the area.

**Weiner:** There is no question that zoning in many communities is a major obstacle to producing low-income housing. Community after community doesn't want the problem of low tax rateables or the supposed larger numbers of children in low-income families. You ought to go to a zoning hearing when somebody proposes low-income housing—it's an uphill fight and you will frequently find that the homebuilder is the community's most socially conscious person.



**Orrin Thompson:** That's right. Everyone else at the hearing says in effect, "We don't want low-

*continued*



income housing in our area." So they simply zone you out of such housing by increasing lot sizes.

**Weiner:** We would do a lot better without zoning anywhere in the country than with the kind of protection that zoning has supposedly given us to develop in an orderly fashion. Let's not kid ourselves, zoning based on the "public interest" really protects the rights of those who came first.

But things may begin to change under a new series of grants in the 1965 Housing Act. These grants have been developed to help communities develop sewage systems, water systems and other community facilities. This will bring great amounts of acreage to the market.

**O'Neill:** There is a good deal of federal muscle in those grants. Nobody is going to get a federal grant after June of 1968 unless he has a workable regional plan. And today there is only one workable regional plan in the U.S. with any teeth in it, and that is in the Saugatuck Valley in Connecticut.

**Falk:** Of course, a basic problem is our land costs. In South Africa the subsidy for low-income housing occurs first in the form of the land and its development. But from there on the buyer pays regular economic rent.

**Madway:** By subsidizing the land you really inflate the value. Remember we are not talking about low-cost housing,

but housing for low-income families. These people must be housed within the metropolitan areas, whether they are large cities or small cities. The land basically has to be written down.

**Hollister:** In Puerto Rico the government designates areas for low-cost housing; then they condemn the land, buy it, and resell to builders who build the type of housing they want.



**Mazzara:** Urban renewal land is usually bought at high prices. In Washington they paid something like \$1.50, even higher, a sq. ft. In Birmingham we are paying between 22¢ and 35¢ a sq. ft. Even so, if we are asked to build low-income housing, this urban renewal area should be the place for it.

**Nesbitt:** Section 107 of the Act of 1949 allows for this. It permits sales pricing for the land based on value for the lower priced housing instead of the highest and best used in accordance with the renewal plan.

**Weiner:** Of course our land prices would come down if we had more reasonable tax policies.

The fair market value of vacant land gets taxed on a basis as low as 1/10 of 1% of its value. This is obviously inequitable and encourages owners to keep land off the market. I do not think subsidizing the cost of land is the answer. It will only tend to inflate the price of land.

**Champion:** In Jacksonville we are now going through a re-evaluation, and they are making every attempt to put fair market value on every piece of property. As a result, land that stood vacant for a long period of time with a land owner holding out is now coming on the market. They are putting \$3,000 or \$4,000 tax bills on a piece of vacant land and its had a very dramatic effect.



**O'Neill:** There's the problem of the tax load of low-income families. All the studies I can find show they are less expensive to add to a community than upper-income families because the cost of community facilities per family unit is a lot lower with low-income, high-density than it is with high-income low-density. It costs more to police, light, sewer and water four acre lots than it

does a block where you might have sixty to an acre.

**Tolan:** New structures take a whale of a tax beating in California. All the gains Congress seeks to make with 3% loans, 40-year term, rent supplements, etc., can and will be lost in many states to hungry local taxing bodies. Three cities (Napa, Fairfield, Newark) are slapping on new construction or bedroom taxes in the San Francisco Bay Area. Richmond and Santa Barbara, Calif., recently tried to pass a real property transfer tax—1% on all real estate sales in excess of \$15,000. As a "builder-seller" of a \$6,300,000 section 221d3 to a nonprofit sponsor, we would owe the City of Richmond \$61,850 in taxes before the improvements were even entered on the assessment rolls. Such a charge would kill most 221d3 developments before commitment.



**Carl Boester:** New York has had several tax abatement measures. Some buildings have a 35% abatement to get middle-income families back into the city. Why couldn't the 35% be 65% to reach a lower-income level?

## 8

### **Rising labor costs in housing can be countered only by better management, increased automation and labor-cutting product innovations**

*There will be no lowering of wage rates in the foreseeable future, and indeed, skilled building tradesmen may be in short supply. But many building operations have actually lowered labor costs with new machinery and products that cut on-site man hours.*

**Bill Keck:** What can be done, if anything, to improve productivity and to cut down the increasing specialization of labor? What happened to the old jack-of-all-trades who could do more than just one thing?

I am not talking about cutting wages. What I want to see is an increase in production. Perhaps the only way to get more production is to pay a guy more to use new technology and more machinery. Do you remember when carpenters were hollering like the devil about using Skil-Saws in place of a hand saw?

**O'Neill:** I also think this industry is kidding itself if it thinks it is going to cut labor rates. I think that labor cost is a management problem and good managers in the housing industry have cut their building costs.

The only definitive study on housing labor costs is NAHB's and it shows they have dropped 12% on the last decade. However, there is one way to get around high hourly wages. In about seven cities in the U.S., there are two wage rates for carpenters — one for residential, where the builders can guarantee

a 50-week year, and one for commercial. The residential carpenters are about \$1 less an hour because the work year can be guaranteed. These wage rates were negotiated by homebuilders.



**Madway:** I think it would be unrealistic to think that a bricklayer would lay more than x number of bricks a day, regard-

less of how much you paid him. But we have improved production by using jumbo bricks. At one time, we used rock lathe and plaster. Now we use 4'x8' sheets of drywall—in that way reducing costs.

There is a third rate on carpenters in our area and that is in-plant union rates. There has been a gradual transfer of work into the plant. Many years ago, we used to ship windows, glass and weatherstripping separately. These were then assembled and installed on the site. Today, practically all builders buy windows already assembled.

In Philadelphia, where we do high-rise buildings as well as houses, we get concrete installed in high-rise at lower prices than we used to get five years ago,



regardless of the fact that the labor rate has gone up. What have we done? We have put tremendous cranes on a job and where we used to use manual buggies, we now use gasoline buggies. So we hold down labor costs with capital investments.

**O'Neill:** The only study I know of that compares union rates with nonunion rates in housing is a study done by an economist at Michigan State University. He showed that the cost of identical houses in Ann Arbor, Mich. (union) and Bay City (non-union) were about the same. Wage rates were higher in the union area, but subcontractors had more skilled journeymen at these higher wage rates and they brought in the same houses at cheaper prices in the union area in Ann Arbor than they did in Bay City. Stiffer competition for higher wages had forced out inefficient journeymen.

**Weiner:** I have built in Philadelphia where we were operating 100% union and in Wilmington where we operate 100% non-union. For almost the identical house, the difference in the cost

of labor and materials was within \$100 on a \$9,000 cost.

The union labor we were getting in Philadelphia was far more productive, far more efficient and effective than our non-union men fresh from rural areas. A lot of guys working non-union in the Wilmington area, once they became pretty skilled, would gravitate toward the union rates in Philadelphia. But if you introduce union rates in an unskilled area, you won't get high production—that takes years of competition—you'll get high costs.

Also prevailing wage rates should distinguish between light residential and heavy construction. In Washington, D.C., for example, garden apartment construction—under prevailing wage rates for high-rise skills—can only serve the luxury market. The Public Housing Authority in Dover, Del., has been unable to get bids within range of their estimates. Bids have been 30% and 40% higher as a result.

Finally, I believe that there is a real skilled labor shortage. Many of the unions have not been training new men in the trades or permitting them to

come in. I think the unions have prevented us from tapping a large supply of Negro labor for the construction trades.

**Hermanns:** Well, there's another side to that. We have tried and tried to keep apprentices. The apprentice starts at, say, \$1.75 an hour. He is a young man. His buddy is over here pushing a wheelbarrow for \$3.50, the common labor rate. His buddy buys a car. He can't buy a car with his \$1.75. The first thing you know he will come in and say "How about putting me on the laborers job?"

This is your problem. It is not the union, it is the men.



**Berg:** We feel that we are going to have to live with a con-

tinually increasing shortage of craftsmen, and here is the opportunity for the innovators to invent better systems. We do have to develop systems rather than products, and systems that, in the field, are idiot-proof.

**O'Neill:** You know the Department of Labor tried to figure out how much labor is involved on-site in production of a \$15,000 house and they came up with the figure of 22% of the cost of the house. I think that in the housing industry, among the real professionals, the figure runs from 20% to 30% in labor.

In mobile homes, which are completely finished when they leave the plant, they have got a less than 10% labor figure, and manufactured homes, the shell, as it leaves the plant, only has 7% in the labor.

**Falk:** I don't think we should complain too much about productivity. Going back over nine years in Europe and watching those guys build houses, I can tell you that we are much better in terms of systems and productivity. And we are building an infinitely better house.

## 9

### **Standardization, and repetitive house design, are often resisted most strongly by the very families who most need the economies of standardization**

*Whether low-income families will buy housing priced within their means if that housing looks stripped-down and repetitive is a serious question. However, this resistance to standardization doesn't occur if the housing is for rent. Builders must decide whether money spent inside or outside the house will be more effective.*

**Gordon:** If we could produce a house of one style and one size and could sell it to the national market, we would do it, because certainly it would be cheaper to build a standard product. But unfortunately, regardless of price, people want to have a house that looks a little bit different and this is our biggest problem.

**Flynn:** We probably have about 400 designs we could produce to sell for less than \$10,000 or \$7,000 to \$8,000 without lots. The problem is not producing the house, but understanding the market. We have found that just because there happens to be a lot of people in an area making \$4,000 to \$6,000, this doesn't mean they are going to buy a \$10,000 house, even if you put up a very fine house.

**Weiner:** I agree. I wouldn't touch any standardized mass-produced houses with a ten-foot

pole. I couldn't make any money on it. I'd be thrown out of town. They'd stone me. I'd have just created the future slums of America.



**Keck:** We'd be creating, in this case, the best housing in the Negro section.

**Weiner:** That's all right. Builders did this in our community too, and their names are mud. Their community is not bad looking and certainly in my opinion

was a tremendous contribution needed at the time. This builder in my own town built houses for \$9,900. He was giving them 1,200-sq.-ft., air conditioning, three bedrooms and a storage room outside. They were townhouses, pretty well designed. And he has been on the verge of bankruptcy now for the last three years.

It turned into a 100% Negro community. But many Negro buyers didn't want it. They said: "We don't want to live in a community where everything looks the same all over." The public image of the repetitive type of housing, no matter how low cost it may be, no matter how good a value it may be, will stop them from buying this kind of housing. Public housing has, in many instances, tried to design the simplest kind of construction, and they ended up paying twice as much a sq. ft. as private industry could have produced it for. But the fact remains—I do not think our markets will go for it.

**Keck:** I disagree with you entirely. I think there is a market for standardized housing units

and I think we need them. We developed a building system using flat plates of steel bent to rigidity that could form the structural walls and roof of a house at a low cost. The system is standardized, but the houses do not have to be.

**De Grazia:** You keep thinking of it as sales housing, Leon. I am not so sure this is the key to the market we are talking about. I would bet there are community organizations that would work with the builder from the very beginning to develop rental housing in their area.

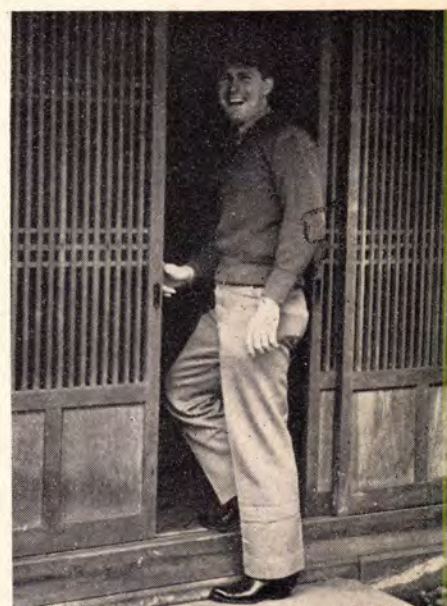
**Hermanns:** As a builder, I disagree with a lot of you people, but I will go along with Leon. In Chicago we built the Golden Gate subdivision with \$4,500 lots right along side of a 2,300-unit public housing project. We started out with the idea of getting down into this lower bracket. We built a duplex party-wall house, side drives, three bedrooms, the works, including appliances for \$13,500. We built 120 of them, and I am telling you, I wound up with so much paper it would make your head

*continued on page 104*





With his sister, Virginia, in Monroe, La.



A state department advisor in Japan, 1946

## Larry Blackmon:

*Cont*





His first built-for-sale housing in Mineral Wells



A break from roundup riding and roping



Pilot Blackmon with Kathryn and Anne



A pair of to-be Presidents before they made it



On the Parade of Homes circuit, Chicago



A friend's handshake at the White House

## NAHB's president promises to 'make our new tools work'

Incoming NAHB presidents usually have a pet project to which they give highest priority. But Larry Blackmon, 43, of Fort Worth, Tex., has adopted his predecessor's: a uniform building code.

Carrying forward the campaign that Perry Willits began, Blackmon hopes to focus national attention on correcting practices and standards that add nothing to the public health and welfare, but a great deal to building costs.

"When the public, as well as all manufacturers of building products and materials, realizes that a uniform building code is in the public interest, it will come. I hope to speed that day."

NAHB's new president admits that he "doesn't like to stay hitched in one place too long." For years he has spent only 25% of his time on his own business and

75% in community or industry service. His philosophy: "Some give time, some give money, some give both. But we all owe something to our nation, our community and our industry."

The two days a week he does give to Blackmon Enterprises are usually 20-hour days, so "I put in the same 40 hours as most businessmen." Easterners especially are shaken by a casual suggestion to "meet at 7 a.m. and talk it over at breakfast."

Some of Blackmon's reserve (he's a truly quiet Texan) comes from a lifetime of political work—putting forward his candidates rather than himself. He is a protégé of the late Sam Rayburn and has been working for the political fortunes of Fellow-Texan Lyndon Johnson since 1941. Says Blackmon: "I was only 23, and I felt Mr. Johnson represented youth and

the wave of the future, so I threw in with his campaigns."

Blackmon's background is heavily a financial one. He majored in economics and banking at Texas A&M and worked as a financial advisor to the State Department in the Far East after World War II.

The Blackmon family (wife, Anne, and daughter, Kathryn) live on a 640-acre ranch on the outskirts of Fort Worth, with a beautiful view of the city to the east.

He loves the housing legislation arena, and says, "It's easy to sell housing legislation because it's in the public interest as well as the industry's." He has great hopes for rent supplements, because "they will bring together people of varying income levels, and hopefully, they may promote better social attitudes among lower-income families who better their housing."

*continued*



## How Larry Blackmon feels about 21 key housing questions

*What is the single biggest problem facing housing in 1966?*

It is to develop workable programs to create more and better housing for all Americans, using the tools provided by the 1965 Housing Act.

*As NAHB president, what do you hope to do toward accomplishing this?*

I hope to get homebuilders to attack simultaneously the job of selling even better housing to middle- and high-income families, who can spend more to achieve a better way of life, and the undone task of housing low-income families through private enterprise.

*What remaining housing legislation would you like Congress to pass next session?*

None, right now. Once we get the rent-supplement appropriation, we'll have all we can do to put 1965's new programs into action.

*Who should get the most credit for the new relationship between NAHB, the Congress and the Administration?*

I think the tone that President Johnson set was wonderful. He made it plain that any idea that promised to help solve the nation's housing problems would get an interested hearing.

*What is the main obstacle to building for the low-income market? What promises most?*

Our efforts could be hamstrung by any half-hearted administration and processing of the new programs. Conversely, rent supplements alone could encourage as many as 250,000 extra units.

*What good effects could land loan insurance bring?*

Whether it would affect land price inflation is debatable, but it could be a useful vehicle for creating a total environment that would be impossible without this financial aid.

*How can NAHB persuade local communities to accept better land planning?*

We have a whole array of films, slides, and factual data for communities interested in learning the latest developments in land planning. I will ask all of our locals to show this material to public officials and civic groups to gain their vital support.

*Would you urge stricter standards for the Registered Builder program?*

We should first consolidate the excellent job that has been started. When the program is established nationwide, we can determine if it needs tougher regulations.

*What is the greatest strength of the 350 local associations? Their weakest point?*

The very fact that we are organized in 350 communities is a great asset in bringing our national problems in focus at a grass-roots level. If there is any weakness, it is in developing the management of the local associations to take advantage of all programs and assistance available to them.

*Do you look for more state associations, and how important are they?*

There should probably be one in every state, because we have learned the importance of state legislation. Too often, our work on a national level has been made ineffective by lack of action on the state or local level.

*Should NAHB's presidency be longer than one year, and would a longer term be attractive to upcoming potential officers?*

No. It would be too long and hard, and we have too many good men coming up, who might otherwise not work for NAHB and this post if we cut their chance to serve in this office. Along these lines, I feel that the years of training our officers get on their way up the ladder enables the president to do a better job during his term of office.

*What about better liaison with leaders of other housing organizations?*

I'm for it. In November I met informally with the incoming presidents of all housing groups, and I hope we can have repeat meetings like this with our entire Executive Committee at the Housing Center.

*Do you have any plans to attract and hold good local executive officers?*

We're hoping to work out some sort of a retirement plan for these key people under a national program. We will continue to urge that locals hire the most able executive officers they can.

*What role do you think associate members should play in NAHB?*

Their support and advice is invaluable, and some locals include them on their boards of directors. And of course, the Industry Advisory Committee of the Housing Center has been a mountain of strength to the national officers and the executive committee.

*What role should NAHB take toward broad controversial legislation where membership opinion is divided?*

Even at the risk of not always being popular, we have a responsibility to speak up for what is best for the in-

dustry. But we must be careful that we do not get our personal emotions and biases involved, but only the policies and ambitions of NAHB.

*What can homebuilders learn from mobile-home manufacturers?*

Their sales reflect the increasing mobility of the American family and the need for our product to appeal to that mobility. By the way, I was a partner in a Ft. Worth company that built ten mobile homes a day.

*What accounts for the growing volume of mobile home sales?*

There is a dual standard in building codes that gives them an advantage. There should be a single code for all housing, and if the plumbing, wiring, etc., of a mobile home is acceptable, then the same rules should govern us. Also, most local tax policies enable mobile homes to escape their proper share of community costs.

*How about the market for housing in small towns and small cities?*

This has always been one of our soundest markets, but it has been hamstrung by the limited financing available in such communities. Foreclosures have been almost nonexistent, and I think there is still a huge unmet need for small town housing.

*What about rehabilitation's role in housing low-income families?*

We still don't have the tools we need in financing and flexibility to attack the gray areas in our housing inventory before they become slums. We hope to develop such tools and to persuade the President to expand his housing program to include more attention to these gray areas.

*What do you consider your most successful housing project?*

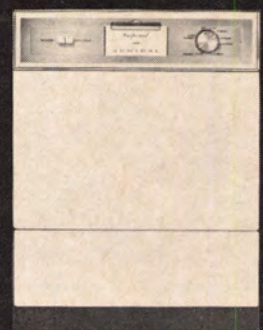
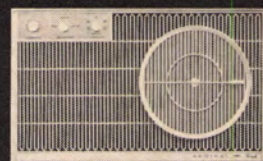
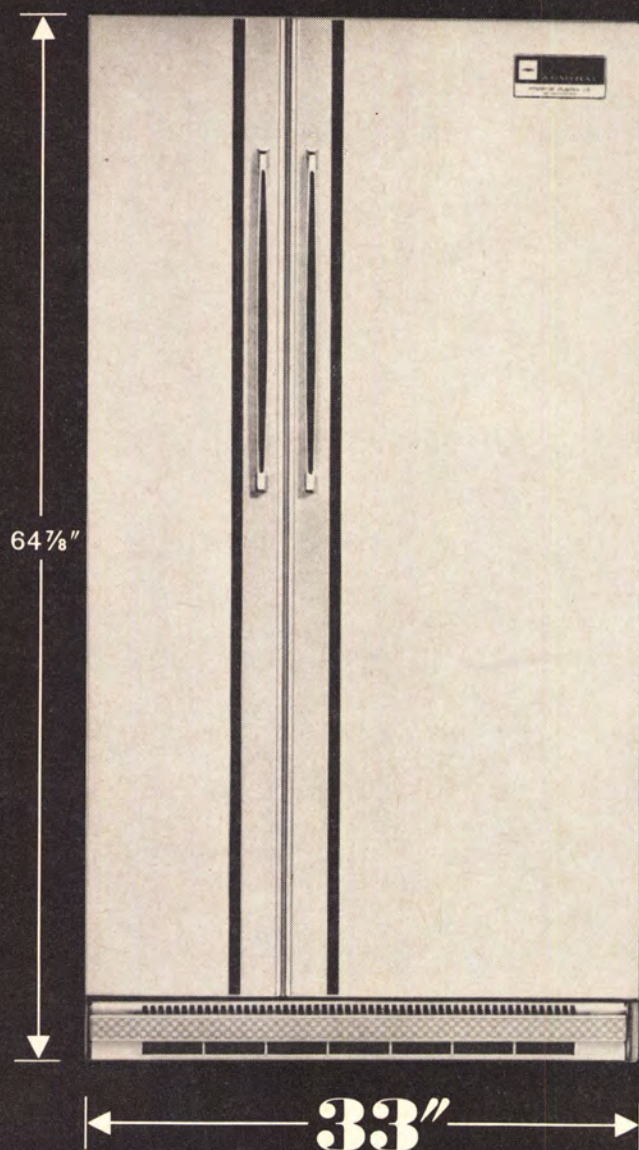
My Milagro Hills subdivision in El Paso is a 320-acre project, and I am just finishing up the last of 1,500 houses. We started selling at \$14,000 to \$16,500, and when we finished, our houses were \$19,500 to \$25,000.

*How would you define NAHB's attitude going into 1966?*

Builders are anxious to prove that rent supplements can work in getting housing for lower-income families. The 221 experiment in below-market interest rate housing has gotten off to a fine start and will continue to grow. We are enthusiastic to carry out all of the promise of the 1965 Housing Act provisions.



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**James Huff, Parkersburg, W. Va.:**  
"When homes feature electric heat, selling them fast is no problem."



**Bob Appel, North Aurora, Ill.:**  
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"Buyer response has proved our choice of electric heat correct."



**Jacob E. Seip and Asher Seip, Jr., Easton, Pa.:** "We're in business to sell homes, and electric heat does!"



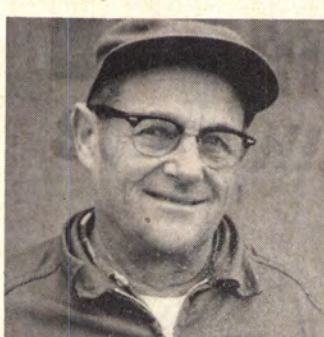
**Harry Slack, Southern California:**  
"I use electric heat now because my customers prefer it."



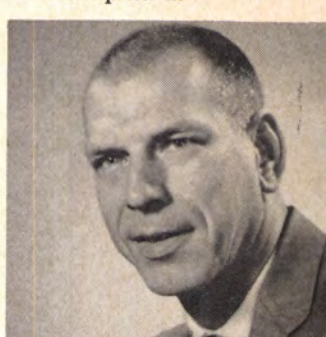
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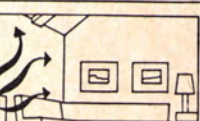
**Sidney Yetter, Greenfield, Mass.:**  
"Electric heat is a big plus when you talk with prospects."



**Donald Croy, Findlay, Ohio:** "Demand for homes with electric heat is growing here every day."

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swim. We lived through it, but we sweated. People thought it was too much like the public housing they were coming out of.

We got whatever financing we could. We took savings and loan mortgages, selling them on contract and carrying the paper ourselves. We switched because we found that the market would not buy them. This was minority housing right along side of a 2,300-unit housing project.

**Mazzara:** I think I have one of the most unique subdivisions in the country. It has \$8,900 houses and \$25,000 houses, and I am completing a \$28,000 house in the next two or three weeks. The point is that if you build a cheap house, even the people that can only afford that cheap house are not going to buy it.

I thought Leon's project in Wilmington was a wonderful thing, and I got real keen on townhouses and fought the City of Birmingham bureaucracy for years to get townhouse legislation in Birmingham so I could build townhouses. I have built only three units, and I tell you now, based on the experience of those three units, I wouldn't

build townhouses for sale in Birmingham for the next 50 years. I will, however, build them on the rental basis, if I can get them downtown.

**Tolan:** Even though we are marketing attached, semi-attached and detached one- and two-story homes mixed with duplexes and triplexes—and with house prices ranging from \$14,500 to \$28,000—all in the same development, now and then a fellow comes up and starts criticizing us for lack of variety. Most of these people who yack about variety are driving Volkswagens.

If you listened to them, you would wind up with a cacophony of color, dissonance in architectural detail and no economies in labor and material due to repetitive production.

No, what these people seem to look for is enrichment of the exterior, and they overlook the fact that we have put this money inside the house, in quality floor plans, adequate storage, privacy zones, efficient traffic patterns, and top quality mechanical, electrical and structural components. Maybe we are making a mistake. We are trying to put repetitive

houses in redevelopment areas in many cities where local leaders are very sensitive to exterior architectural detail.



**Chuck Hardtke:** Getting back to the acceptance of repetitive housing, I think that we can do a lot with proper site planning, proper landscaping, not necessarily costly things, but interesting design that will stay within the limits of low-cost housing. Good design of the structures, surrounding site and landscaping will produce desirable repetitive low-cost housing.

**De Grazia:** We are talking about lower-middle-income Negroes and these families have strong middle-class values. They are much more rigid, studies have

shown, in their middle-class values than middle-class whites and want, therefore, better exteriors. They want the things that give them the feeling of belonging to the middle class.

**Weiner:** But to deal with the sales unit, come back to the \$11,000 house we were talking about with buyer incomes of \$4,200 to \$4,500. I submit that this is just at the top level of the public housing units in our town, and we are talking about a fairly large market. The aspirations of the low-income families for status is very great, and I think if we underestimate it, we are making the most critical mistake we have ever made. We ought to understand that market.

I think there is also a danger in the rent-supplement program, and some of the 221d3s if we produce sterile types of buildings. Repetitive housing might be so standardized that we will have to face tremendous criticism from the community. I think we are going to find public officials saying, "we don't object to poor people, we just object to the low cost or the design, or whatever it is that produced the sterility."

# 10

## Whether sold or rented, a low-income project needs management skills, and tenant families must become involved in operation and maintenance

*Homeowners' or tenants' associations are rare in lower-income projects, chiefly because few of these families have the management skills needed. But limited experiences show that a strong, confident manager can organize and use a tenants' council to help accomplish mutual goals.*

**O'Neill:** Is there any experience in homeowner associations in low-income groups?

**Nesbitt:** No, Byron Hanke of FHA, who has been working in this area for a long time, now says we don't really have too much low-income experience with homeowner associations. There are two or three projects, but no more than that, with homeowner associations at low-income levels. He says that this is where there is a more critical need for it. Besides, if you stop to think of it, you recognize that the organization to take care of the common area could also be used beyond that immediate purpose. It could also serve as a context for teaching people how to budget housing, maintain it properly, repair it, and all such things, so you could get more out of the same device. And I think we in the Housing Agency

would be very interested in making several grants in this area to see what kind of accomplishment can be encouraged.

**O'Neill:** Isn't there any kind of experience in public housing associations of any kind? They must have many of the same problems of maintenance, damage, vandalism, and such.

**Nesbitt:** There is related experience, of course, in low-rent public housing. This is through the so-called "tenants associations." There was a period when alert public housing management, concerned about people as well as about the rents, tried to develop these tenant associations. Some people concluded that when you had a good strong effective manager, he wasn't afraid of a tenants association because he knew how to use it. The same people felt that if you had a

weak manager, he was scared to death of them, and I think this is the concept that we are really dealing with here. If you are really afraid of these people and you see them only as helpless, beaten and laden with problems, then it seems to me you would be afraid of homeowners associations. But if you felt that they had any positive values, if they had strength in them, you would be looking for a device which would let you bring these positive aspects to the fore and make use of them. It seems to me that tenants associations would enable management of 221d3 rent-supplement housing to join with the tenants and get them aware of how to maintain the property, to pay their rents properly, and so on.

**O'Neill:** George, would you underwrite a feasibility study of such groups?

**Nesbitt:** Yes, except that I think we ought to understand that under our program, we can't do what are simply studies. We can only do demonstrations. The Congress expects any study that

goes on with our program's money to accompany the actual provision of housing for low-income families. If a non-profit corporation is doing a 221d3 rent-supplement job and wants it set up this way, then to the extent that mortgage money won't cover the cost, we could come in and provide the money for the recording of what happens, its analysis and the publication of a report on it.

**Canavan:** It is true that the FHA study was unable to identify any low-income projects with property owners associations. I think the question of maintenance is most important, because no matter what the ownership might be, good housing will not result unless the units and the community are well maintained.

In a 221d3 rental project, the project management will have to look to the tenants for help in maintaining a level of maintenance, to control expenses and to permit management the time to deal with the other specialized problems in this type of operation.

I have long felt, as a follow-

*continued on p. 106*



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up to the ULI study on property owners associations, that it would be desirable to set up some sort of clearing house for the exchange of ideas and experience by property owners associations.

The problem in these low-income projects would develop from the fewer residents who could take on the management responsibility of the association. Such a clearing house, therefore, would provide continued assistance to these persons.

**Hardtke:** We spoke yesterday about perhaps encouraging the U.S. Savings and Loan League to sponsor a school to teach low-income families how to manage their money better before they

moved into these low-cost housing projects. I think we could probably take that educational process one step further right at that point and teach them how to live in one of these projects.



**Tolan:** The organization and function of a tenants association is full of imponderables. We

badly need a Vic De Grazia as consultant to the industry and government. We need his thinking, his foundation's experience and his warning on the risks involved in this social and financial exposure. We need tenant's association's in 221d3s to hold operating costs in check.

**De Grazia:** We call ours "building clubs" rather than tenants associations or tenants councils, which was the name we had originally suggested. We start off after we purchase the building prior to rehabilitation. First, we take the FHA commitment and our figures and we make up a big chart. We call all the tenants together to a coffee and cake

meeting and show them everything that goes into the financing of it and how much rent we are going to have to collect, where this rent goes to, and the reserves, everything. We go through the whole thing with them. This is an amazing experience to tenants and they really respond to it.

After the building is rehabilitated, we try to think what we can provide in the way of services. We talk about establishing credit unions, buying clubs, even simple things like buying a subscription to *The Consumers Report* so that anybody contemplating buying an appliance of some kind can study the recommendations.

# 11

## Scientific research in technology, marketing and consumer requirements is needed if housing is to take the low-income market seriously

*A tremendous amount of research is being done constantly on housing problems, but there is no central clearing house for the resulting conclusions. Graduate students could be persuaded to investigate many housing problems, if our industry would just suggest the topics to be explored.*

**Tolan:** It is ridiculous to expect the country to shift into higher gear in the production of low-income housing, no matter how aggressive their programs, without basic research.

Now, the University of California President's Real Estate Advisory Committee, upon which I have served with other industry representatives for the last three years, budgets and advises on the organization of the University's work at University of California (Berkeley) and U.C.L.A. (Los Angeles). With an average outlay of \$180,000 to \$200,000 a year on basic real estate research, California has the largest and best program anywhere. Bob, what about the federal program? Didn't HHFA get \$10 million for research in the 1964 act?

**Murray:** We didn't get it appropriated. This year we got about \$75,000 for basic research.



**Nesbitt:** In the low-income housing demonstration program

we are finding state interest in low-income housing demonstration grants. The states want to undertake experimental projects and are beginning to develop state housing programs. There seems to be a shifting of what the role of the state is and along with it the emerging establishment of state housing agencies of a gap-filling and stimulating nature.

North Carolina has a demonstration program on its way. Pennsylvania and California have also. Massachusetts has a special commission that has made a study and introduced a legislative program on low-income housing, so that I think the states are beginning to respond more to urban problems perhaps because of redistribution of power in the state legislatures.

**Ramsey:** The idea of local research is a splendid thing and I am convinced nationwide there is almost none.

We have many people in southern California who contend that they have good market research studies, but I noticed mechanics' liens were filed on 80% of the notices of completion in a recent period. This in itself is evidence that there was no market research. The most dangerous thing that an individual company can do is to use poor research. But we concretely need a tremendous amount of market re-

search at the local level dealing with specific community problems.

**Weiner:** I think there needs to be some kind of a coordinated committee that can function to pull together many of the academic studies, many of the foundation grants that have been given in the area, many of the manufacturers grants and many of the other things being done. A man like Nat Rogg at the Housing Center, our staff vice president and chief economist is that kind of clearing house and that kind of guy. I would urge any of you who are doing these programs to let Nat know about them.

**Murray:** Well, one side benefit of rent supplementation legislation is that the federal government is going to have to do a heck of a lot more and better market research than it's ever done in the past. We have tried to increase the amount of market research we have done.

But we have done much—public housing has had to do some market studies, though these have not been very thorough. Urban renewal has to make some market studies because of relocation problems. FHA has to make market studies to indicate whether or not they should make commitments. Under the rent-supplement program, we have enough money so we can have very adequate and thorough surveys made in any metropolitan market. These will have to provide a basis for public housing, as public housing statistics for urban renewal and data on reloca-

tion for FHA commitments.



**Jerome Stone:** One of the key things in research, industrial or social, is that guidance is very important. I have been on committees that have reviewed scientific research and even in this area, the scientists must put down what they think they can accomplish and have this evaluated before they are permitted to start. I do not think it is sufficient to leave research to chance. You must know what you want.

**Falk:** We really have been showing the need for more sociological research about these low-income people. We have been using the terms, "low-income" and "low-cost" so interchangeably here that you have lost me once in a while. What some of you people have been talking about as low income would be awfully rich for our blood in our part of the country. I think there is need for sociological research, for example, to determine what people are able and willing to pay for housing and what good housing is worth to them, especially in relation to other things for which they spend their incomes.





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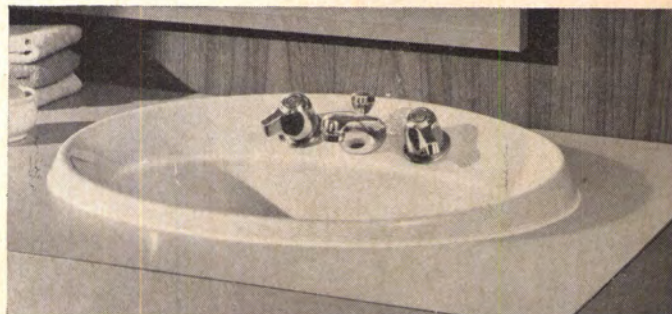
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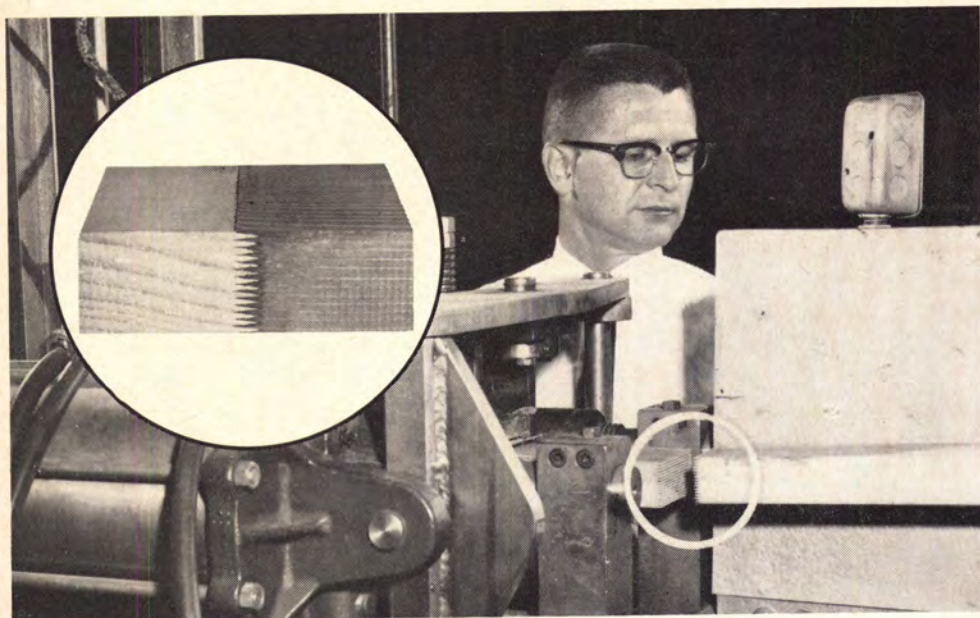
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**INTERLOCKING FINGERS**—formed, glued and jammed together by one machine in ten seconds

—can end-join both framing and trim lumber. Technique's inventor, M. Dee Strickler of Wash-



ington State University is shown demonstrating pilot machine and joint's load-bearing strength.

## New finger-joint splicing method promises economies for lumber makers

How much of the resulting cost savings will be passed along to builders remains to be seen. Seven Pacific Northwest lumber companies have just begun using the joint (*photo, above*), so it has entered only a few markets to date.

Finger-jointing should lower the cost of longer lumber lengths because of these two advantages:

1. It joins two pieces of lumber end-to-end to produce a single piece of lumber with 80% to 90% of clear lumber strength.

2. It wastes virtually no material—unlike scarf-jointing, for example, which causes 10% to 15% waste.

And the entire finger-jointing process

takes just ten seconds. A heated die under high pressure forms 3/16"-long fingers in the ends of framing boards, a thin coat of glue is spread over the fingers and the two boards are then jammed together with a sound like a rifle shot, interlocking the fingers to a depth of 3/8". Residual heat left in the wood from the die cures the glue in a few minutes.

The resulting joint has impressive load-bearing strength. NAHB's Research Institute, which machine-tested finger-jointed 2x4s for use in the current NAHB Research House, reports that the joint withstands loading up to 7,000 psi. (All the Research House roof trusses, made entirely

of 2x4s, have finger-jointed bottom chords.)

The seven lumber producers now introducing the joint have exclusive manufacturing rights through 1968. They developed the joint and its production machinery through the laboratories of Washington State University. The companies are: Anaconda Co., Missoula, Mont.; Boise Cascade, Boise, Idaho; Crown Zellerbach, Vancouver, Wash.; Potlatch Forests, Lewiston, Idaho; Rosboro Lumber Co., Springfield, Ore.; Simpson Timber Co., Portland, Ore.; Timber Structures, Inc., Portland, Ore.

So far, the largest lumber size to be jointed in this way is 2x8. The only limit is the size of the jointing machine.

## What kind of fastener gives best holding power in wood?

For top performance both indoors and out, helically threaded nails are by far the best bet, says a recently completed study by the U.S. Forest Products Laboratory. But for indoor use only, with temperature and humidity relatively constant, the nylon-coated staple is almost as good.

Engineer Robert Kurtebacker, who devoted more than a year to the study at the University of Wisconsin, compared assorted sizes of helically threaded nails, T-nails, box nails, common bright nails, and staples of 14- and 16-gauge steel with 7/16" crowns and 2" legs.

Indoors, Kurtebacker found that all fasteners except the threaded nails and nylon-clad staples lost half their initial holding power in the first eight weeks.

Outdoors, all the fasteners lost 60% of their original holding power after a year—except the threaded nail, which lost none. Nylon-coating on staples offered no extra holding power outdoors.



## Improved plastic coating turns bare sanded plywood into siding

The coating—a self-priming vinyl-urethane system—is the first of its kind to win certification from the American Plywood Assn. for both bare sanded and overlaid exterior plywood.

It means that lumber mills can now pre-coat bare sanded plywood and sell it as a siding material competitive with aluminum and plastic siding. In the past, the coated siding market has been generally denied to plywood because only overlaid plywood could be coated. The manufacturer, The Baker Castor Oil Co. of Bayonne, N.J., will sell the coating through paint companies.

## Audio-test rooms for builders—a new way to buy soundproofing

It's not here yet, but that's what lab technicians are working toward at National Gypsum's new Buffalo research center.

The selection room—where builders and architects would choose sound-deadening materials by listening to them perform—will be one part of an extensive National Gypsum program to remove both the cost and installation mysteries from residential soundproofing.

By testing and classifying hundreds of test samples, the company expects to be offering these services in the near future:

1. Subtraction factors to show builders exactly how much to compensate for breaks such as electrical outlets in sound-deadening partitions.

2. Precise cost information that will permit builders to buy soundproofing systems by model number—and know exactly how much soundproofing a dollar can buy.

3. Post-installation testing—to see if the builder got what he paid for.

New products start on p. 112



# "If there's anything better than Hotpoint appliances, it's Hotpoint service!"



James D. Klingbeil, President  
The Klingbeil Company  
Columbus, Ohio

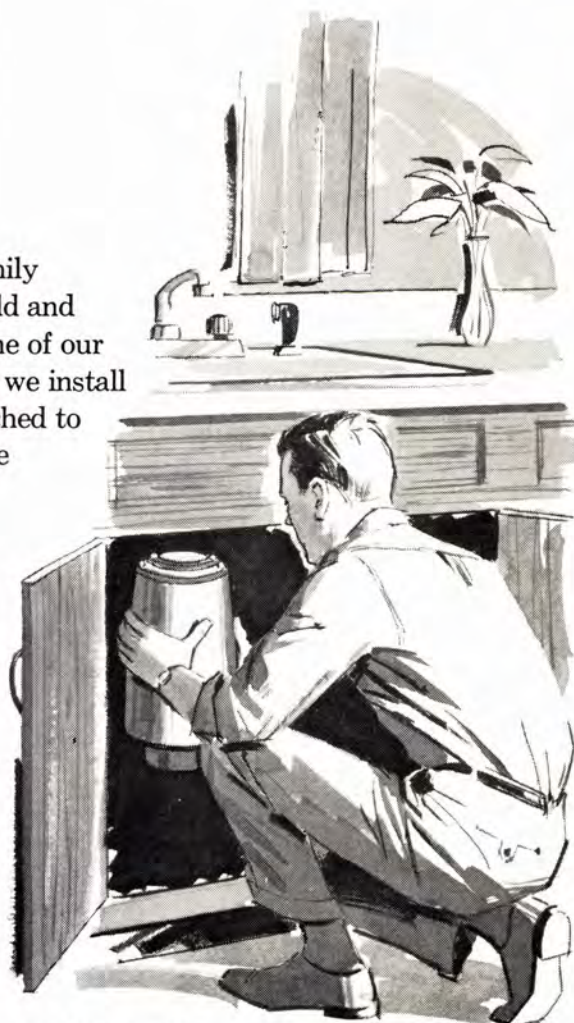
"The Klingbeil Company is one of the largest multi-family development organizations in the country. We plan, build and manage communities from Florida to Michigan. And one of our biggest headaches is kitchen appliances — because after we install them, we have to "live" with them. That's why we switched to Hotpoint! Hotpoint appliances are quality built to give top-quality performance. Their ovens, ranges and refrigerators have outstanding features; we are particularly impressed with the MA35 Disposall with continuous-feed, jam-free mechanism. Since we started installing it our service call rate is significantly lower — and we get prompt, efficient Hotpoint service in every city in which we build."

Klingbeil Company uses Hotpoint appliances for one good reason: it's good business! Take a tip from this successful developer. Call us.

## Hotpoint

*First with the features women want most*

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Quick installation—Hotpoint toggle mounting system saves costly time and mistakes.



# Feb. 1

That's the deadline for signing up to get your name in Life and The Saturday Evening Post. But don't wait till the last minute. Do it now! Here's what NOFI will do for you:

Run full-page ads in Life and the Post to tell your prospects about the advantages of oil-heated homes. List your name or development in a two-page spread in these publications if you build 11 or more oil-heated homes for sale in 1966. Provide you with effective merchandising, color-

ful site signs, directional signs, etc.—to help you tie your homes in with that advertising.

As for *you*—with oil heat you build where *you* want to, when *you* want to—oil goes anywhere. And you eliminate expensive call-backs because your Oil Dealer takes over service and maintenance.

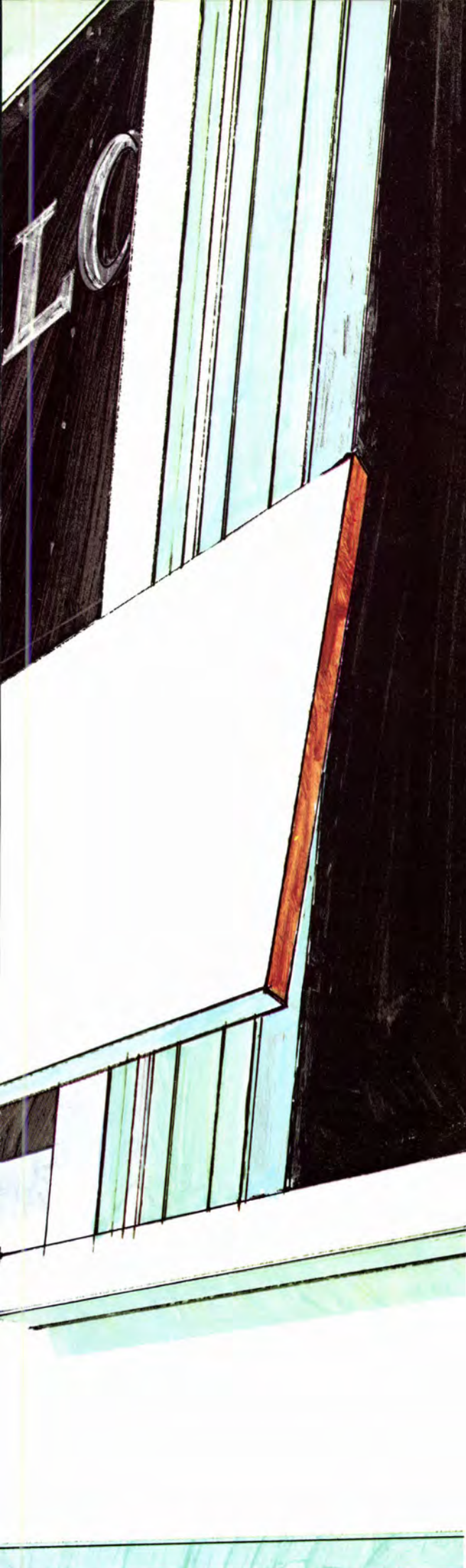
Call your Oil Dealer and sign up now! National Oil Fuel Institute, Inc., 60 East 42nd St., New York, N.Y. 10017.



**Last year Kevork Hovnanian thought  
Consultron was the greatest.**

**This year he'll be beside himself.**





# Save money 3 ways with Celotex

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**2 NO "NOMINAL DIMENSION" LOSS.** When you buy 1,000 square feet of Primed Shadowcast Lap Siding, you get 1,000 square feet of material. Less lap loss, too. You save about 10% in footage requirements, compared to wood bevel siding.

**3 LESS WASTE.** Primed Shadowcast Siding is all one premium grade, uniform quality. No rejects, no splits, no knots. Long lengths. Reversible.

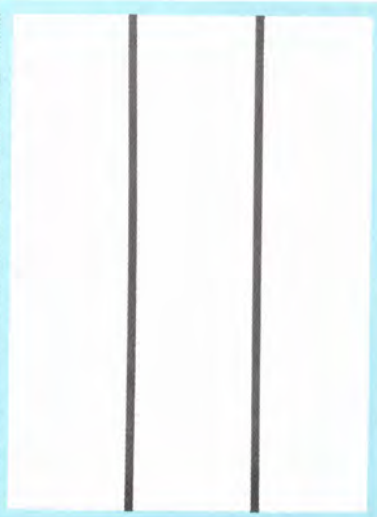
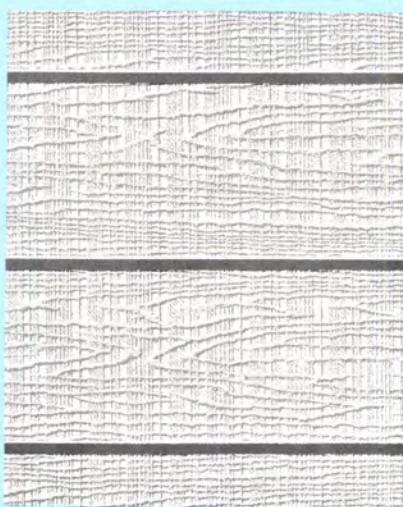
**YOU GIVE HOME BUYERS MORE FOR THEIR MONEY, TOO!** Celotex Shadowcast Siding looks and weathers better. Tougher than wood, nails without dimpling, resists dents. Even hailstones won't pit the tough surface.

### **TEXTURED FINISH**

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U-grooves 8" o.c., or ungrooved.

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or 8" o.c. . . . Rib-line Panels  
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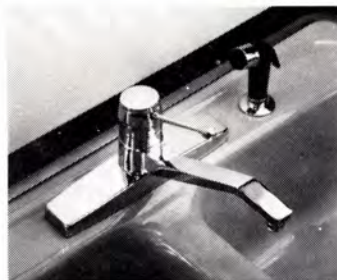
## NEW PRODUCTS

For more information, circle indicated number on Reader Service card p. 113.

### Kitchens



**Refrigerator-freezer** has an electric door opener operated by a push-button. The entire edge of the door serves as a handle. Unit has wing-swept doors and is finished in wood-grain vinyl. Frigidaire, Dayton. Circle 201 on Reader Service card.



**Sink fitting** has a single lever that moves up to control water volume and from left to right to regulate temperature. The spout is cast brass and the working mechanism is a replaceable cartridge. A hose spray is available. Kohler, Kohler, Wis.

Circle 202 on Reader Service card



**Wood cabinets**, called Heritage, are offered in fruitwood or walnut. The cabinet line has V-grooved design and metal trimming. According to the manufacturer, the cabinets are medium priced. Design is Early American. Peerless Wood, Detroit.

Circle 203 on Reader Service card



**Kitchen cabinets**, called Hearthside, have maple-veneer paneled fronts. Hardware includes a cast-brass plate with a key-type pull. Adjustable shelves in wall cabinets are available up to 42". I-XL Furniture Co., Goshen, Ind. Circle 204 on Reader Service card.



**Gas range** includes two ovens, both available with programmed cooking. The Finesse design comes in a variety of single- and double-oven models. A range of colors is offered, including Spice Beige. Brown Stove Works, Cleveland, Tenn.

Circle 205 on Reader Service card



**Range hood** has 10" mixed-flow impellers and is arranged for vertical or horizontal discharge. The 4100 Series includes 240-sq.-in. mesh filters. Control panel has push-buttons for three speeds and switch for lights. Miami-Carey, Cincinnati.

Circle 206 on Reader Service card



**Gas range** includes an oven with microwaves and infra-red rays that are reflected off a ceramic-coated surface. The ovens are at waist and eye level. Also offered are a 142-sq.-in. griddle and a Teflon-coated steak grille. Modern Maid, Chattanooga.

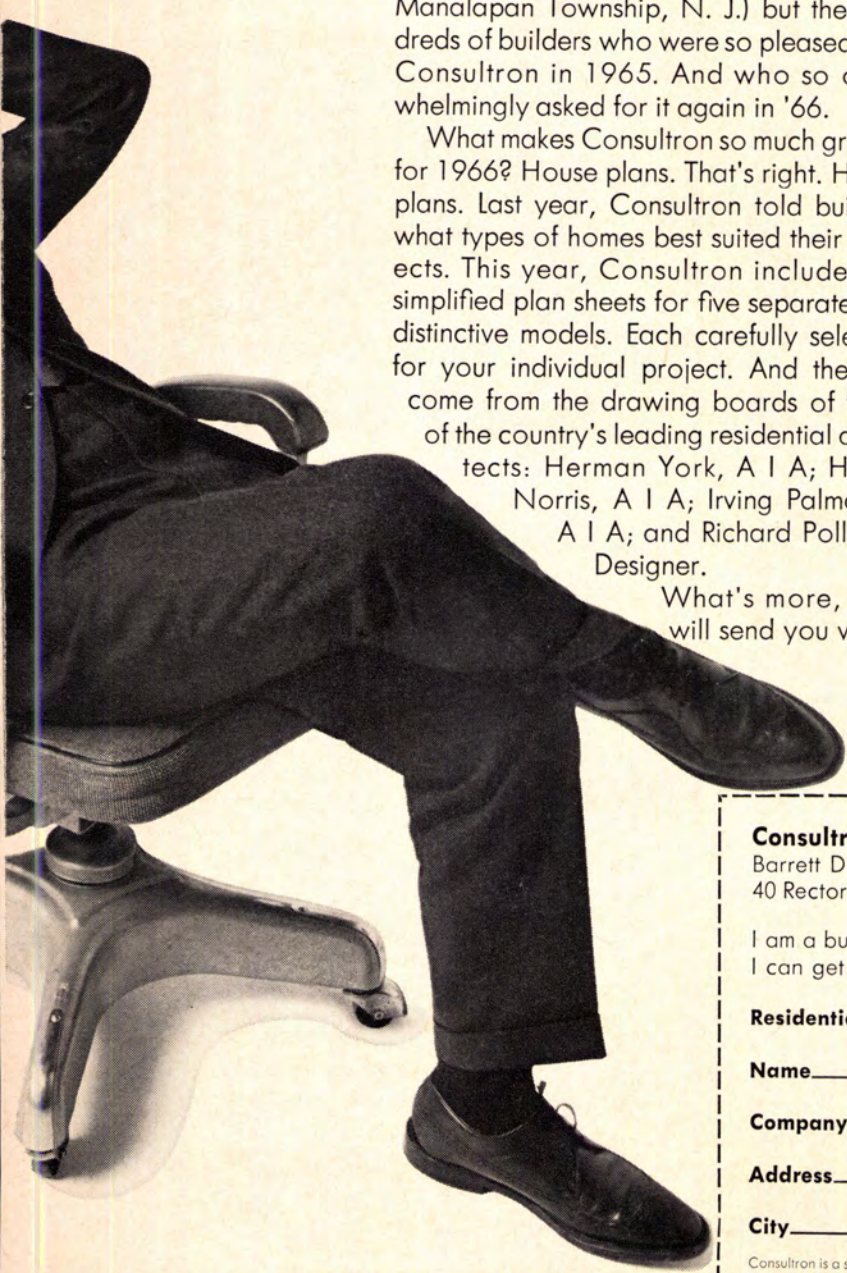
Circle 207 on Reader Service card



**Eye-level oven** has adjustable burner for use as a broiler or baking oven. Unit also has three center simmer burners, low temperature oven controls and a lighted top. A programmatic cooking clock is included. Wedgewood, Culver City, Calif.

Circle 208 on Reader Service card





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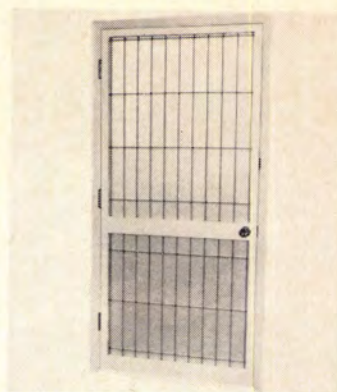




## Doors and windows



**Double closet doors** have raised panels. Designed to complement provincial or contemporary decor, the doors are said to allow full closet access. The Normandy doors are made of Ponderosa Pine. Morgan Co., Oshkosh, Wis. *Circle 209 on Reader Service card.*



**Glass-fiber door** has wood styles and rails. According to the maker, installation methods are the same as for wooden doors. Wood trim can be painted or finished to suit decor. Three styles are available. Cardenas Glass Laminators, Seattle. *Circle 210 on Reader Service card.*



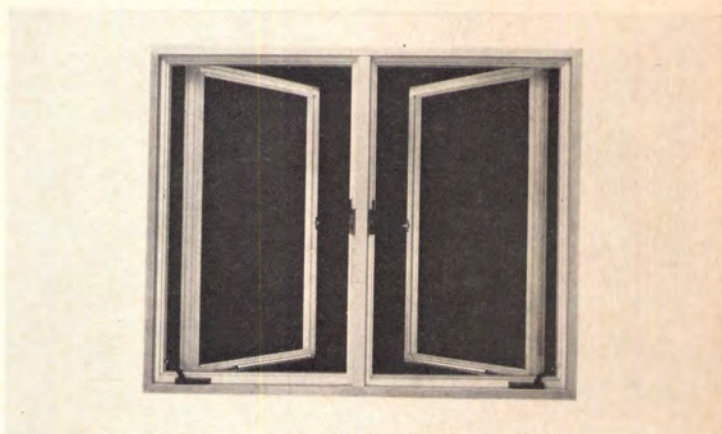
**Vinyl folding door**, designed to resemble actual fruitwood textured wood, has Steel-clad panels. A matching cornice conceals the track. Available in sizes to fit openings up to 32"x80", 38"x80" and 48"x80". Clopay Corp., Cincinnati. *Circle 211 on Reader Service card.*



**Folding doors**, called Woodmaster, are available in an off-white finish with beige hardware, (above), and five wood-grain finishes. Vinyl connectors overlap panel edges to provide buffers between wood surfaces. Modern-fold Doors, New Castle, Ind. *Circle 212 on Reader Service card.*



**Built-in shade** installs between exterior and interior glass of manufacturer's casement model. A lever controls slat adjustments. According to the manufacturer, Slimshade reduces solar heat gain by as much as 82% in summer. Rolscreen Co., Pella, Iowa. *Circle 213 on Reader Service card.*



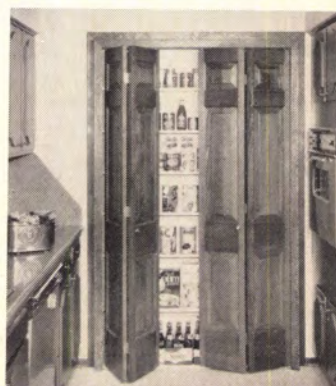
**Casement windows** are factory assembled and carton packed. The units are said to be ready for installation without inside stops. Removable grilles, insulating glass, screens and storm panels are available. Fred Reuten Inc., Closter, N.J. *Circle 214 on Reader Service card.*



**Folding doors** are suspended from a track at the head and have built-up wood cores. Finishes of ash, birch, mahogany, oak, pine and walnut are available. Spring hinges are said to keep panels perfectly aligned. Rolscreen Co., Pella, Iowa. *Circle 215 on Reader Service card.*



**Aluminum door**, in early American design, has a maintenance-free, white acrylic finish. Doors are said to be rattle-free because insert frames are one piece. Heritage doors have a 15-year guarantee. Win-Check Industries, Moonachie, N.J. *Circle 216 on Reader Service card.*



**Pantry** has 4½"-deep shelves. Units are 6' 8" high and 3' or 4' wide. Pantries are available with three-panel, two-panel louvered and louvered top panel with solid bottom panel folding doors and flush doors of birch, ash or mahogany. Ideal, Waco, Tex. *Circle 217 on Reader Service card.*



**Tilting-window hardware** is attached to existing window frame and sash. Twin-Tilt is said to permit cleaning of windows from inside and to eliminate replacement of window ropes, pulleys or chains. National Twin Tilt Window Hardware, Pittsburgh. *Circle 218 on Reader Service card.*

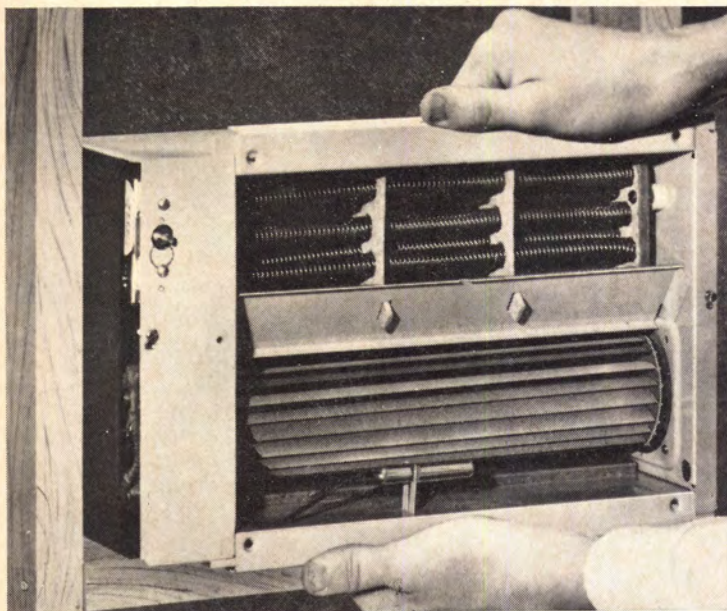
New products continued on p. 116



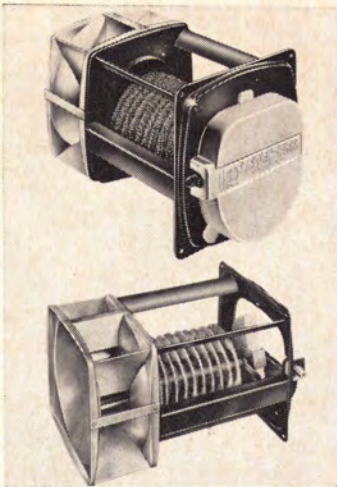
## NEW PRODUCTS

start on p. 112

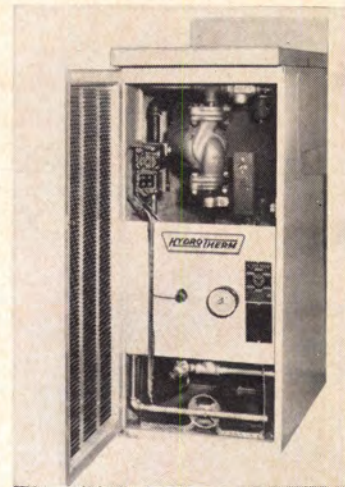
### Heating and cooling



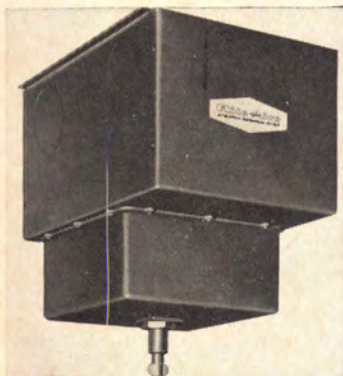
**Forced-air electric heater** fits between studs on 16" centers, can be installed in minutes. The recessed unit lies flush with finished wall. Hide-Away is thermostatically controlled. Hunter Division, Robbins & Meyers, Memphis. *Circle 219 on Reader Service card.*



**Air-powered humidifier** has evaporator discs that rotate without electric power. Air Control Turbo-Flo evaporates enough water to humidify a 2,000-sq.-ft. house of average construction, says the maker. Leigh Products, Coopersville, Mich. *Circle 224 on Reader Service card*



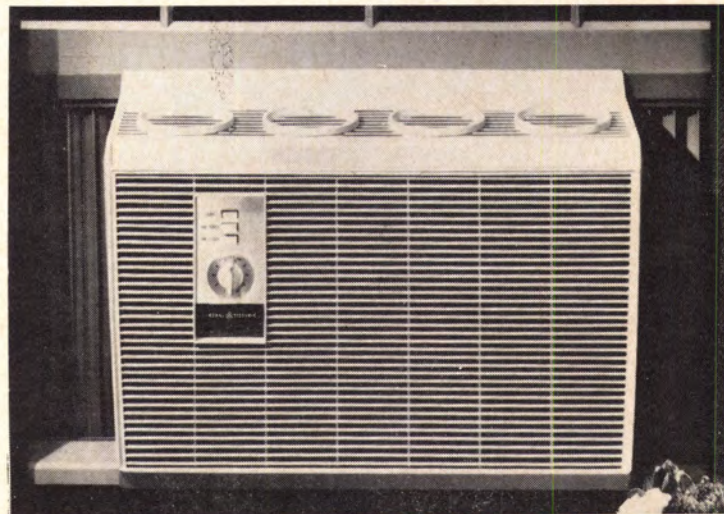
**Countertop boiler**, designed for small homes, fits under standard kitchen counters. Model K is available in capacities of 45,000 btus and 60,000 btus. A cutting board top is available; jacket is white enamel. Hydrotherm, Northvale, N.J. *Circle 225 on Reader Service card*



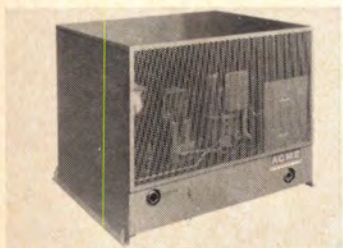
**Evaporative humidifier** provides controlled humidity with wash-filtered air. Unit can be installed with all hydronic, warm air (oil and gas) and electric heating systems. Model 301's capacity is 1 gal. per hour. Atwater-General, Watertown, Wis. *Circle 220 on Reader Service card*



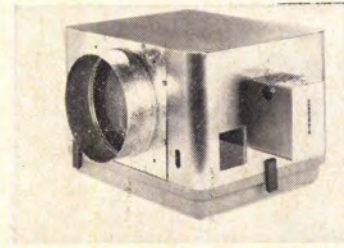
**Cast-iron gas boiler** is available in steam and hot-water models. Water boiler has an optional high-capacity tankless heater for domestic hot water. All components are front mounted and factory prewired. Slant/Fin, Richmond Hill, N.Y. *Circle 221 on Reader Service card*



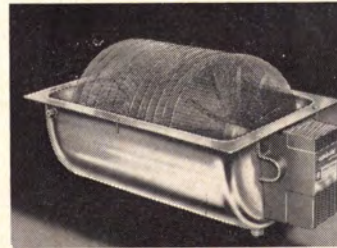
**Air conditioner** has molded case that is lightweight, rust-proof and corrosion resistant says the maker. Unit weighs 59 lbs. Four top discharge rotary directors are included. General Electric, Schenectady, N.Y. *Circle 226 on Reader Service card.*



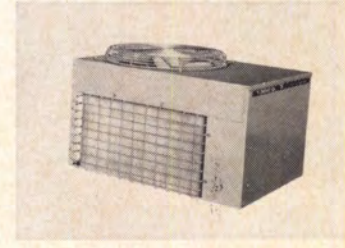
**Liquid chiller** is designed for use with hydronic-type air conditioning systems. Four lightweight, portable units are available with capacities from 2 to 5 tons. Galvanized steel cabinet permits outdoor installation. Acme, Jackson, Mich. *Circle 222 on Reader Service card*



**Humidifier** fits any furnace with 8" ducts. Unit's exterior housing is made of stainless steel; the evaporative surface is of foam plastic. Plumbing can be introduced from either the right or the left. East Gate Industries, Maplewood, N.J. *Circle 223 on Reader Service card*



**Furnace humidifier** has a worm-gear motor with a molded cover. A three-prong grounded 110-volt plug and connector cord are included. Model FH-300A is for 1,800 sq. ft. of area, Model FH-300B for up to 3,600 sq. ft. Hamilton Humidity, Chicago. *Circle 227 on Reader Service card*



**Air-cooled condensers**, with 3- and 5-ton capacities, have vertical discharge. Draw-through air flow is provided by a one-row, wrap-around condenser coil. Discharge of air is upward. Units may be slab mounted. The Trane Co., La Crosse, Wis. *Circle 228 on Reader Service card*

New products continued on p. 118





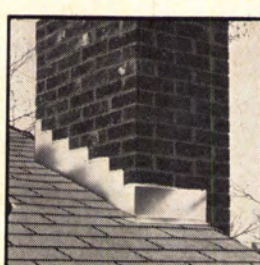
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Insulation



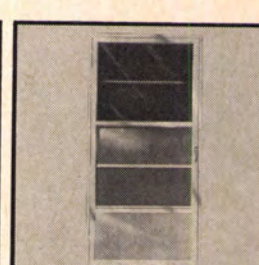
Roll Soffit



Flashing



Nails



Storm and Screen Doors



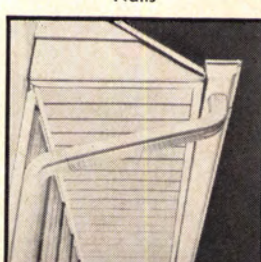
Shingle-Shakes Roofing



Columns and Railings



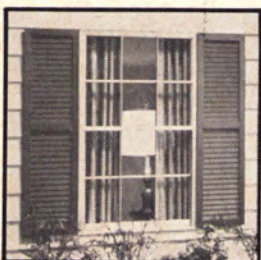
Gutters and Downspouts



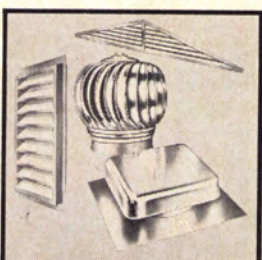
Pan Soffit



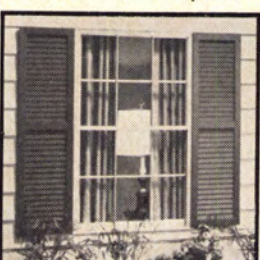
Awning Components



Windows



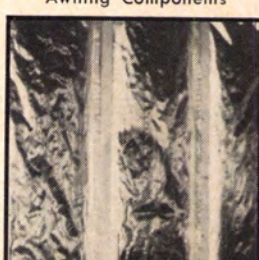
Attic Vents and Louvers



Shutters



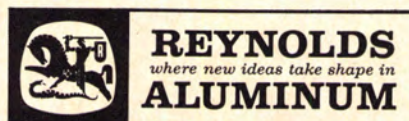
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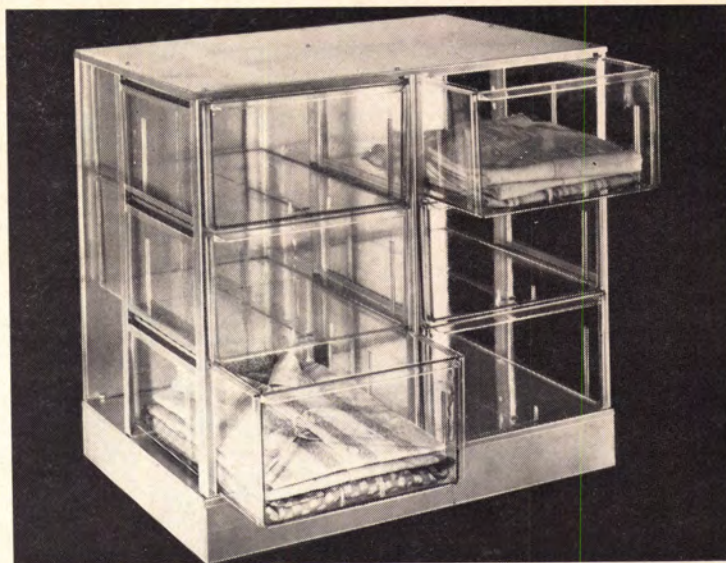
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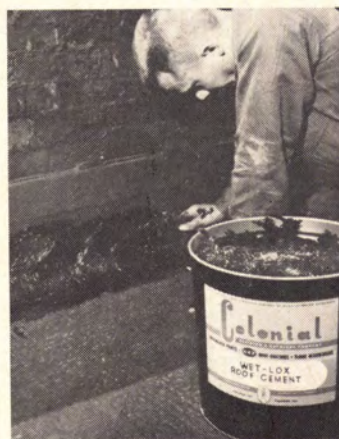
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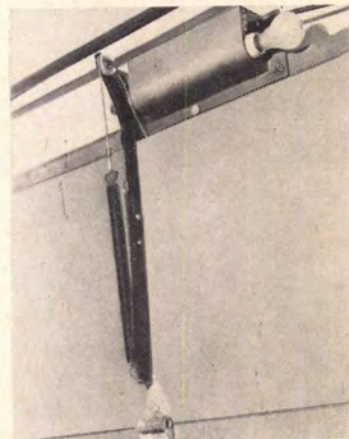
Circle 65 on Reader Service Card



**Storage drawer units** are completely finished. Drawers are 10"x-15"x6". According to the manufacturer, the modules are easy to assemble. Model #660 unit can be set on flat surfaces. Result Manufacturing, New York City. *Circle 250 on Reader Service card.*



**Roof cement** spreads smoothly over all surfaces, according to the manufacturer. Wet-Lox can be applied at below freezing temperatures and to surfaces covered by water to repair leaks and openings. The Colonial Refining & Chemical Co., Cleveland, Ohio. *Circle 251 on Reader Service card*



**Garage door operator** uses a winch-type principle. The unit, which mounts with eight screws above the garage door, plugs into any 110 volt outlet. A positive locking mechanism and an automatic light are included. Nautilus, Freeland, Pa. *Circle 252 on Reader Service card*



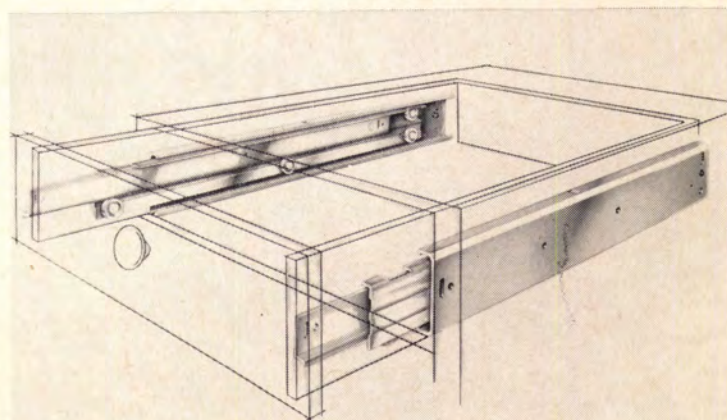
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**Drawer slide** requires 1/2" on each side of the drawer and permits full drawer extension. According to the manufacturer, slide operates smoothly and quietly and can carry loads up to 100 lbs. Knap & Vogt Mfg., Grand Rapids, Mich. *Circle 253 on Reader Service card.*



## NEW PRODUCTS

start on p. 112

**Skylight**, which fits standard 4'x8' roof panel opening, can be installed in 15 minutes, says the manufacturer. Unit transmits non-glare light and is shatter-proof and lightweight. Eco-Lite Corp., Tustin, Calif.

Circle 254 on Reader Service card

**Valve bodies** for baths and showers are made of leakproof, one-piece brass castings. Units are said to eliminate possibility of misalignment and crooked tappings that cause behind-the-wall leaks. Crane, Chicago.

Circle 255 on Reader Service card

**Panel clips** of extruded aluminum provide concealed fastening of wood panels to walls. Clips are 3" long, 1 7/8" wide and 1/8" thick. Woodwork Corporation of America, Chicago.

Circle 256 on Reader Service card

**Glass-fiber laundry tub** includes a heavy-duty steel wall bracket. Two lag bolts are necessary for installation. Tub is designed for off-the-floor mounting. Wessels Co., Detroit.

Circle 257 on Reader Service card

**Textured paint** is available in Smooth Stipple and Sand Finish. The paint, which comes in Ceiling White, can be tinted with any universal colorant system. M&H Laboratories Inc., Chicago.

Circle 258 on Reader Service card

**Joint sealant** is a cold application, two-component compound. Rodofix becomes a resilient, rubber-like substance within hours, says the maker. The sealant comes in two compounds—one for porous surfaces and another for dense ones. Electrovert, Mt. Vernon, N.Y.

Circle 259 on Reader Service card

**Floor adhesive** will bond when wet or dry. Dri-Tac is designed for wood block floors, vinyl tile and asbestos tile installation. Entire floor can be precoated and tiled within several hours, says the manufacturer. Adhesive Products, Bronx, N.Y.

Circle 260 on Reader Service card

**Exterior paint** dries to a high gloss in an hour. Vyn-L-Guard can be tinted with manufacturer's tinting colors and is said to resist chalking, peeling and dirt collection. Adelphi Paint & Color Works, Ozone Park, N.Y.

Circle 261 on Reader Service card



**Expanding cement** is a white mortar-like material. X-Pandotite can be used as a sealer around bathroom fixtures and for resetting loose tiles. The cement is said to be unaffected by hot water, steam or corrosives. X-Pando, Long Island City, N.Y.

Circle 247 on Reader Service card



**Burglar-fire alarm** is a self-contained system that is said to be easily installed. The battery powered unit includes an anodized aluminum case, one fire sensor and three intrusion sensors. Sterns-Lyman Electronic Corp., Springfield, Mass.

Circle 248 on Reader Service card



**Wall system** has a pre-catalyzed gypsum base that requires one coat of high-density plaster. Pabcoat is completely cured in 24 hours so paint or wallpaper can be applied the next day. Fibreboard Paper Products, San Francisco.

Circle 249 on Reader Service card

New literature starts on p. 120

## Biggest thing in built-ins since central air conditioning



## MagiVac BUILT-IN CLEANING SYSTEM

### CAPTURES THE IMAGINATION OF EVERY HOUSEWIFE!

The house without central vacuuming will soon become as obsolete as today's home without central heating and air conditioning! That's why you should include MagiVac in your plans NOW to safeguard the present and FUTURE value of your homes! MagiVac says "completely modern" to prospects... puts you one giant step closer to the dotted line!

- Up to 5 times more powerful than leading portables
- Outcleaned the two most commonly used commercial rug cleaning units in tests by the National Institute of Rug Cleaners\*
- Reaches deep down dirt other cleaners miss — sends allergy-irritating dust out of the house... out of the air you breathe
- Operates at peak efficiency start to finish because there's no dust bag to clog and gradually reduce cleaning power
- No heavy equipment to lug... no cords to tangle... remotely located power unit for "noiseless" operation
- Built and warranted by the John E. Mitchell Company, AAA-1 manufacturer of the famous Mark IV automobile air conditioner and other fine products.

\*Details of tests available on request

Sign, attach to your letterhead and mail today!

**JOHN E. MITCHELL COMPANY/MAGIVAC DIVISION**  
3800 Commerce • Dept. E • Dallas, Texas

Gentlemen: Please rush free literature on the MagiVac central cleaning system.

Signed: \_\_\_\_\_



# what every builder should know about **Kemper** kitchens...



*Kemper's Provincial Kitchen in a warm fruitwood finish*

Each month more and more builders are installing Kemper wood kitchen cabinets and Kemper bathroom vanities in their homes. You, too, should seriously consider Kemper cabinets if you have not already done so. **Competitive pricing** permits you to offer a line of top quality, extremely saleable cabinets at a price lower than you would expect. This keeps you competitive in your market without eating into your profit. **Full line of styles** and sizes offers you a complete selection. Choose from such popular styled kitchens and vanities as Traditional, Provincial and Colony Line in fruitwood, walnut, and cherry finishes. **The industry's finest** and toughest finish is yours through a remarkable finishing process that is exclusively Kemper Brothers. **Your type of construction**, with strength that you, as a builder, will recognize and appreciate. **Dependable delivery** is assured through our revolving 35,000 cabinet inventory. **A furniture quality guarantee** is our written promise to you. Kemper is the only kitchen cabinet manufacturer licensed by the National Association of Furniture Mfgs. to display the NAFM Seal and offer its exclusive warranty. **Send for** our free, comprehensive, full color kitchen cabinet and bathroom vanity catalogs. In the meantime, why not talk with your nearby Kemper distributor? He's listed in the Yellow Pages.



## Kemper

BROTHERS INCORPORATED • RICHMOND, INDIANA

## NEW LITERATURE

For copies of free literature, circle the indicated number on the Reader Service card, page 113.

**NAIL CHART.** Pocket-size chart shows nail gauges, corresponding decimal equivalents and nearest inch diameters. A column showing nail lengths is included. W. H. Maze Co., Peru, Ill. (Circle 301 on Reader Service card)

**ELECTRIC HEATING.** 12-page booklet shows, describes and gives specifications for baseboard heaters, small room fan heaters, heavy-duty wall fan heaters and in-floor heaters. Seaboard Products Corp., Newark, N.J. (Circle 302 on Reader Service card)

**FACTORY-BUILT FIREPLACE.** 6-page folder includes diagrams and architectural data sheet. Installation photographs are shown and features described. Thulman Eastern Corp., Ellicott City, Md. (Circle 303 on Reader Service card)

**PREFINISHED WOOD PANELING.** 4-page product bulletin discusses advantages of Ven-O-Wood. Color photographs of six finishes available are shown. Long-Bell, Longview, Wash. (Circle 304 on Reader Service card)

**WOOD-FRAME WALLS.** 32-page publication discusses results of 40 years' research on stiffening and strengthening wood-frame walls against high winds. Door and window openings, framing and sheathing materials, fastenings, bracing and moisture content of lumber are covered. U.S. Forest Products Laboratory, Madison, Wis. (Circle 305 on Reader Service card)

**PUMPS.** 4-page folder illustrates full-line of pumps and water systems. Pump types available, drives and use data are included. Barnes Manufacturing, Mansfield, Ohio. (Circle 306 on Reader Service card)

**WOOD CABINETS.** 6-page folder includes specifications, diagrams and installation photographs in color. Columbia Millwork, Minneapolis. (Circle 307 on Reader Service card)

**PLAN FILES.** 16-page catalog includes a variety of filing systems for large sheet materials. Catalog is organized for easy selection by type of material to be filed. Plan Hold Corp., Torrance, Calif. (Circle 308 on Reader Service card)

**COPY MACHINES.** 48-page booklet discusses use of small, dry-diazo copy machines to reduce layout and design time. Cost saving aspects are discussed. Blu-Ray Reproduction Engineering Corp., Essex, Conn. (Circle 309 on Reader Service card)

**FACTORY-BUILT CHIMNEYS.** 8-page brochure traces development of chimneys and discusses their safety, economy and the variety of styles available. Gas Appliance Manufacturers Assn., New York City. (Circle 310 on Reader Service card)

**TRAFFORD TILE AND CORRUGATED BOARD.** 12-page product bulletin includes specifications, installation drawings and colors of products available. Atlas Asbestos, Montreal, Que. (Circle 311 on Reader Service card)

**APPLIANCES AND EQUIPMENT.** 38-page catalog includes pictures and descriptions of ranges, water heaters, dishwashers, disposals, transistors, wiring devices and housepower centers. General Electric, Louisville, Ky. (Circle 312 on Reader Service card)

**EPOXY ADHESIVES.** 8-page brochure discusses product characteristics, directions for surface preparation, mixing and application, coverage, rate of cure and limitations of products. Sika Chemical Corp., Passaic, N.J. (Circle 313 on Reader Service card)

**SWIMMING POOL PAINT.** 2-page sheet gives recommendations in tables, for gloss, semi-gloss and flat paint for concrete and other masonry surfaces. Goodyear Tire & Rubber, Akron, Ohio. (Circle 314 on Reader Service card)

**CERAMIC TILE.** 4-page booklet explains standards for quality certified tile. Sample architectural specifications are included. Tile Council of America, New York City. (Circle 315 on Reader Service card)

**STAPLERS.** Pocket-size brochure shows complete line of air staplers, tackers and heavy-duty staple nailers. Actual size line drawings of typical staples and specifications included. Senco Products, Cincinnati. (Circle 317 on Reader Service card)

**VINYL FLOORING.** 4-page product bulletin has room setting and swatch pictures of patterns available. Goodyear Tire & Rubber, Akron, Ohio. (Circle 318 on Reader Service card)

**BATHROOM FIXTURES.** 6-page folder describes basic plumbing fixtures for the home. Advantages and disadvantages of different types are covered. Plumbing Fixture Manufacturers Assn., Washington, D.C. (Circle 319 on Reader Service card)

**DECORATOR PANELS.** 8-page booklet has four-color pictures of 14 styles available. Brief descriptions are included. Masonite Corp., Chicago. (Circle 320 on Reader Service card)

**WOOD-FRAME BUILDING.** 48-page booklet entitled "Houses Can Resist Hurricanes" describes ways to achieve resistance to devastating forces. Recommendations for foundations, wall and roof fastenings are included. U.S. Forest Products Laboratory, Madison, Wis. (Circle 321 on Reader Service card)

**OIL BURNING EQUIPMENT.** 80-page booklet gives revised standards for centralized oil distribution systems. For copy: send 65¢ to National Fire Protection Assn., 60 Batterymarch St., Boston, Mass. 02110.

**LAWN SPRINKLERS.** 24-page catalog includes information on manufacturer's line of traveling sprinklers, oscillating sprinklers, turret and turret-oscillator sprinklers and other gardening aids. Melnor Industries, Moonachie, N.J. (Circle 322 on Reader Service card)

**CONCRETE BONDING AGENT.** Specification sheet includes information on Weld-Crete, technical data, installation techniques, costs and availability. Larsen Products Corp., Bethesda, Md. (Circle 323 on Reader Service card)

**GRADER ATTACHMENTS.** 8-page brochure describes Blade Bowl, Blade Stabilizer and Ripper-Scarifier for manufacturer's motor graders. Caterpillar, Peoria, Ill. (Circle 324 on Reader Service card)

**CERAMIC FLOORING.** 4-page brochure illustrates Terra Floor and shows colors available. Product and installation specifications are included. Interpace, Los Angeles. (Circle 325 on Reader Service card)

**STANDBY ELECTRIC PLANTS.** 8-page folder shows application photographs and discusses plant size requirements, types of engines and installation considerations. Studebaker, Minneapolis. (Circle 326 on Reader Service card)

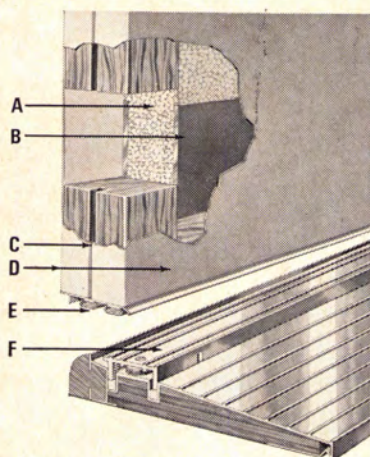
**MASONRY WATER REPELLENTS.** 8-page brochure describes silicone treatment said to stop damaging water penetration and allow vapor movement through treated masonry. General Electric, Waterford, N.Y. (Circle 327 on Reader Service card)

**CERAMIC AND SPECIAL TILES.** 8-page catalog shows designs and colors of tiles available. Over 100 sizes, shapes and angles are presented. Pomona Tile Mfg., Pomona, Calif. (Circle 328 on Reader Service card)

**WATERTIGHT CONCRETE.** 6-page brochure is a study of basic requirements. Pozzolith's reduction of shrinkage, bleeding and segregation is discussed. Master Builders, Cleveland, Ohio. (Circle 330 on Reader Service card)



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- A. Rigid Dylite foam core insulates
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- E. Seal strip on door—not walked on
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# 5 are you getting all features in your exterior doors?



- Warp-free • Magnetic weather-stripped
- No storm door necessary—insulated
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This is no ordinary door! The Pease Ever-Strait is made of metal — it will never warp. You never get "hung" when you hang an Ever-Strait, because call-backs just never occur. In addition, the Pease Ever-Strait door has a solid compressed Dylite\* core and magnetic weatherstripping that completely eliminates the need for a storm door.

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There are 26 distinctive, beautiful Ever-Strait exterior door designs. Doors delivered primed and pre-hung. See nearest distributor listed, or write for free brochure and full details.

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\*Reg. TM Koppers Co. ®Patent No. 3,153,817. Other Patents Pending



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has*

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