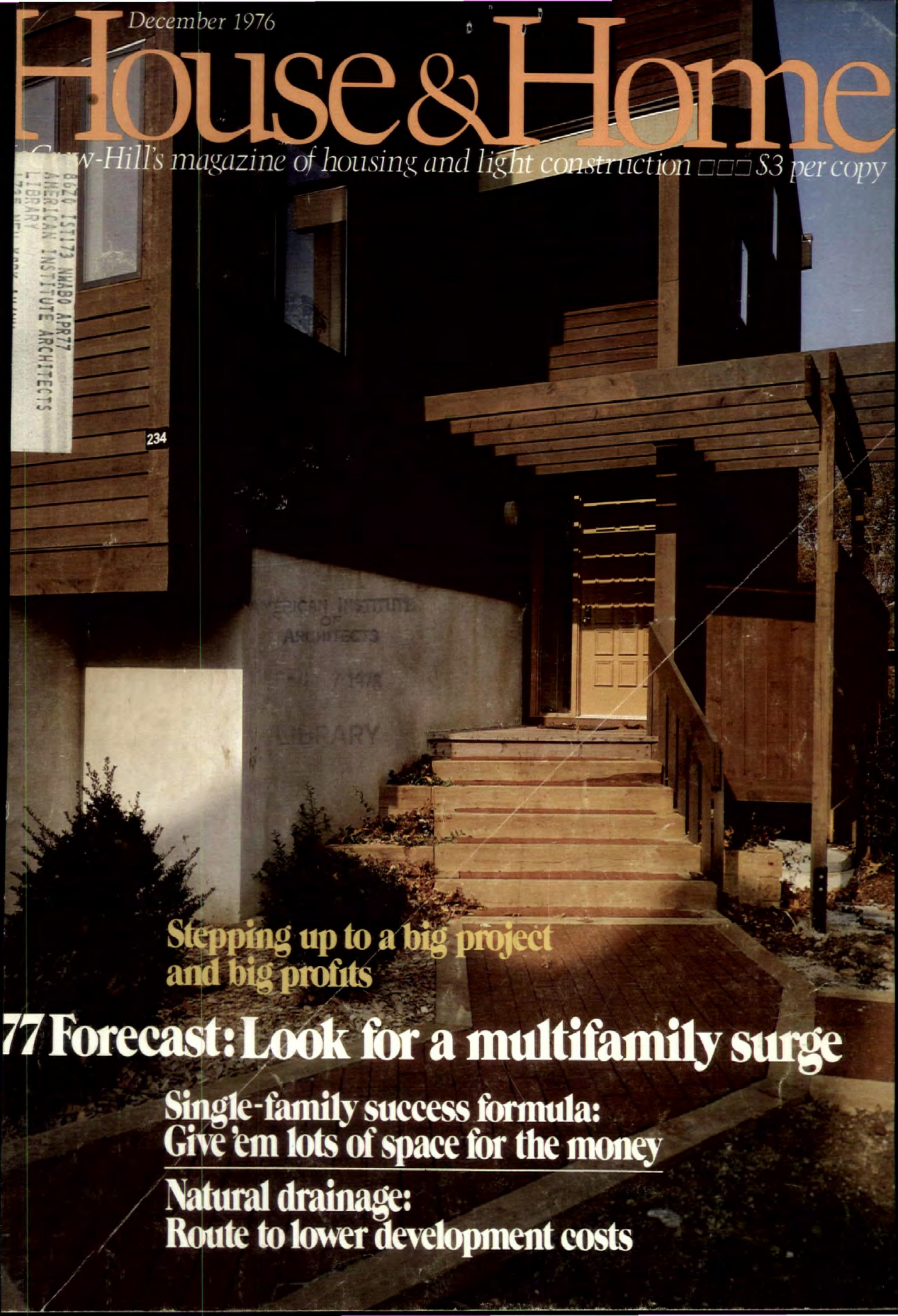
December 1976

House & Home

[McGr]aw-Hill's magazine of housing and light construction □□□ $3 per copy



Stepping up to a big project and big profits

'77 Forecast: Look for a multifamily surge

Single-family success formula: Give 'em lots of space for the money

Natural drainage: Route to lower development costs

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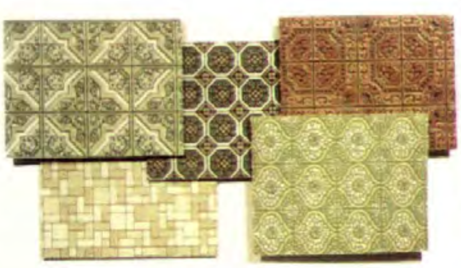

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House & Home

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Volume 50 *Number 6/December 1976*

FEATURES

NEWS

DEPARTMENTS

Cover/Sunrise Hill, Norwalk, Conn. *(see page 66)*
Photographer: Ted Eastwood

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CIRCLE 4 ON READER SERVICE CARD

Top Court hears plea to let suburbs zone out low-income housing

Suburbs whose zoning excludes subsidized housing for low-income and minority families are expected to get legal help from the Supreme Court in a landmark case argued in October.

The Chicago suburb of Arlington Heights asked the court to overturn a lower court's ruling that the virtually all-white village was guilty of racial discrimination when it refused to rezone for a low-income housing project.

If Arlington Heights wins—as most experts are betting—then localities all over the country will be in a stronger position to turn down subsidized low-income housing—as long as they can show that racial discrimination was not their motivation.

'Opportunity to escape.' The League of Women Voters said in a brief that for the court to uphold Arlington Heights "would be to provide every suburban municipality an opportunity to escape from its statutory and constitutional obligation to refrain from conduct that interferes with private efforts to construct integrated low- and moderate-income housing." It "would nullify federal programs to implement this national policy," the league said.

The gloomy expectations of the organizations promoting housing for minorities trace from several recent high court decisions curbing the vast federal power to override state and local laws.

Court's thinking. Some lawyers have suggested that the court can avoid an outright approval of the Arlington Heights action by finding procedural grounds for turning the case back to the lower courts, but most think the majority has already tipped its hand.

For instance, the court majority has said flatly, in a case involving employment procedures for hiring policemen in Washington, D.C., that "we are in disagreement" with a lower court's decision that "proof of discriminatory racial purpose is unnecessary" in showing that a minority has been denied equal protection of the law under the 14th amendment.

In fact, in a footnote to that decision last June, the court specifically noted that the zoning case it was about to consider—Metropolitan Housing Development Corp. vs. Village of Arlington Heights—had been decided by a circuit court on the basis that it was enough to show a discriminatory result, even if there was no showing of racial motivation.

Neutrality vs. bias. In the police case, the court said it had difficulty understanding "how a law establishing a racially neutral qualification for employment is nevertheless racially discriminatory and denies 'any person equal protection of the laws' simply because a greater proportion of Negroes fail to qualify than members of other racial or ethnic groups."

The Arlington case began when the village turned down a request by Chicago's Metropolitan Housing Development Corp., a state-chartered corporation, to rezone a tract from single-family home to apartment usage. The corporation had a contract to buy the land from a religious order for $300,000, contingent on rezoning.

Racial lineup. The village of Arlington Heights, 23 miles from Chicago's Loop, had 64,000 residents in the 1970 census; only 27 were black. Recent figures indicate 200 blacks in a population of 71,000. Between 1960 and 1970, Chicago lost 230,000 jobs while those in Arlington Heights doubled from 100,000 to 200,000. The county of which Arlington Heights is a part had a population increase of 219,000, and 127 of the new residents were black.

Jack M. Siegel, the lawyer for the village, presented these arguments:

- The land had been zoned for single-family use since 1959, when the village adopted a comprehensive plan
- The property is surrounded on all sides by single-family residences
- The Section 236 housing project would put 190 multifamily units on the 15 acres instead of 50 single-family homes
- The village already has 6,000 multifamily units and the zoning plan calls for 9,000 more
- There are other sites already zoned for low-income housing that are up for sale.

No housing 'right.' Siegel noted that the trial court said that low-income workers do not have a constitutional right to housing either where they work or anywhere else, and he added that "there is no fundamental constitutional right to housing" where discriminatory motives are not involved. He also pointed out:

"There's no evidence that anyone has ever been denied housing in Arlington Heights because of his race."

A major reason for the village's decision not to rezone, Siegel said, was simply the determination by officials that the low-income project would damage property values.

Case for rezoning. For the housing corporation, F. Willis Caruso contended that this was "not a garden-variety zoning case," as Siegel suggested, but a case of racial discrimination. On that point he said that the lower courts had not allowed presentation of evidence on racial motivation for the decision not to rezone. But, he said, the "totality of the circumstances," established that the village's decision was in fact racially motivated.

Testimony during the trial of the Arlington case, Siegel said, suggested that in a racially free market, 3,500 blacks would be living in the village. As to the village's approval of other rezoning for apartment projects, Caruso said, these were approved after officials "looked at who the developer was."

Unfriendly questions. Testimony in the case also showed that the proposed Lincoln Green Section 236 project was not to be a high-rise but a cluster of two-story townhouses, which some experts testified were more similar to single-family structures than apartments.

Justice Thurgood Marshall, the court's only black member, posed a number of seemingly hostile questions to Caruso: "Can a black person with a Spanish name buy a vacant home in Arlington Heights?" and "You just want this piece of land rezoned—just this piece of land? Isn't that so?"

When Caruso conceded that was right, Marshall then asked: "Does every village in this country have to have low-income housing?"

Court watchers swear it's folly to try to guess what the court will do in any given case. But most would say they expect this court to answer Marshall's question with a resounding "No!" —Don Loomis

McGraw-Hill World News, Washington

Tribes put Indian sign on builders in Maine

Maine's director of the Farmers Home Administration (FmHA), which finances about 80% of all new homes in the state, says his office will close no more home mortgages unless the title to the land is clear.

Mahlon Delong's action stems from a pending lawsuit which claims the Passamaquoddy and Penobscot Tribes were unlawfully deprived of 12 to 15 million acres of Maine land, or about two thirds of the state's acreage.

The potential impact of Delong's decision was described by homebuilders as "disastrous."

Richard Sevigny, director of the Home Builders Assn. of Maine, said 85% of all new homes in northern Maine were financed by the FmHA.

"It would mean a halt to the housing industry east of the Penobscot River, other than about 10% or 15% and some rehabilitation work," Sevigny said. "It would mean absolute havoc."

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CIRCLE 7 ON READER SERVICE CARD

H98 Decorator Hood shown with TMH-35 Cooktop

Dying Congress leaves a legacy of helpful bills for builders

The departing Congress has left several proposals and some half-enacted legislation that will probably be of some help to builders and developers. Here are the most important efforts.

Mortgaging. President Ford, as part of his campaign, proposed to lower FHA down payments by as much as 50%. That would make it possible to buy a $45,000 house with $1,750 down—about half the present $3,750. He also wanted to raise the maximum FHA insurance limit to $60,000 from $45,000, but such changes will have to wait on the new Congress.

Ford also proposed, and Secretary Carla Hills launched, a graduated-payment mortgage that would allow reduced monthly payments during the first five or ten years of home ownership. No more than 2,500 or 3,000 mortgages can be financed under such a plan, and it was authorized only as a demonstration project. There was little interest among lenders in the program. *(See page 20)*.

Neighborhoods. The Senate—but not the House—approved a bill creating a National Commission on Neighborhoods to tell the White House and HUD how to preserve and revitalize endangered urban neighborhoods.

The bill is a good bet to get enacted next year, considering its broad bipartisan support.

Secretary Hills pumped more money into the urban homesteading program early in October. The plan is to offer structurally sound, but abandoned, housing at nominal prices to families who will rehabilitate and live in the homes.

HUD boosted the loan guaranties to $13 million, up from $6.5 million, for 23 cities. Mrs. Hills reported that in the first six months of the homesteading program, $4 million of rehab work was generated. That was exclusive of other neighborhood improvement programs.

Sewage treatment. President Ford made it easier for cities in a financial bind to come up with their share—25%—of the cost of building sewage-treatment plants. The legislation allows the federal government to guarantee bonds sold to pay the local government's share. New York City and Buffalo are among the cities expected to apply.

A Clean-Air Act amendment opposed by the National Association of Home Builders died at the end of the session. It would have given the Environmental Protection Agency authority to withhold sewage-treatment grants from areas that let air quality deteriorate—even if the existing air quality exceeds federal standards.

Energy conservation. The most sweeping new regulation of homebuilding enacted by Congress last year mandates the development within three years of a national performance building code by the Department of Housing and Urban Development [NEWS, Nov.]. The object is to require architects and builders to design buildings—including houses—that are more energy efficient.

The original bill would have prevented lending institutions from making loans in jurisdictions that did not have federally approved laws and ordinances. The compromise says any such specific cutoff of lending must be approved by both houses of Congress. In addition, a would-be borrower in a jurisdiction out of compliance with the law can still be eligible for a loan if the building he plans meets the new standards after they become effective.

An end-of-the-session measure authorized appropriations for a National Energy Extension Service to develop and demonstrate energy-saving techniques and materials and help states carry out similar programs.

Congress overrode a Ford veto of a bill to provide $27 million to help poor families save on fuel by getting better insulation for the homes they live in.

Timber. The Congress passed compromise legislation giving a green light to clear cutting of timber on federal forest lands—thus removing a threat that could have cut back on lumber supplies and boosted prices for builders.

Federal courts had upheld 1897 legislation banning such cutting—and the new legislation wipes out those decisions.

About half of housing's timber supplies come from the government forests. —D.L.

Variable mortgage elicits variable reactions—It's not all apple pie

California's early experience with the variable-rate residential mortgage indicates that it is "a complex instrument, much more complex than first analysis would suggest," according to a study by George G. Kaufman, visiting scholar at the Federal Reserve Bank of San Francisco during the winter of 1976.

Kaufman, professor of finance at the University of Oregon, adds:

"There is good evidence that it is not yet fully understood by any of the parties concerned—borrowers, lenders or regulators."

Nevertheless, Kaufman reports, between April and December 1975, six large state-charted savings and loan associations extended $1.7 million in VRMS, about two-thirds of the mortgages they wrote during that period.

Better index? Kaufman suggests that the mortgage industry look for an appropriate standard index that might be published every two months. He also urges that more attention be devoted to maximum interest-rate limits, implementation of rate changes and provisions for prepayment and assumption.

A successful VRM program could benefit lenders, borrowers and the housing industry, Kaufman finds. He suggests that VRMs might stimulate housing demand by smoothing the flow of mortgage funds and making them more readily available. He says the variable should make it easier for owners to sell existing homes as a result of liberal loan prepayment and assumption provisions.

Monthly payments and unpaid balance variable and fixed-rate mortgages† 1967-1975

		Variable-rate mortgage*			Fixed-rate mortgage‡	
Period (semi-annual)	Standard index	Loan rate	Monthly payments (dollars)	Unpaid balance** (dollars)	Monthly payments (dollars)	Unpaid balance** (dollars)
1/1/67				20,000.		20,000.
1967.1	5.35	6.85	131.06	19,897.	133.20	19,899.
1967.2	5.03	6.60	127.77	19,785.	133.20	19,794.
1968.1	5.08	6.60	127.77	19,670.	133.20	19,686.
1968.2	5.10	6.60	127.77	19,551.	133.20	19,575.
1969.1	5.17	6.60	127.77	19,428.	133.20	19,459.
1969.2	5.27	6.75	129.65	19,304.	133.20	19,339.
1970.1	5.58	7.00	132.78	19,181.	133.20	19,215.
1970.2	5.67	7.15	134.65	19,057.	133.20	19,086.
1971.1	5.64	7.15	134.65	18,928.	133.20	18,953.
1971.2	5.57	7.15	134.65	18,795.	133.20	18,815.
1972.1	5.55	7.05	133.45	18,655.	133.20	18,672.
1972.2	5.56	7.05	133.45	18,510.	133.20	18,524.
1973.1	5.60	7.05	133.45	18,359.	133.20	18,371.
1973.2	5.83	7.30	136.35	18,209.	133.20	18,213.
1974.1	6.14	7.55	139.23	18,059.	133.20	18,049.
1974.2	6.44	7.80	142.10	17,908.	133.20	17,879.
1975.1	6.41	7.90	143.24	17,754.	133.20	17,703.

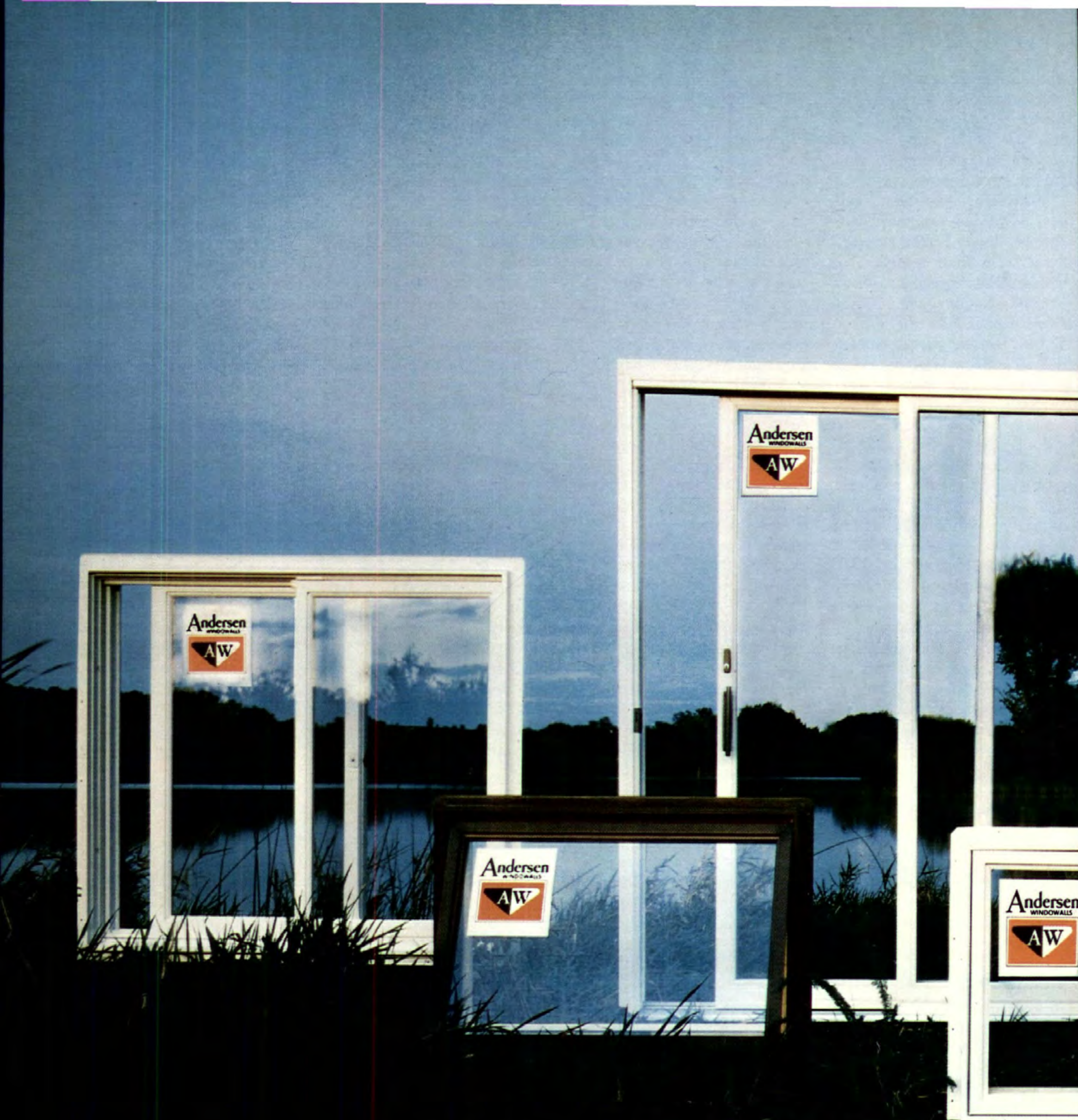
†$20,000, 30-year mortgage extended January 1, 1967.
*Initial loan rate = 6.85 percent.
‡Loan rate = 7 percent.
**At end of semi-annual period.

But without proper controls, Kaufman cautions, "the California experience to date suggests that it may not be easy to realize the full potential of the mortgage instrument."

Warning. Kaufman cites as a major disadvantage of the VRM the risk of financial strain if the interest rate rises sharply and the borrower's income doesn't.

He also cautions buyers that the contract for the variable is more complex and that there is difficulty in ascertaining the accuracy of changes made in monthly payments on the basis of changes in a standard index.

Kaufman's study, "Variable Rate Residential Mortgages; the Early Experience in California," is available from the Federal Reserve Bank of San Francisco, Research Department, Box 7702, San Francisco 94120. —J.K.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The redeveloper who's saving St. Louis—and making money at it

Four years ago Leon Strauss gave up his vice presidency of Millstone Construction Inc., then doing $15 million annually in all phases of general contracting, to form his own Pantheon Corp. The reason:

"I decided there was a way to keep St. Louis from going down the tube residentially . . . that sound and secure housing could be provided in the central city by rehabilitation, not total demolition before reconstruction . . . and that builders could make money in this work.

"Most of my associates thought I was off my rocker when I set up Pantheon with three people and $20,000 in 1972. Some are at least listening to me now."

Economics of rehab. Strauss, with 22 years of construction experience, is proving that old neighborhoods need not be bulldozed just to make them liveable and economically viable again. Equally important, he is proving his system pays off for everyone.

"Old building stock can be completely rebuilt at 25-40% per square foot less than new construction," he insists. "Add to that the tax incentives we utilize under a Missouri law that forgives all taxes on improvements the first ten years and 50% for the next 15 years, and you can put together a package that means rents or mortgages of $40-$80 a month less than new housing.

"As a result, it is easier to find customers and that makes it economically desirable for everyone, including the lending agencies."

First test. Strauss got a chance to put his theories to work four years ago. He won a contract to rehabilitate 60 two-to-four-family flats in a blighted section of North St. Louis. Financing was subsidized by the federal Department of Housing and Urban Development. The rehab work was for a non-profit community development organization called Jeff-Vander-Lou Inc.

The Strauss technique is to transform an old two-family, two-story dwelling into a modern single-family townhouse. Pantheon has completed more than 150 such rehabilitations for Jeff-Vander-Lou and is negotiating a contract to start on 100 more.

ARTEAGA

REDEVELOPER STRAUSS
The smile begins to pay off

Strauss watches costs, which run to $25,000 per dwelling unit including acquisition; and he obtains the construction and permanent mortgages. He subcontracts out all work, including architectural design.

Neighborhood support. Enough of this work has now been accomplished in one St. Louis area to impress city and federal officials, and Strauss traces much of this success to the support and strong organization abilities of Macler Shepard, a black neighborhood activist who heads Jeff-Vander-Lou and who, Strauss says, sold him on the rehab concept originally.

"Grassroot support is vital to any neighborhood rehabilitation," Strauss warns.

Another Strauss coup was to build a $1.7-million, 100-unit apartment complex for the elderly. The project was opposed by area residents and politicians at the start.

"This facility, called Badenhaus, has turned out so well that we've been asked to develop another in the same area of the city," Strauss points out.

Apartment rescues. In partnership with a real estate management firm, Strauss next acquired a 52-year-old apartment building, Convent Gardens. It had only ten of its 112 units rented and had become a haven for drug pushers and prostitutes. Acquisition and rehabilitation funds of $1.2 million came from the Missouri Housing Commission, with mortgage insurance provided under HUD's 221-D-4 program.

"We tore out everything but the bearing walls, flooring and structural roof system," Strauss explains. "New electro-mechanical systems, including electronic security systems, were installed. We converted the seven-story building into a mix of 34 modern efficiencies, 42 one-bedroom and 7 two-bedroom apartments. It was an instant success."

After two years of operation, Convent Gardens now has a waiting list. Half of its residents have come from St. Louis County to this central-city residence. Rents range from $135 to $219 a month and the average age of the occupants is 25.

Street closings. Strauss also rehabilitated nine three-story apartment buildings containing 216 units at a cost of $3 million. The buildings are surrounded by derelict residential and commercial property in mid-St. Louis, but privacy is achieved by closing streets to create a simple plaza. Extensive landscaping also was used to rehabilitate the surrounding area. Renamed St. Luke's Plaza, the project has had 100% rental since completion last year.

"One of the simplest and least costly devices to make city areas more liveable is to close off

Laclede Town *(right)* was built over the worst slum in St. Louis as one of first Strauss projects. Job convinced him renewal could pay off.

GLOBE-DEMOCRAT

streets to through traffic," said Strauss.

Back to the city. Pantheon has also won a contract to rehab a three-story house in mid-city as part of a major redevelopment project by Washington University of St. Louis. A young couple, Terry and Susan Stewart, who have not previously lived in the city, will pay $50,000 for the house when it's completed *(see photo)*.

Asked why they were moving back into a blighted section, Stewart, 27, a broker for Merrill, Lynch, Pierce, Fenner & Smith, replied:

"We like the total plan being followed by Washington University's development group and the tax benefits offered also made the property economically justifiable."

Biggest job. Everything Strauss has done in the last four years is child's play compared to his DeBalivere-Pershing project, however. A subsidiary of Pantheon, Pershing Redevelopment Corp., has won the right to be sole developer of 106 acres north and west of the university's redevelopment area. DeBalivere-Pershing was once the city's finest apartment section. It is now a shambles, except for pockets of private streets containing stately residences.

To get the job, Strauss sought out Chairman Donald E. Lasater of the Mercantile Bancorporation, holding company for the state's largest bank. Lasater said he would ask the bank's board to approve a $3-million loan—but only if Strauss raised a sizable sum of other money.

"I'd never raised money before," Strauss said. "So I put in enough to get an architect started, and I went out selling $10,000-$25,000 participation shares to friends. After we got commitments for about $350,000, plus a $400,000 pledge from the General American Life Insurance Co. (St. Louis), the bank committed for $3 million."

The ten-year Strauss plan calls for $50 million to be spent either in rehabilitation or new construction.

Apartments for sale. There is a "war room" in Pantheon's office that gives the status of every lot in the 106 acres to be acquired. When taxes go into default, the Strauss company moves in with an offer.

Strauss says 30% of the area will get new townhouses. The balance, mostly multifamily, will be rehabilitated.

"We will be doing things in DeBalivere-Pershing not tried anywhere else, so far as I know," said Strauss.

"It has been our experience that as soon as rents cross the $300-a-month level, younger tenants show a strong interest toward some form of ownership. We are going to sell apartments in the three-to-six-family units that will be rehabilitated."

"The flight from the cities has ended," he contends. "Our market is married couples and singles in the 25-to-40 age group," he said.

Bottom line. Asked what his profits have been since forming Pantheon Corp. four years ago, Strauss replied:

"So far we have been quite lucky. Any builder would feel more than comfortable with our returns. From three people and $20,000 capital, our net worth has increased more than tenfold. We have eight people and no red ink."

Strauss is a consultant to a 222-acre redevelopment being sponsored in south central St. Louis by the Home Builders of Greater St. Louis. The HBA has formed Lafayette Towne Redevelopment Corp. to handle planning, acquisition and development.

"I don't believe there is another city in the country that has as many large and on-going projects to make living in the city desirable once again," said Strauss.

—TED SCHAFERS
McGraw-Hill News, St. Louis

GLOBE-DEMOCRAT

HOW TO SUCCEED AT REDEVELOPMENTS

Are there any simple rules for success in central city redevelopment? Strauss gives these:

"You have to have one hell of a lot of faith to get yourself locked up in this type of construction. But it is the right idea . . . at the right time. Our biggest support comes from young people—in the 25-to-35 age bracket—who are attracted to this kind of housing.

"Don't try it unless you have an extraordinary amount of patience and persistence, plus a thorough understanding of a wide variety of governmental support programs.

"Areas must be selected contiguous to sections that have not decayed or that adjoin and will complement other large central-city redevelopments.

"The toughest part is getting financing, particularly the initial front money. We've not found any permanent financing, except where funds are guaranteed by city, state or federal agencies.

"Once you've established a track record for success, you will be pleasantly surprised how much interest you can generate. For innovative and gutsy builders, it is the wave of the future."

Rehabbed home in blighted west end of St. Louis *(above)* will be bought by Susan and Terry Stewart for $50,000 after $33,000 has been spent by developer on complete modernization. Susan, a secretary, and Terry, a broker, live in suburbs. Renewal project is bringing them back into city.

Badenhaus *(right)* won awards as project for aged. Because of poor record of public housing in St. Louis, many opposed project's construction.

St. Luke's Plaza is a result of a rehab job on rundown apartments *(left)*. Strauss closed off city streets for privacy and landscaped the area.


High style just caught up with the code.
That's the beauty of Masonite
Brand Paneling

Fire Hazard Classification (Based on 100 for untreated red oak)	Flame Spread	Fuel Contributed	Smoke Developed
	25	0	0

Floating-rate mortgages winning wide acceptance in California

The days of the fixed-rate home mortgage seem numbered in California.

Most of the leading savings and loan associations have been writing mortgages with floating interest rates since 1975, and the giant Bank of America has just decided to join them in offering a variable-rate mortgage throughout the state. It acted after a four-month trial run in San Diego County, where the bank said 30% of its mortgage borrowers chose the VRM over a fixed-rate loan.

The S&Ls have claimed success for their floating-rate programs from the start, but the real test has not yet been faced because no variable rates have so far been increased. The showdown with customers will come when monthly payments are raised.

(For results of a detailed study of the VRM, see page 9).

Not for federals. Most of California's larger S&Ls are state-chartered and privately owned, and they can offer the variable-rate mortgage at will. Whether federally chartered S&Ls in California and elsewhere will be allowed to adopt the variable still depends on Congress.

The National S&L League, meeting in San Francisco, has just adopted a resolution favoring legislative and regulatory changes to permit development of new mortgages by the federals. These include a graduated-payment mortgage, a variable-rate mortgage, a preferred-interest loan, a reverse-annuity mortgage (homeowners with a paid-off mortgage could borrow against their equity), and the Canadian rollover plan.

Interest-only loan. There are other proposals. Mortgage loans with interest-only payments, suitable for low-income families, have been suggested. The lender would purchase a term policy to insure the customer's life and would recover the principal balance of the mortgage upon death of the borrower.

Advocates say the mortgages could be insured by a federal agency at a low premium, which could be paid by the lender in return for a tax exemption on the interest earned from the loans.

Apartments. Citizens S&L of San Francisco, a prime mover in the VRM program, has devised a variation designed to facilitate multifamily construction. President Anthony Frank is offering apartment construction loans at 9% for three years, 9¼% for the next two and 9½% thereafter. Current apartment construction loans have been costing 9¼% to 9½% on a level basis.

Frank said the low apartment vacancy rate and a construction level of only 6,000 units a month in California have created a crisis as severe as that in single-family housing.

"This new loan has very real advantages for the owner/developer, allowing him to build up income and get a positive cash flow at the crucial start-up stage," Frank said. He estimated savings in debt service costs to the builder during the first three years would range from $6,500 on a $500,000 loan to just under $33,000 on a $2.5-million loan.

Frank said the program got off to a fast start in October, with 50 loan submissions the first day.

Rollover loan. Another type of mortgage has been announced by Fidelity Federal S&L in Glendale. Called a "renewable-option leverage loan," or ROLL, it is offered only on residential income property with five or more units or on commercial or industrial property. A long-term loan is written at a fixed interest rate for an initial five-year period, with level monthly payments based on long-term amortization. At the end of each five years, the mortgage may be rolled over for a similar period. Within 90 days prior to the end of each five-year interval, the loan may be extended on mutually acceptable terms, or it can be paid off without a prepayment penalty. If the loan is renewed, the interest rate may be the same, or may be raised or lowered by not more than 1% from the rate being paid.

B of A's variable. George Haley, the Bank of America's senior vice president for real estate loans, expects the basic variable-rate loan to become the bank's primary means of financing single-family homes. Customers may, of course, apply for either a VRM or a fixed-rate loan.

The bank's program is similar to those pioneered by the S&Ls. Interest rates are keyed to the cost-of-funds index published semi-annually by the Federal Home Loan Bank of San Francisco. The borrower's interest rate will not change during the first year, but after that it will be reviewed twice a year. The maximum rate increase after any six-month period will be ¼%, but there is no limit on the amount the interest may decrease. The interest may be increased no more than 2½% during the life of the loan.

BANK OF AMERICA'S HALEY
'Enable builder . . . to get funds'

Benefit to builders. Homebuilders will benefit because lenders will be able to stay in the market even when money is tight, Haley believes.

"The VRM will enable the builder to get a source of funds which will be more reliable than he has had," he said. "In a period of business expansion, our large business customers have been recipients of a great part of the bank's money. In these periods, the savings and loan industry also experiences disintermediation. I think these new programs are going to correct that ultimately."

As it began its state-wide program, the bank set interest rates on its vari-rate loans at 9%, or ¼% lower than its fixed-rate loans and equal to or slightly lower than the S&Ls' VRM rate. The bank's origination fees also were below its fees on fixed-rate mortgage loans.

Wells Fargo move. Wells Fargo Bank, meanwhile, lowered its rate on variables to 8¾%. All the variable rates, of course, were subject to change.

Wells tested its variables for several months in southern California and went statewide in mid-1976. Norwood Maddry, assistant vice president for marketing and advertising, said the bank has had "excellent reception" of the program.

"At the end of August, $86 million of variable-interest loans were outstanding with us," Maddry said. "Although the average residential loan made in August was just over $35,000, and all borrowers obtaining loans under $40,000 have the option of a fixed or variable-interest rate, over 53% of all long-term residential loans made during the month were variables."

The S&Ls. American S&L, Beverly Hills, is one of the last big state-chartered associations in California to initiate variable-interest loans. Its program is essentially the same as the others, and it was adopted after consumer acceptance of the concept seemed assured. American insists that due-on-sale clauses and prepayment fees have generated the most complaints about fixed-rate mortgages. The provisions that a VRM is assumable by a buyer with good credit, and that the prepayment fee is waived under certain circumstances, may resolve issues that are sometimes "thorny from a consumerism standpoint," a spokesman said.

Secondary markets. San Diego Federal S&L, which is pioneering a flexible-payment loan to make it easier for moderate-income families to qualify for home ownership, has sold a $360,000 package of 85% participation loans to the Federal Home Loan Mortgage Corp. This is the first major purchase of flexi loans by Freddie Mac.

Edwin J. Gray, vice president of San Diego Federal, said the Freddie Mac's purchase demonstrates that flexi loans are saleable in the secondary market, and he said this should encourage other S&Ls to offer a similar mortgage.

With a flexi loan, which is often called a graduated-payment loan, virtually all of the buyer's payment goes for interest during the first five years of a 30-year mortgage. *(For an article on the FHA's government-insured graduated-payment mortgage, see page 20).*

Since its program started early this year, San Diego Federal has made nearly $7 million in flexi loans—about 3% of its total mortgages in that period.

—JENNESS KEENE
McGraw-Hill World News,
San Francisco

Year of the locust: The land developers lower their sights

Land is no longer a land-office business.

Listen to some of the leading developers tell it.

"It isn't the fun it used to be being in the business." Dick Norman, president, All-American Realty Co., Hackensack, N.J.

"I don't think any of us has the magic formula to go back to doing $40 million a year in sales. Believe it, and you'd have to have yourself committed." Jack A. Furman, executive vice president, Diamondhead Corp., New Orleans.

"There's no financing for small developers. The big companies—Chrysler, Ford—won't come in; they got burned. Regulatory conditions are rough." David Eaton, executive vice president of Eaton International Corp. of Phoenix.

"I don't see very many new developments being started." Ray Watt, president, Watt Industries, Santa Monica, Calif.

Soul searching. Those sobersided judgments summarized the industry's mood after one of its most disheartening years—a period of bankruptcy, crippling lawsuits and burdensome new government restrictions.* The summing up was done by speakers at the American Land Development Association's national conference on recreation, resort and community development.

The developers convened in the lush ambiance of Caesars Palace in Las Vegas, but the gala atmosphere of the pleasure-domed city contrasted sharply with the temper of the meeting.

The conference was deeply serious in tone, and the developers spurned the distraction of both fleshpots and gaming tables to provide full attendance at the four days' sessions.

New ideas. If the developers wore an air of concern, they were not unenthusiastic. That was particularly true when it came to new techniques.

One approach to elicit ardent response was a "farmcolony" concept described by Michael Redd of Standardsville, Va. (P.O. Box 335, Zip 22973). Redd counseled developers to build small housing and resort complexes on farms to achieve favorable tax treatment and a moderate profit.

ALL-AMERICAN'S NORMAN
'Isn't the fun it used to be'

DIAMONDHEAD'S FURMAN
There's no magic formula

EATON INTERNATIONAL'S EATON
'Regulatory conditions are rough'

"But they must be true farms," he cautioned. "They must have crops or cattle. They must produce."

Redd's Farm Development Corp. operates four such farms right now. Two are in Pennsylvania, one in Florida and another in Virginia. All are reported to be profitable.

From A to Z. Attendance ran to about 350 paid—not spectacular but not bad. The roster ranged all the way from Ahnert (W. Peter, president, Lehman-Pike Development Co., Bushkill, Pa.) to Zitelli (Paul, salesman, All-American Realty). And the whole show was run in clockwork fashion by the association's convention manager, George Potts.

The association named Richard J. Ford, chairman and president of Realtec Inc., Sapphire, N.C., for a second term as its president.

Valedictory. The delegates parted in good heart if not in high hope. It was probably Ray Watt, looking back on a career in which he built and sold 50,000 houses, who best described the developers' prospects. After detailing a long list of the industry's woes, he reminded listeners that there was still big money to be made in careful, responsible land development. His parting words were both a warning and a statement of reassurance.

"Ours will be," he said, "a smaller industry—but a more sound industry." —E.W.R.

*HOUSE & HOME's value index for the stocks of five leading land developers fell 40% in the 15 months preceding the Las Vegas meeting. The magazine's composite index of 25 stocks representing all sectors of the housing industry lost only 3% in the same period. *(For the stocks list, see page 32).*

New law consolidates land management

President Ford has signed a bill making numerous changes in laws affecting federally owned lands.

The legislation consolidates virtually all laws governing the management of public lands, and it gives Congress a potential veto over the executive branch's decisions on withdrawing federal lands from public use.

Congress could, for instance, halt any sale involving more than 2,500 acres. It could also prohibit the sale of public lands designated as wilderness areas, scenic riverbanks or national trails.

Land bureaus. The new law authorizes the Bureau of Land Management and the Forest Service to ban hunting and fishing on public lands if necessary for safety or simply to allow orderly administration.

New boards comprised entirely of ranchers would be appointed to advise the bureau on how grazing fees from the public lands are to be used.

States. The bill allows the states to use revenues from mineral leasing with few strings attached.

And the law includes $40 million for development and management of a California desert conservation area.

Court says gov't can seize developer's land

Florida's Third District Court of Appeal in Miami has just ruled that government can compel the deeding of portions of a proposed subdivision.

Wald Corp. had appealed a refusal by the Dade County (Greater Miami) Commission to plat a ten-acre tract unless the developer surrendered rights of way for maintenance easement and a drainage canal. Both sides agreed the canal was needed to prevent periodic flooding, but Wald contended it was unconstitutional for the county to take land without paying. The company is owned by J. I. Wilson, a south Florida real estate man.

The court drew a distinction between a property owner whose land is taken for public purpose and a subdivider engaged in business and for whom land is just one raw material. The tribunal ruled that "it is eminently reasonable to allow the municipality to impose certain conditions upon the developer so that it may provide for the needs of persons who would not otherwise have been a local concern." —FRED SHERMAN

More regulation?

Hard on the heels of the developers' Las Vegas convention—where there was an agonized outcry against government regulation—a New York public-interest group issued a report calling for tighter government controls.

The report, "Promised Lands," was compiled by a group called Inform. The paper recommended 50 specific new guidelines for overseeing land sales.

The study criticizes operations at ten subdivisions in Colorado, New Mexico, Arizona and California. All are owned by publicly held companies, including one—GAC Corp. of Miami—which is in bankruptcy.

According to Inform the subdivisions were originally advertised as good investments. However, the study says, none of the lots can be resold at a profit.

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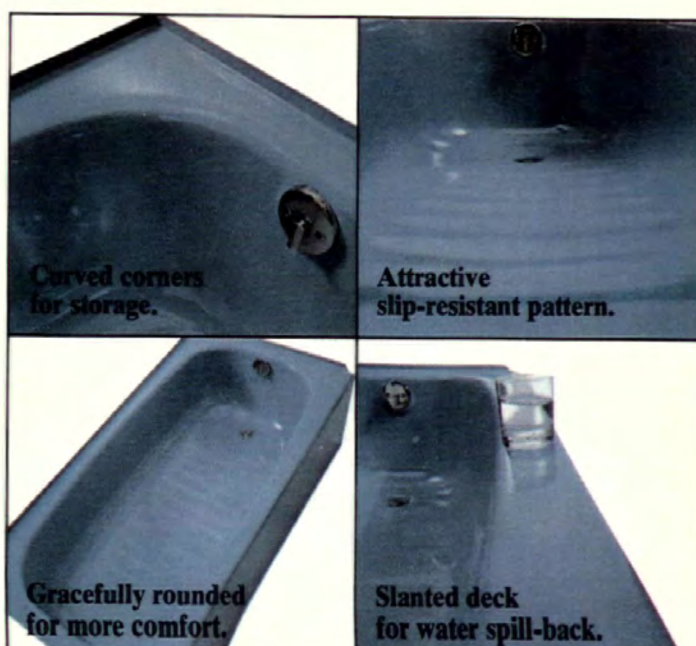


HUD ready to spend more millions on its ail-and-fail new towns

HUD's new "business plan" for keeping more of the federally backed new towns from going broke boils down to investing more federal funds in towns that may or may not succeed—even with new federal help.

The plan announced by the new communities administrator, James F. Dausch, boils down to this:

- Kick in another \$100 million to \$125 million in grants over five years on top of the \$70 million already parceled out.
- Honor some additional bond-guaranty commitments on top of the \$294 million guaranteed thus far.
- Clamp a budget plan on six of the surviving new towns to give Dausch and his aides control over their land, cash and management.

Long-term risks. The business plan is designed to bolster those new towns that are "potentially successful" so that development can continue—but to pay off the bonds and cut the government's losses on those projects that have no hope of survival.

In adopting the business plan, the board of directors of HUD's New Communities Development Corp. admitted that if the strategy fails, long-term losses to the government may be greater than if the projects were liquidated now.

HUD is acquiring Gananda, near Rochester (\$22 million in bonds paid off); Flower Mound, near Dallas (\$18 million); Newfields, near Dayton (\$18 million); Jonathan, near Minneapolis (\$21 million); Cedar-Riverside in downtown Minneapolis (\$24 million); and Riverton, near Rochester (\$16 million).

Drop-outs. Some months ago, HUD decided to cut its losses by giving up on Gananda. More recently, it made the decision on Newfields, which, at the time HUD decided to get out, had "an Olympic-sized swimming pool, a community center, a nine-acre lake"—and 37 houses.

Another project that may or may not survive under the new plan is Park Forest South, near Chicago (\$30 million).

The new towns with the brightest prospects, Dausch says, are Woodlands near Houston (\$50 million); St. Charles, near Washington, D.C. (\$38 million); Shenandoah, near Atlanta (\$25 million); and Harbison, near Columbia, S.C. (\$13 million).

Sales have been improving at Maumelle, near Little Rock, Ark. (\$14 million), Dausch indicates. On the other hand, Floyd McKissick's Soul City in North Carolina is to be given another \$5 million in bond guaranties—on top of the original \$5 million—even though Dausch says it's too early to tell whether the project will work out.

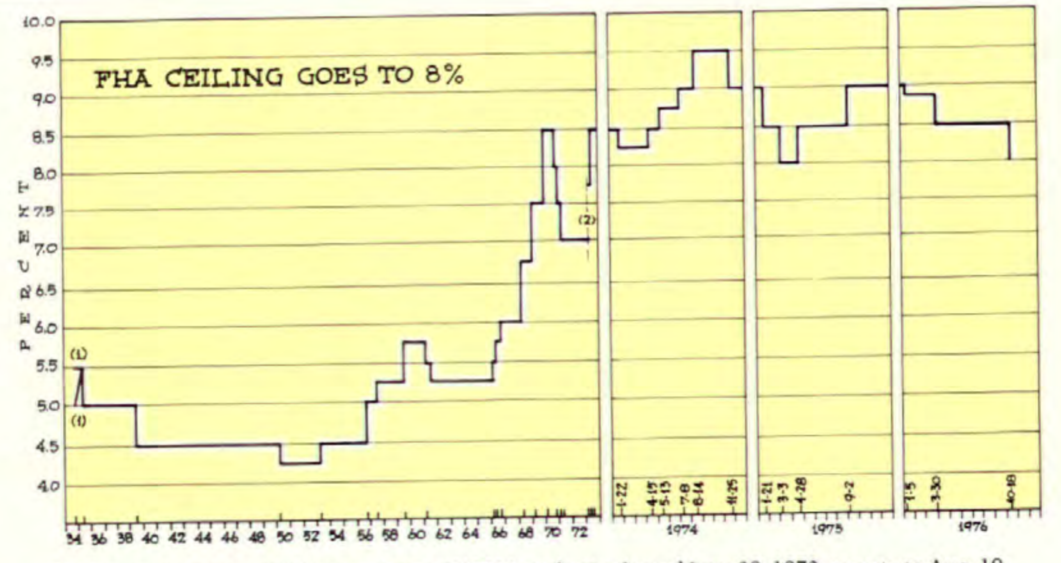
'Studied to death.' Senator William Proxmire (D., Wis.) has, meanwhile, awarded his "Fleece of the Month" citation—named for the fleeced taxpayer—to the Department of Housing and Urban Development for its \$245,000 study of the new towns.

"They have been studied to death," Proxmire said in a statement. "Most of them are either dead or dying."

Proxmire said the purpose of the study, to be done by the management consulting firm of Booz-Allen, is to find out why the new towns have gone broke.

Yet Proxmire said the question has been answered repeatedly.

"New towns require such a massive investment before there is any cash flow that not only private enterprise but government subsidies can't make them profitable." —D.L.



(1) 5% on new homes, 5½% on existing. (2) FHA authority lapsed June 30, 1973; no rate to Aug. 10.

FHA rate is down again—but so is FHA's share of market

Builders are starting single-family homes at a rate close to all-time peaks and multifamily housing starts are jumping but the Federal Housing Administration's share of the market continues to slide.

For the first eight months of this year, FHA insured only 6.3% of the single-family homes started—a historic low. That figure contrasted with the record low for a full year, 7.1% for all of 1974, and with 8.4% for 1975.

The FHA's share isn't likely to increase, Washington experts say.

The FHA cut its ceiling rate for new-house mortgages by ½%—to 8%—two weeks before the national elections.

The GPM. The FHA also began processing the Ford administration's graduated-payment mortgage one day before the election—to a chilly reception in the banking community.

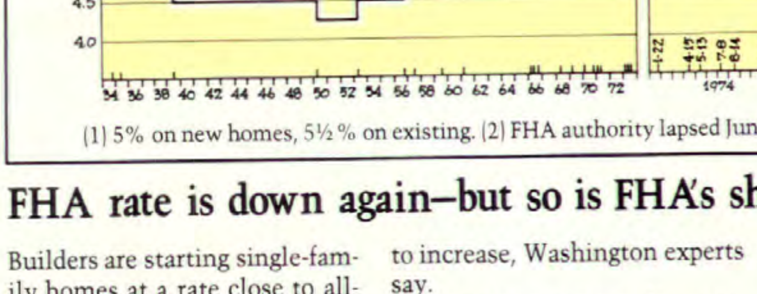
The October rate cut did not help the new program. The FHA's old 8½% rate was already well below the 9% to 9¼% return available to the bankers on conventional mortgages, and the cut simply took all FHA loans further out of competition.

The new plan depends in part on the bankers' cooperation, for it is the savings bankers who buy many of the few FHA loans still being made.

Politics. The GPM, authorized in the Housing Act of 1974, was activated by President Ford in mid-campaign last September. It is designed to make it easier for young couples in the \$14,000 to \$25,000 income bracket to buy a home. If payments in the early years are reduced and then raised when the couple's income rises, the theory goes, more young people will buy.

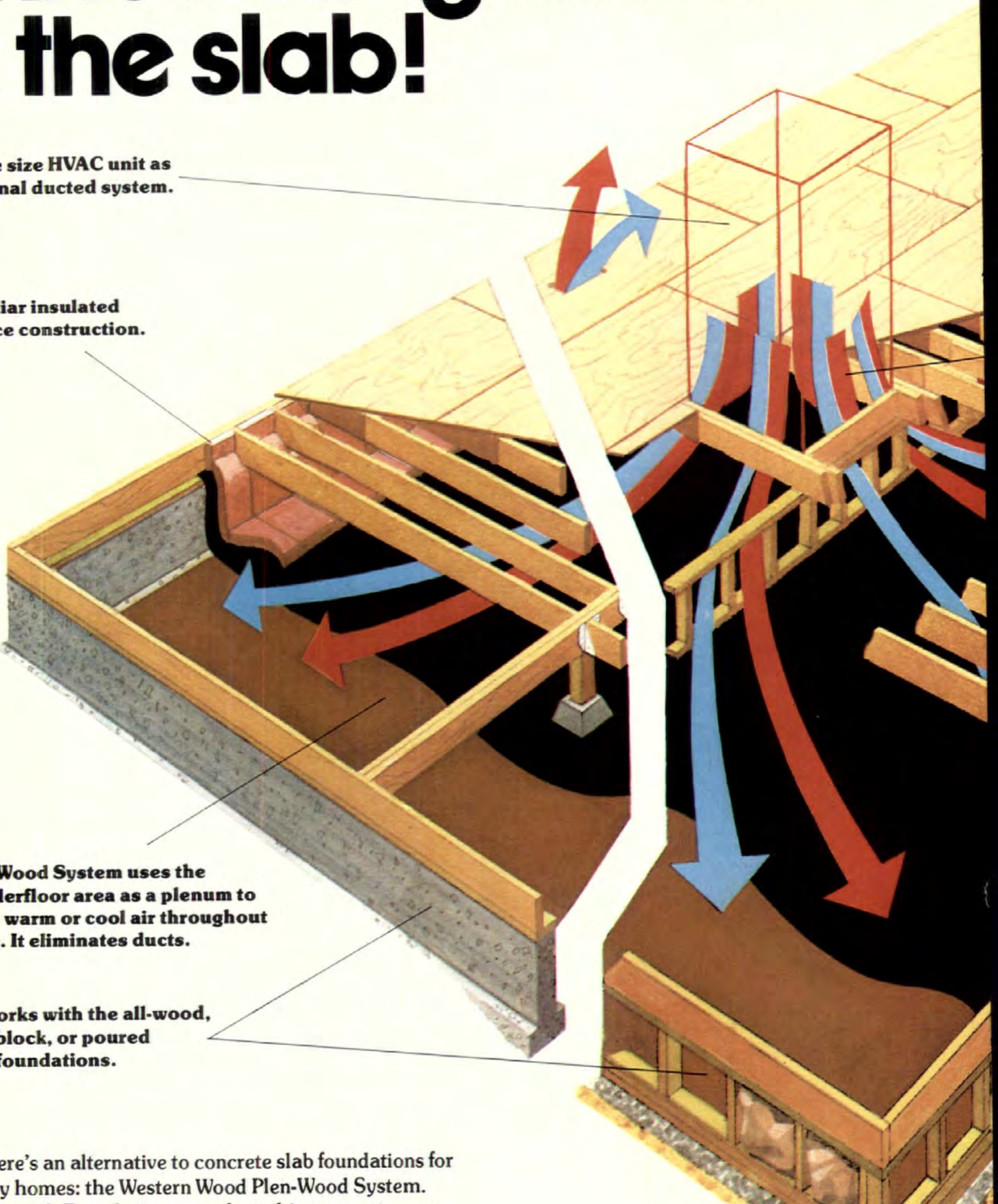
But there is a drawback. If a borrower chooses an annual 3% increase over ten years on a 30-year loan of \$35,000 at 8½%, he will pay back \$102,674.

If he chooses the old level-payment mortgage, he will pay back \$96,840—\$5,834 less.



A stock rally set off by housing starts is described in New York headlines.

Announcing the end of the slab!



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The Plen-Wood System uses the entire underfloor area as a plenum to distribute warm or cool air throughout the house. It eliminates ducts.

System works with the all-wood, concrete block, or poured concrete foundations.

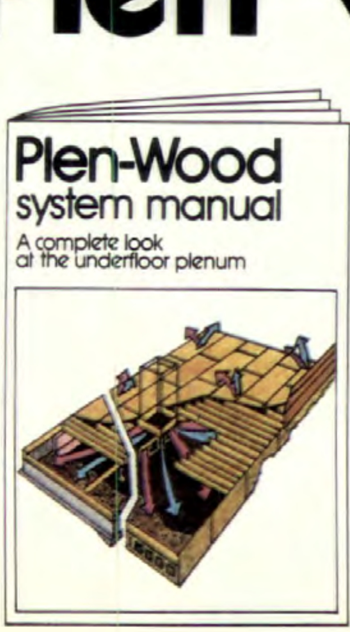
Finally, there's an alternative to concrete slab foundations for single story homes: the Western Wood Plen-Wood System. NAHB Research Foundation tests show this new system can save up to $330 per house (compared with regular slab construction) depending on location and local codes. It provides greater comfort than slab construction: temperature variations are minimal between floor and ceiling, whether heating or cooling. And wood floors are more resilient, and more appealing to home buyers, than concrete floors. And indications are the system saves energy for both air conditioning and heating. Will the Plen-Wood System replace the slab? We think so. Get more details, and you'll think so, too. Mail the coupon today!

Openings for adjustable air registers are cut through the floor wherever desired to suit room arrangements.

Down-flow design directs air into the sealed plenum.

Use of the underfloor plenum began in the 1950's and is now used in more than 2,000 homes. The Plen-Wood System was developed as a direct result of industry efforts to reduce construction costs and energy requirements. Sponsors included Western Wood Products Association, American Plywood Association, Southern Forest Products Association, and American Wood Preservers Institute. National cost estimates were prepared by the NAHB Research Foundation. The system is permitted by FHA and model building codes and meets new Federal energy standards.

Introducing the Western Wood Plen-Wood System!



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One of a series by members of the American Wood Council.

Swamped by swamp buyers, developers try to swap their way out

Two of Florida's major land-development companies say they have worked out plans to get them off the hook for homesites they find it impossible to deliver to customers. They are Deltona and GAC (formerly Gulf American) Corp.

In Deltona's case, the Florida division of land sales has okayed an option program for thousands of buyers of waterfront lots that can't be delivered because the Corps of Engineers has said no to dredging and filling at Marco Island, near Naples on the Gulf Coast.

That ban is being challenged by Deltona in the Federal District Court in Jacksonville and a suit for several million dollars in damages has been filed against the Corps in the U.S. Court of Claims. But with years of litigation likely, Deltona wants to work out something with its customers.

Deltona's offer. Those who bought lots in Deltona's Big Key and Barfield Bay areas at Marco can get a refund of principal and interest with a payout stretched over three years.

There are other options: an exchange for a comparably priced lot in any of Deltona's seven other Florida developments, a lot in areas of Marco Island available now for building, or a trade for a condominium unit at Marco Island.

Those who agree to swap lots can swap back for their original Marco homesites within five years if the Corps of Engineers' ban on dredging is overturned in court. Deltona officials say those lot purchasers at Barfield Bay and Big Key so far responding say they prefer to wait and see what happens in court.

DELTONA'S MACKLE
Betting on his buyers

And the stakes. *Forbes* magazine in New York reported recently that, if the Marco Shores buyers don't accept land instead of cash, Deltona will be in deep trouble. The article, written by Harold Seneker, formerly of HOUSE & HOME, quoted President Frank Mackle Jr. of Deltona as saying, "It's like a run on the bank. If everyone wants money at once, it's not there." Deltona, *Forbes* reported, has \$115-million worth of undeliverable lots that it has pledged to deliver, only \$55 million in stockholders' equity to pay off, and nearly \$200 million in debts.

GAC's plan. A federal bankruptcy judge has, meanwhile, approved a plan to save GAC Corp. from liquidation if 18,000 lot buyers in six remote developments will swap for land of equal or greater value in three more viable projects.

The idea is to get people to accept land for lots in Cape Coral near Fort Myers, Barefoot Bay near Fort Lauderdale or Poinciana in Polk and Osceola Counties in central Florida near Disney World. The goal is to move lot buyers into those developments from the Golden Gate projects near Great Cypress Swamp in Collier County and from River Ranch Shores in Polk County.

Part of the program also involves swaps within the Cape Coral and Poinciana developments to move people closer to existing facilities. This is particularly crucial in Cape Coral, where GAC is stymied by the refusal of the Florida environmental agency to permit any more dredging and filling of mangrove areas.

Risks. Executives of GAC estimate that success of the swap program could reduce the company's development costs from \$218 million to \$162 million.

Letters explaining the swap program are being mailed to GAC's 18,000 lot purchasers in November. Herbert S. Freehling, a semi-retired hotel and real estate executive who is a GAC bankruptcy trustee, hopes to know by January 15 if the program is accepted widely enough to succeed. If a considerable number of the lot purchasers reject the program, GAC could be hit with a demand for up to \$65 million in refunds and a loss of about \$44 million now due on those 18,000 lots.

—FRED SHERMAN
McGraw-Hill News, Miami

Deltona, Murchisons take on Tierra Verde

Deltona has formed a joint venture with the Murchison brothers of Dallas, Texas to begin immediate development and marketing of 600 lots on Tierra Verde, a 667-acre island at the entrance to Tampa Bay in Florida.

The Tierra Verde Co. is being organized between Deltona and the Murchisons' Madonna Corp.

Development of Tierra Verde began in 1959, and Madonna was formed by the brothers for the venture. John and Clint Murchison are Texas industrialists, and their Centex Corp. is one of the nation's biggest homebuilders.

Third-quarter profits: Kaufman and Broad leaps, Ryan dives and Deltona posts loss

Kaufman and Broad Inc. has just posted its fifth straight profitable quarter and a ten-fold profit jump over last year's level.

The company's net income for the third quarter (August 31) was \$2,830,000, or 17 cents a share, on revenues of \$92,001,000. For the same period last year, net income was \$265,000, or one cent a share on revenues of \$86,216,000.

Nine-month net was \$5,464,000, or 32 cents a share, compared with a \$1,058,000 loss, or 10 cents a share, for the first three quarters of 1975.

Foreign aid. Chairman Eli Broad said profits were boosted by foreign operations during the quarter. The company's largest division, in Toronto, made big gains after completing a 451-unit townhouse development.

The company's manufactured housing business also improved over last year. Broad says that shipments are up 50% and that sales have reached a \$38-million annual rate.

Ryan. Despite improved sales and "modest" new order claims, Ryan Homes Inc. (Pittsburgh) saw third-quarter profits drop 8% from last year.

Earnings fell to \$2.8 million, or 43 cents a share, from \$3.1 million, or 47 cents a share, in 1975. Sales, however, rose 8% to \$56.9 million from \$52.1 million in 1975.

Standard Pacific. For the nine months ending September 30, Standard-Pacific Corp. of Costa Mesa, Calif., registered a 213% jump in net income—to \$2,986,395—on revenues of \$55,568,061.

The totals compare with last year's net of \$953,963 on revenues of \$28,883,083 for the same period. Fully diluted earnings for the first three quarters of 1976 rose to \$1.26 per share over the share price of 45 cents a year ago.

NADEL

K AND B'S BROAD
Support from abroad

Deltona. The Deltona Corp. reported that it had a net operating loss for the first three quarters of 1976 but that its results were better than for the same period a year ago.

The loss for the nine months ended September 30 was \$2,146,000, or 57 cents a share, compared with a loss of \$3,617,000, or 98 cents a share in the 1975 period.

Revenues were \$66,818,000 for the 1976 period, up slightly from \$66,464,000.

Dart. Dart Industries (Los Angeles) posted nine-month earnings of \$76.3 million on \$1.1 billion in sales. In the comparable 1975 period, net was \$55.3 million on sales of \$932 million.

Net earnings for the third quarter were \$21.8 million on \$362 million. That compared with \$15.7 million on sales of \$327 million in the prior year. Pre-tax earnings increased 12% to \$39.5 million from \$35.4 million last year.

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You'll learn the basic concepts that lie behind the best of California's new projects

Economic Market analysis—How income and employment data for a market area determine the type of product that should be built, its size, its price, and the rate at which it will sell or rent

Product design—How to transform economic data into a house, townhouse or apartment that will appeal to specific buyers or renters

Market segmentation—How to identify not just the major market segments—empty nesters, move-up families, singles, etc.—but also the many significant sub-markets within these markets

Merchandising—How the various elements of on-site product presentation—models, decoration, sales offices, brochures, etc.—should be coordinated to appeal to specific market segments

Plus

A special program on the most common house design problems and how they can be successfully solved, presented by Walker & Lee, the country's largest-volume new home broker

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Your three-day seminar package includes:

A double room for three nights at the new Newport Beach Marriott Hotel—either February 6, 7 and 8 or March 13, 14 and 15

Reception and cocktail party Sunday night

Three half-days of field tours to housing projects of greatest current interest

Three half-days of classroom instruction and discussion on marketing and merchandising

Lunch on each of the three days

Special model-house tour

Brainstorm cocktail and dinner party Tuesday night

Fee for the three-day program: $875

For an additional $100, your spouse may accompany you to all classroom sessions and field tours.

Please note: Due to the individualized nature of this seminar, enrollment is limited.

That's the only way to be sure that every attendee has sufficient opportunity to really see the projects on the tours, and to talk with the experts conducting the classroom sessions.

So registrations must be accepted on a first-come, first-served basis.

And because hotel accommodations are limited and must be confirmed well in advance of the seminar dates, all enrollment fees must be paid upon registration.

You'll hear from these experts in classroom sessions

Dr. Alfred Gobar is president of Alfred Gobar Associates, a highly respected real-estate market research firm which numbers among its clients major banks, S & Ls, insurance companies, and some of the biggest residential and commercial developers in the country. Dr. Gobar's particular field of expertise is forecasting residential demand by housing type, unit volume and dollar volume. He is also Associate Professor of Economics at State University at Los Angeles.

Kenneth Agid, Director of Residential Marketing for the Irvine Co., has responsibility for planning and selling more than 1,500 units a year ranging in price from $30,000, to more than $200,000. He is recognized as one of housing's foremost experts on market segmentation.

Thomas G. Payne is president of Applied Research Services, a marketing firm that specializes in transforming the results of market research into housing design, merchandising and marketing strategy. His clients include some of Southern California's most successful builders.

Lester Goodman is president of Lester Goodman Associates, a firm that specializes in research, planning and merchandising for residential development. Before forming his own firm he directed marketing for such well-known firms as Larwin Co., Alco-Pacific, M. J. Brock & Sons, Rutenberg Corp. and John D. Lusk & Son.

To see how to enroll in The California Marketing Scene seminar, turn the page

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Hours
Reception and cocktails will be held Sunday evening starting at 6:00. Registrants may check in then, or on Monday morning between 8:30 and 9:00. Seminar sessions start at 9 a.m. on Monday, and 8:30 a.m. on Tuesday and Wednesday. The program ends at 4:00 p.m. on Wednesday.

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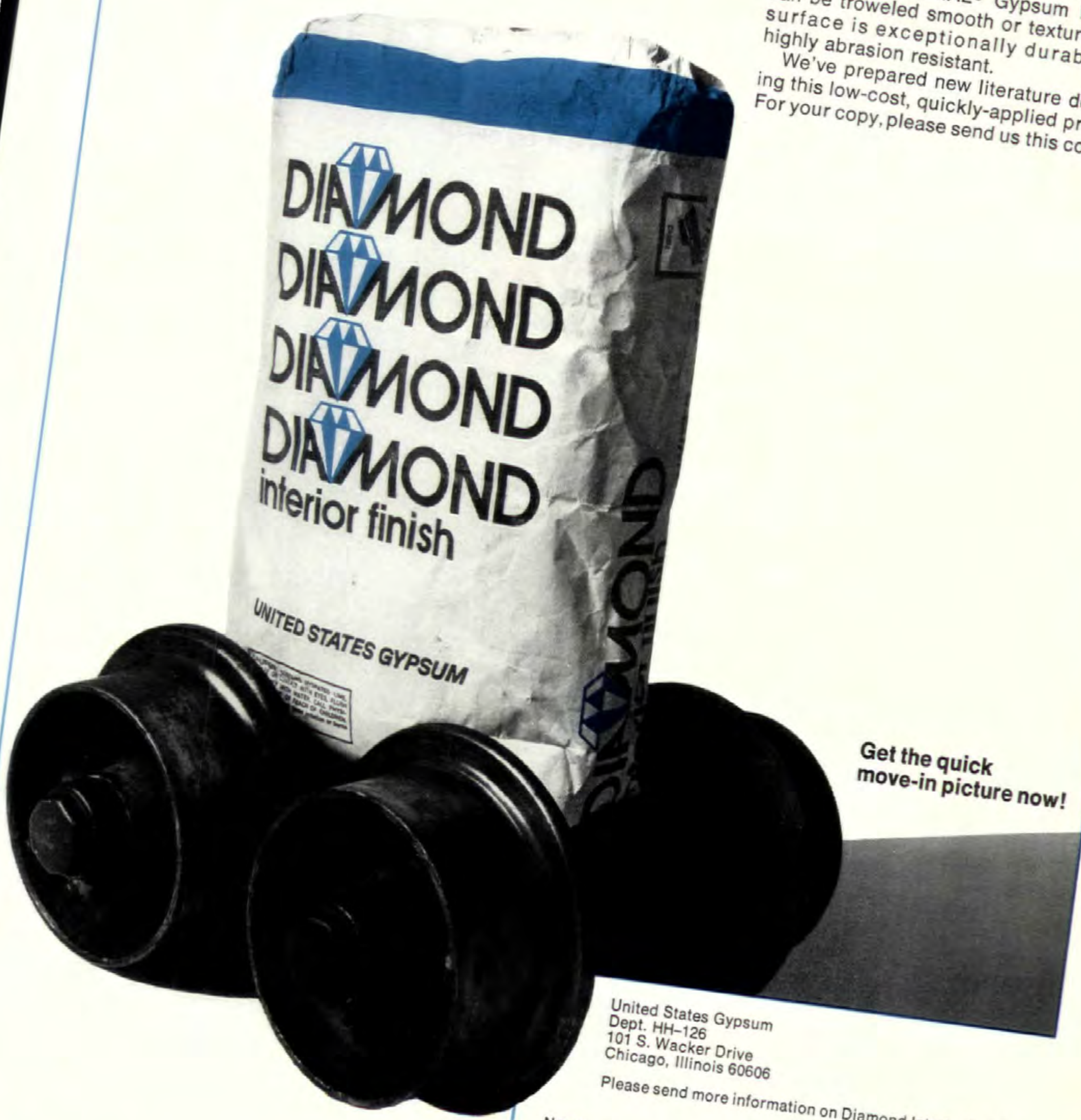

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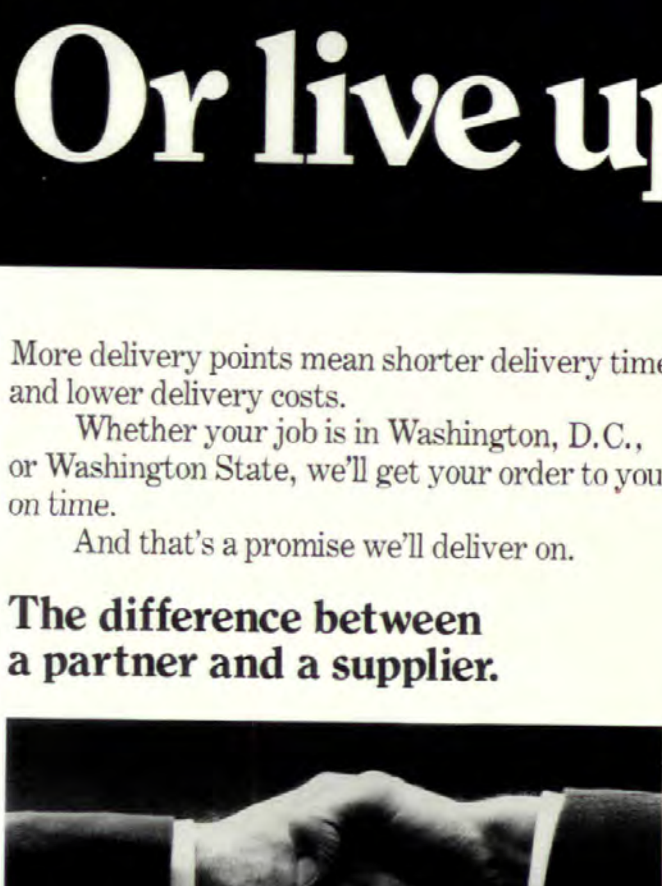

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Lenders' issues lead housing stocks upward—mobile homes slip

The big California S&L associations' stocks led HOUSE & HOME's share-value index of housing issues upward in the month ended November 1.

The composite index of 25 issues rose to 181.66 from 177.74. The five S&L stocks spurted to 155.30 from 146.18. Share values of January 1965 equate with 100.

The five mortgage companies' stocks moved up, and both builders' and land developers' issues gained a bit. The mobile-home stocks fell on reports that the industry was revising its sales predictions downward. Skyline was the only mobile maker to manage a gain.

Good-by. HOUSE & HOME discontinues its stock index and list with this issue.

The list has appeared since shortly after the magazine's advent in 1952, and the index has been published regularly since April 1967. It was introduced with an article entitled "HOUSE & HOME's 25—a new barometer of housing stocks."

The time lag between compilation and publication of the list has always presented a problem for our readers and, with the new volatility that has affected the stock market in the last few years, it has become even more difficult to publish timely quotations.

HOUSE & HOME goes into a new format and takes on a sharper news orientation in January, and when it appears in new dress the stocks list will be missing.

Here's the graph of 25 stocks.

Here's how the five companies in each division performed.

	Nov.'75	Oct.'76	Nov.'76
Builders	131	174	176
Land developers	76	70	71
Mortgage cos.	198	226	228
Mobile homes	417	485	476
S&Ls	104	146	155

Company		Nov. 1 Bid/close	Chng. Prev. Month
BUILDING COMPANIES			
AVCO Comm. Devel.—d	PC	11/16	+ ¼
American Cont. Homes	OT	⅜	− ¼
American Urban Corp.	OT	1/16	− 1/16
Bramalea Con. (Can.)—d	TR	5⅞	....
Campanelli Ind. (New American Ind.)	OT	1½	....
Capital Divers (Can.)—d	OT	.275	+ .025
•Centex Corp.	NY	10⅞	+ ⅛
Cenvill Communities	AM	8¾	+ 1¼
Cheezem Dev. Corp.	OT	¼	− ¼
Christiana Cos.	AM	2⅞	....
Cons. Bldg. (Can.)	TR	2.40	− .25
Dev. Corp. Amer.	AM	5¾	....
Edwards Indus.	OT	4	....
FPA Corp.—d	AM	3⅝	− ⅛
Carl Freeman Assoc.	OT	1⅝	− ⅜
General Builders—d	AM	1⅛	− ⅛
Homewood Corp.	OT	6½	+ ¾
Hunt Building Corp.	OT	⅞	− ⅜
•Kaufman and Broad	NY	8¾	+ ¼
Key Co.—d	AM	1¾	− ⅛
Leisure Technology	AM	2¼	....
Lennar Corp.	NY	4¾	− ½
McCarthy Co.	PC	½	− ¾
McKeon Const.	AM	2⅝	− ⅜
H. Miller & Sons	AM	13½	− ¼
Mitchell Energy & Dev.	AM	37⅝	+ ⅝
Oriole Homes Corp.	AM	8½	− ¼
Presidential Realty	AM	2⅜	− ½
Presley Cos.	AM	9⅜	− ⅜
Pulte Home Corp.	AM	5¼	− 1
Rossmoor Corp.	AM	5	− ¼
•Ryan Homes	AM	19	− ⅛
Ryland Group	OT	15¾	+ 1
•Shapell Industries	NY	17⅛	+ ¼
Standard Pacific	AM	8¾	− ¼
Universal House & Dev.—d	PC	9/32	− .031
•U.S. Home Corp.	NY	7½	....
Washington Homes	OT	2½	− ¼
Del E. Webb	NY	6⅝	− ¼
Westchester Corp.—d	OT	¼	....
SAVINGS & LOAN ASSNS.			
American Fin. Corp.	OT	9½	+ ¼
Calif. Fin.	NY	7⅞	− ¼
•Far West Fin.	NY	8¼	+ ⅛
Fin. Corp. Santa Barb.	AM	16½	+ 1⅜
•Fin. Fed.	NY	16⅛	+ 1¾
•First Charter Fin.—b	NY	17⅜	+ 1⅜
First Lincoln Fin.	OT	6	+ 2⅜
First S&L Shares—d	AM	7	+ ¼
First Surety	OT	5	− 1½
First West Fin.	OT	2	....
Gibraltar Fin.	NY	9¾	− ⅜
Golden West Fin.	NY	19⅜	+ ⅜
•Great West Fin.	NY	20½	+ ½
Hawthorne Fin.	OT	10⅞	− ⅝
•Imperial Corp.	NY	15⅝	+ ⅝
Transohio Fin. (Union Fin.)—d	NY	10⅛	+ ⅛
United Fin. Cal.	NY	11⅛	− ⅛
Wesco Fin.	NY	15⅝	+ ⅞
MORTGAGING			
•Charter Co.	NY	3	− ¼
CMI Investment Corp.	NY	15	+ 1
•Colwell	AM	6⅛	+ ½
Cont. Illinois Realty	NY	1⅜	− ⅛
•Fed. Nat. Mtg. Assn.	NY	16⅛	− ⅛
Fin. Resources Gp. (Globe Mortgage)	OT	⅞	....
•Lomas & Net. Fin.	NY	8¼	+ ⅝
•MGIC Inv. Corp.	NY	15½	+ ⅞
Palomar Fin.—d	AM	1½	− ⅜
United Guaranty Corp. (formerly FMIC Corp.)	NY	11¼	+ ⅜
Western Pac. Fin. Corp. (formerly So. Cal. Mort. & Loan Corp.)	OT	3½	− ¼
REAL ESTATE INV. TRUSTS			
Alison Mtg.—d	NY	2	....
American Century	AM	1½	....
API Trust (formerly Arlen Prop. Inv.)	OT	3½	− ¼
Atico Mtg.	NY	1⅞	....
Baird & Warner	OT	7⅞	+ 1
Bank America Rlty.	OT	8	− 2⅛
Barnes Mtg. Inv.	OT	1½	− ¼
Beneficial Standards Mtg.	AM	1⅜	− ⅛
BT Mort. Investors	NY	1½	....
Cameron Brown	NY	1½	− ¼
Capitol Mortgage SBI	NY	1⅛	+ ⅛
Chase Manhattan	NY	2¼	− ⅛
CI Mortgage Group	NY	¾	− 1/16
Citizens & So. Rlty.	NY	1½	− ⅛
Cleve. Trust Rlty. Inv.	OT	2¼	+ ⅛
Colwell Mtg. Trust	AM	1½	+ ¼
Conn. General	NY	17¼	+ ⅛
Cousins Mtg. & Eq. Inv.	NY	1⅜	− ⅛
Diversified Mtg. Inv.	NY	15/16	− 1/16
Equitable Life	NY	22⅝	+ ¼
Fidelco Growth Inv.	AM	1⅜	− ⅜
First Memphis Realty	OT	1½	....
First of Pennsylvania	NY	1⅝	....
Franklin Realty	AM	3½	− ⅛
Fraser Mtg.	OT	8¼	− ¼
Gould Investors	AM	2⅝	....
Great Amer. Mgmt. Inv. (formerly Great Amer. Mtg. Inv)—d	NY	⅛	....
Guardian Mtg.	AM	1⅛	− ⅜
Gulf Mtg. & Realty	AM	1⅜	− ⅛
Hamilton Inv.	OT	⅞	....
Heitman Mtg. Investors	AM	1⅛	− ⅛
Hubbard R. E. Inv.	NY	15	+ ¼
ICM Realty	AM	3⅞	− ⅞
Mass. Mutual Mtg. & Rlty.	NY	12½	+ ¾
Mission Inv. Trust (formerly Palomar)	AM	1⅜	....
Mony Mtg. Inv.	NY	11¼	+ ¼
Mortgage Trust of Amer.	NY	2⅞	− ⅜
National Mortgage Fund	OT	⅛	....
Nationwide R.E. Inv. (Galbreath Mtg. Inv.)	OT	5⅛	+ 1⅜
North Amer. Mtg. Inv.	NY	3⅛	− ⅛
Northwest Mutual Life Mtg. & Rlty.	NY	11½	− ⅝
PNB Mtg. Rlty. Inv.	NY	6¾	− ⅜
Penn. R.E. Inv. Tr.	AM	12	+ ⅛
Property Capital	AM	10⅞	....
Realty Income Tr.	AM	9⅝	− ⅝
Republic Mtg. Inv.	NY	1¼	+ ¼
B. F. Saul R.E.I.T.	NY	3⅛	− ⅛
Security Mtg. Inv.	AM	1⅝	....
Stadium Realty Tr.—d	OT	3⅛	+ ⅛
State Mutual SBI—d	NY	1½	− ½
Sutro Mtg.	NY	6⅝	+ ¼
UMET Trust	NY	1¼	+ ¼
United Realty Tr. (Larwin Realty & Mortgage Trust)	AM	6⅞	....
U.S. Realty Inv.	NY	1¾	− ⅛
Wachovia Realty Inc.	NY	3	− ⅛
Wells Fargo Mortgage	NY	8¼	+ ¾
LAND DEVELOPERS			
•AMREP Corp.	NY	1⅝	+ ⅛
Crawford Corp.	OT	3½	....
•Deltona Corp.	NY	3¾	+ ⅞
Fairfield Communities	OT	2	− ⅛
•Gen. Development	NY	4⅝	− ⅛
•Horizon Corp.	NY	1⅜	....
Landmark Land Co. (Gulf State Land)	AM	1½	− ⅜
Land Resources	OT	¾	− ¼
Major Realty	OT	9/16	− 1/16
•McCulloch Oil	AM	3	+ ⅛
Sea Pines Co.	OT	⅝	....
MOBILE HOMES & MODULES			
•Champion Home Bldrs.	AM	3½	− ⅛
Conchemco	AM	9⅝	− ⅝
De Rose Industries—d	AM	1⅛	− ⅜
•Fleetwood	NY	15⅞	− 1
•Golden West	AM	8⅝	− ⅛
Mobile Home Ind	NY	4	− ⅛
Monarch Inc.	OT	⅞	− ⅛
•Redman Inc.	NY	3¼	....
Rex Noreco	NY	1⅝	....
•Skyline	NY	17¼	+ ½
Town and Country	AM	2	− ⅛
Zimmer Homes	AM	7½	+ ¾
Brigadier Inc.	OT	1	....
Hodgson Houses—d	OT	½	− ⅛
Liberty Homes	OT	1⅝	− ⅜
Lindal Cedar Homes	OT	3	+ 1¼
Nationwide Homes	AM	12½	− ⅛
Shelter Resources	AM	2⅛	− ⅝
Swift Industries	OT	⅛	....
DIVERSIFIED COMPANIES			
American Cyanamid	NY	26½	− ⅝
Amer. Standard	NY	27¼	− ⅞
Amterre Development	OT	¾	− ¼
Arlen Realty & Develop.	NY	2¼	− ⅜
AVCO Corp.	NY	14¾	+ ⅛
Bendix Corp.	NY	39¾	− 1¾
Boise Cascade	NY	28⅝	+ 1⅝
Building & Land Tech.	OT	⅛	....
CNA Financial (Larwin)	NY	5⅞	− ½
Campeau Corp.	TR	4.15	+ .10
Castle & Cooke (Oceanic Prop.)	NY	16⅛	+ ⅛
Champion Int. Corp. (U.S. Plywood-Champion)	NY	24⅝	+ ⅞
City Investing (Sterling Forest)	NY	12½	+ 1⅝
Cousins Properties	OT	1	− ⅛
ERC Corp. (Midwestern Fin.)	OT	25	− ¾
Evans Products	NY	11	....
Ferro Corp.	NY	31¾	− ¾
First Gen. Resources	OT	⅜	+ ⅛
Forest City Ent.	AM	5⅝	+ ⅛
Flagg Industries	AM	1⅜	....
Frank Paxton Corp. (Builders Assistance Corp.)	OT	12½	+ ½
Fuqua Corp.	NY	10¾	+ 1¼
Georgia Pacific	NY	37	+ 3
Glassrock Products	AM	4	+ ¼
Great Southwest Corp.—d	OT	5¾	....
Gulf Oil (Gulf Reston)	NY	27¼	+ ⅜
Gulfstream Land & Dev. (Bel-Aire Homes)—d	AM	4⅛	− ¼
INA Corp. (M.J. Brock)	NY	44¼	+ ⅝
Inland Steel (Scholz)	NY	50	+ ½
International Basic Econ.	OT	1⅜	− ½
International Paper	NY	66⅞	− ⅛
Inter. Tel. & Tel.	NY	30¾	− 1⅛
Ludlow Corp.	NY	7⅝	+ ¼
Monogram Industries	NY	13¼	− 1⅛
Monumental Corp. (Jos. Meyerhoff Org.)	OT	9⅝	− ⅛
Mountain States Fin. Corp.	OT	3	....
National Homes	NY	4¾	+ ¼
National Kinney (Uris Bldg.)	AM	1½	− ⅛
Pacific Lumber	NY	31⅝	+ 1
Perini Corp.	AM	6⅝	− 1
Philip Morris (Mission Viejo Co.)	NY	60¼	− 1⅛
Pope & Talbot	NY	17⅜	+ ⅜
Republic Housing Corp.	AM	1¾	+ ⅛
Rouse Co.	OT	4¼	− ¼
Santa Anita Consol. (Robert H. Grant Corp.)	OT	8⅛	− ⅛
Tenneco Inc. (Tenneco Realty)	NY	33¾	− ¼
Thor Corp.—d (First Realty Inv. Corp.)	NY	13/16	− 1/16
Time Inc. (Temple Industries)	NY	33½	+ ¼
Tishman Realty	OT	15⅛	....
Titan Group Inc.	OT	1¾	− ¼
UGI Corp.	NY	16½	....
Westinghouse (Coral Ridge Prop.)	NY	16⅝	− 1¾
Weyerhaeuser (Weyer Real Est. Co.)	NY	46½	+ 3¼
Whittaker (Vector Corp.)	NY	6⅝	....
Wickes Corp.	NY	12¾	+ ¾
Wylain Inc. (Weil McLain)	NY	9⅝	+ ⅝
SUPPLIERS			
Armstrong Cork	NY	27½	+ ¾
Automated Bldg. Com.	AM	4¼	+ ¼
Bird & Son	OT	32½	+ 2½
Black & Decker	NY	17⅝	− 2¾
Carrier Corp.	NY	16	− ⅞
Certain-teed	NY	18⅝	+ 1⅜
Crane	NY	27½	− ¼
Dexter	NY	22¼	− ½
Dover Corp.	NY	35½	− 1½
Emerson Electric	NY	35¾	− 1½
Emhart Corp.	NY	30½	− 2⅞
Fedders	NY	5½	+ ⅛
Flintkote	NY	19½	+ ⅛
GAF Corp.	NY	11⅝	− 2⅝
General Electric	NY	53¼	+ 1¼
Goodrich	NY	24	− 3
Hercules	NY	28¼	+ ¼
Hobart Manufacturing	NY	21¼	− 1½
Int. Harvester	NY	28⅞	− ⅝
Johns-Manville	NY	32⅝	+ 3
Kaiser Aluminum	NY	33½	− 3¼
Keene Corp.	NY	8⅞	+ ⅜
Leigh Products	AM	10½	− ¾
Masco Corp.	NY	21⅜	− 2⅝
Masonite	NY	35⅞	+ 2⅛
Maytag	NY	34¼	+ ⅝
National Gypsum	NY	16¾	+ 1½
Norris Industries	NY	41⅜	+ 1⅞
Overhead Door	NY	10¼	+ ½
Owens Corning Fibrgl.	NY	59¼	+ 3
Potlatch Corp.	NY	62¾	+ 3
PPG Industries	NY	49½	+ 3⅛
Reynolds Metals	NY	34⅝	− 4⅝
Rohm & Haas	NY	51½	+ 1
Ronson	NY	3⅞	− ⅛
Roper Corp.	NY	18⅜	− ⅝
St. Regis Paper	NY	36	− 2½
Scovill Mfg.	NY	19⅞	+ 2⅛
Sherwin Williams	NY	38½	+ ⅝
Skil Corp.	NY	9⅝	− ½
Slater Electric	OT	5¾	− ¼
Stanley Works	NY	27½	− 3
Tappan	NY	8⅜	+ ¼
Thomas Industries	NY	9⅞	− ⅛
Triangle Pacific	NY	12⅞	+ 1⅛
U.S. Gypsum	NY	24⅞	+ 2⅝
U.S. Steel	NY	47½	− 1¼
Wallace Murray	NY	18½	+ ¾
Jim Walter	NY	36¾	+ 3⅝
Whirlpool Corp.	NY	25¼	+ 1¾

AM—closing price American Stock Exchange. NY—New York Stock Exchange. OT—over-the-counter bid price. PC—Pacific Exchange. PH—Philadelphia Stock Exchange. TR—Toronto Stock Exchange. a—stock newly added to table. b—adjusted for 5% stock dividend. d—not traded on date quoted. •—Computed in HOUSE & HOME's 25-stock value index. Source: Standard & Poor's, New York City.

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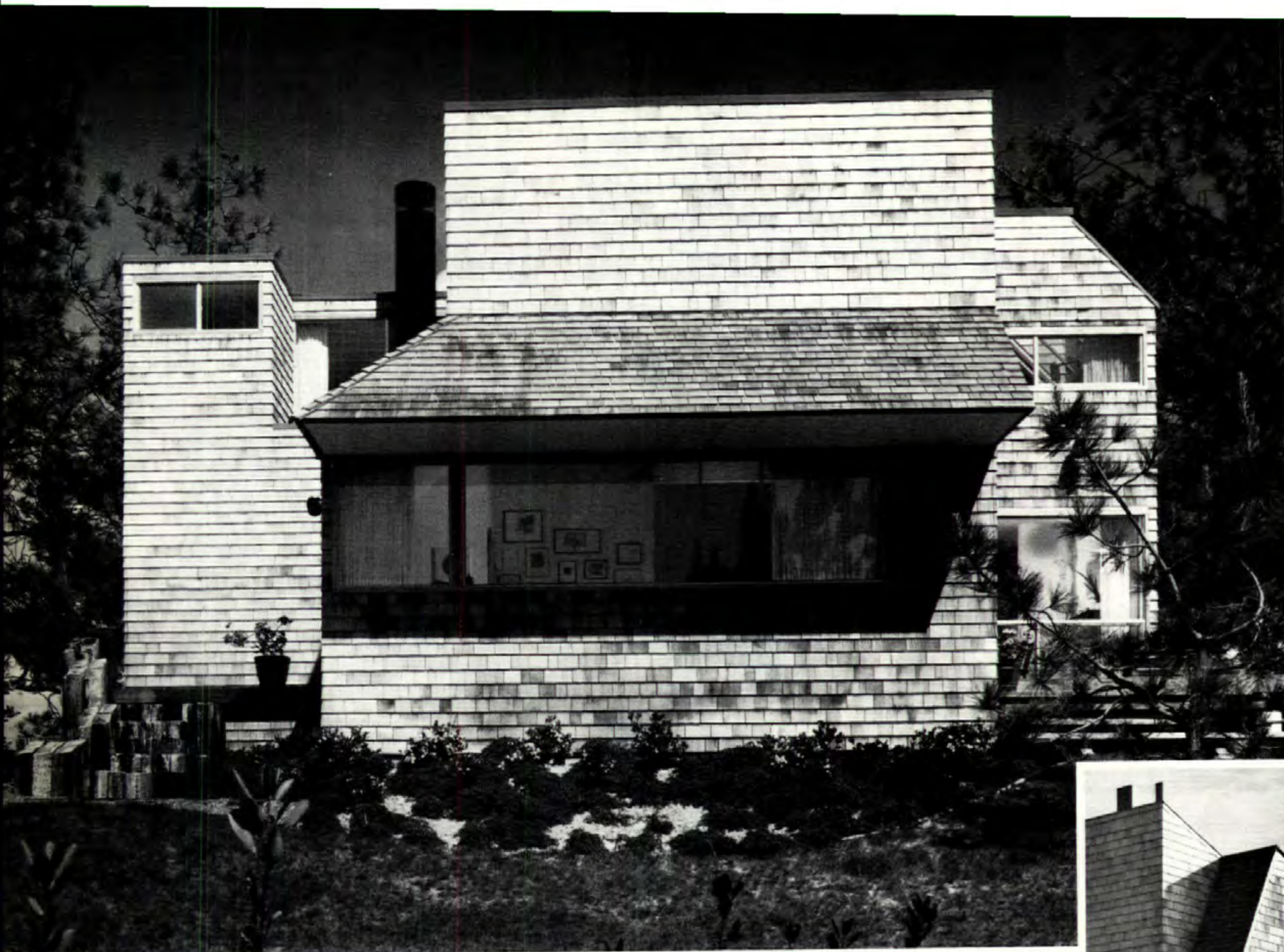


 CIRCLE 34 ON READER SERVICE CARD

Gurney cleared in case involving shakedown of Florida builders

Edward J. Gurney strode out of the federal courthouse in Orlando, Fla., an innocent but an angry man.

A jury had just found him not guilty on the last charge in an FHA bribery case. The former senator, 62, a World War II hero who still feels the effects of a leg wound, walked with a slight limp to a microphone and told an impromptu press conference:

"The Department of Injustice destroyed a senator and thwarted the people of Florida who elected me.

"They blackened my name; they besmirched my character; they ruined me economically.

"I have a feeling of great relief that this long ordeal is finally over, a feeling of great satisfaction that we've beaten these mean, vicious people from the government."

The verdict. It took the panel of eight men and four women only an hour and 14 minutes to decide that Gurney was innocent of the charge of lying to a federal grand jury in 1974 about his knowledge of a $400,000 political slush fund collected in his name from homebuilders doing business with the FHA.

Gurney had told the grand jury that he did not know until the middle of 1973 that his one-time fund raiser, Larry Williams, had been paying expenses at Gurney's campaign offices and paying Gurney's staff with money obtained illegally.

That was the last of six charges against Gurney. He had been found not guilty of five charges in the bribery-conspiracy case last year in Tampa [NEWS, Sept. '75]. And before going to trial on two perjury charges on which that Tampa jury could not agree, the government had dropped a charge of conspiracy.

And the cost. Gurney had been indicted on July 10, 1974, shortly after he had, as a member of the Senate's Watergate hearing panel, expressed occasional support for President Nixon's position.

Gurney announced after the indictment that he could not run for re-election because his defense was taking so much of his time and money.

And when the government insisted on trying him a second time, after the five-week trial in Tampa, Gurney disclosed that he still owed $200,000 on a $300,000 legal bill. He said he did not know whether he could raise money to finance a second defense, but his attorney later said the senator was arranging to mortgage his house.

UPI PHOTO

End of two years of torment comes for ex-Senator Edward Gurney, who comments on Orlando verdict. At left: daughters Sarah Stoner and Jill Holt.

Williams' story. The whole Gurney case turned on the testimony of Williams, a fellow with movie-hero good looks who celebrated his 32nd birthday as a witness in the Orlando rerun of the Gurney trial.

Williams claimed he collected money from homebuilders in the FHA program in 1971 and into 1973, identifying himself as an aide to Gurney. He said he arranged free air flights for the senator and used the cash collected from builders to pay the expenses of two Gurney aides, James Groot and Joseph Bastien.

Back in 1971, Williams testified, he arranged for the senator to vacation at a condominium in Puerto Rico owned by Sumner Kramer, a Dade County and Cape Canaveral builder recently reported operating in Puerto Rico. Kramer was named in the 1974 indictment as an unindicted co-conspirator.

Williams said the senator asked him "if we had done anything for him [Kramer]. I told him we had done favors for him."

'I told the senator.' It was not until the spring of 1972, Williams testified, that he began to worry about his own internal revenue exposure because he had been living off cash raised from builders in the name of the senator. On June 11, 1972, Williams claimed, he went to Gurney's house in Winter Park to talk things over.

"I told the senator that for the last year and a half I had been collecting cash from FHA builders and that there were problems how the money should be spent," Williams told the jury.

He said the senator expressed great surprise and wanted to know how the money, which was in a safety deposit box at a Winter Park bank, could be moved to a safer place in Washington.

Williams said the senator "expressed to me that he thought something like that had been going on."

Politician on stand. Williams concluded his testimony with the statement that his fund-raising campaign among builders continued until May 1973, when the *Miami Herald* published a story saying builders were paying off for FHA commitments.

Another trial witness was Luther E. (Tommy) Thomas, a former chairman of the Florida State Republican Committee. He testified that he was in Washington in May 1971 and told Senator Gurney about the allegations of Gainesville builder Phil Emmer that Williams was trying to shake him down for $5,000.

'Flimsy evidence.' "I asked the senator if he was aware of the allegations made by Emmer, that his arm was being twisted in relation to fund raising," Thomas said. "He stood up and said he didn't have time to discuss such matters."

Gurney, at his press conference, said the prosecution had been carried out "on flimsy evidence gotten from plea-bargainers." A Gurney attorney, C. Harris Dittmer, had told the jurors that Williams "doesn't know the truth and doesn't know how to tell the truth."

A shrug. A sigh. The government had tried to keep two lying charges alive against Gurney himself. One involved Gurney's statement in 1974 that he didn't know until June 1973 that Williams was raising cash for him. Judge George C. Young threw that one out the day before the case was to go to the Orlando jury because, he said, of the absence of clear and convincing evidence.

Gurney's lawyer said the judge's action served to keep the government's case alive for a couple more hours.

Three federal prosecutors had varied reactions to that dismissal. One shrugged. One sighed. One said he would soon be flying home to Washington, and the next day he did.

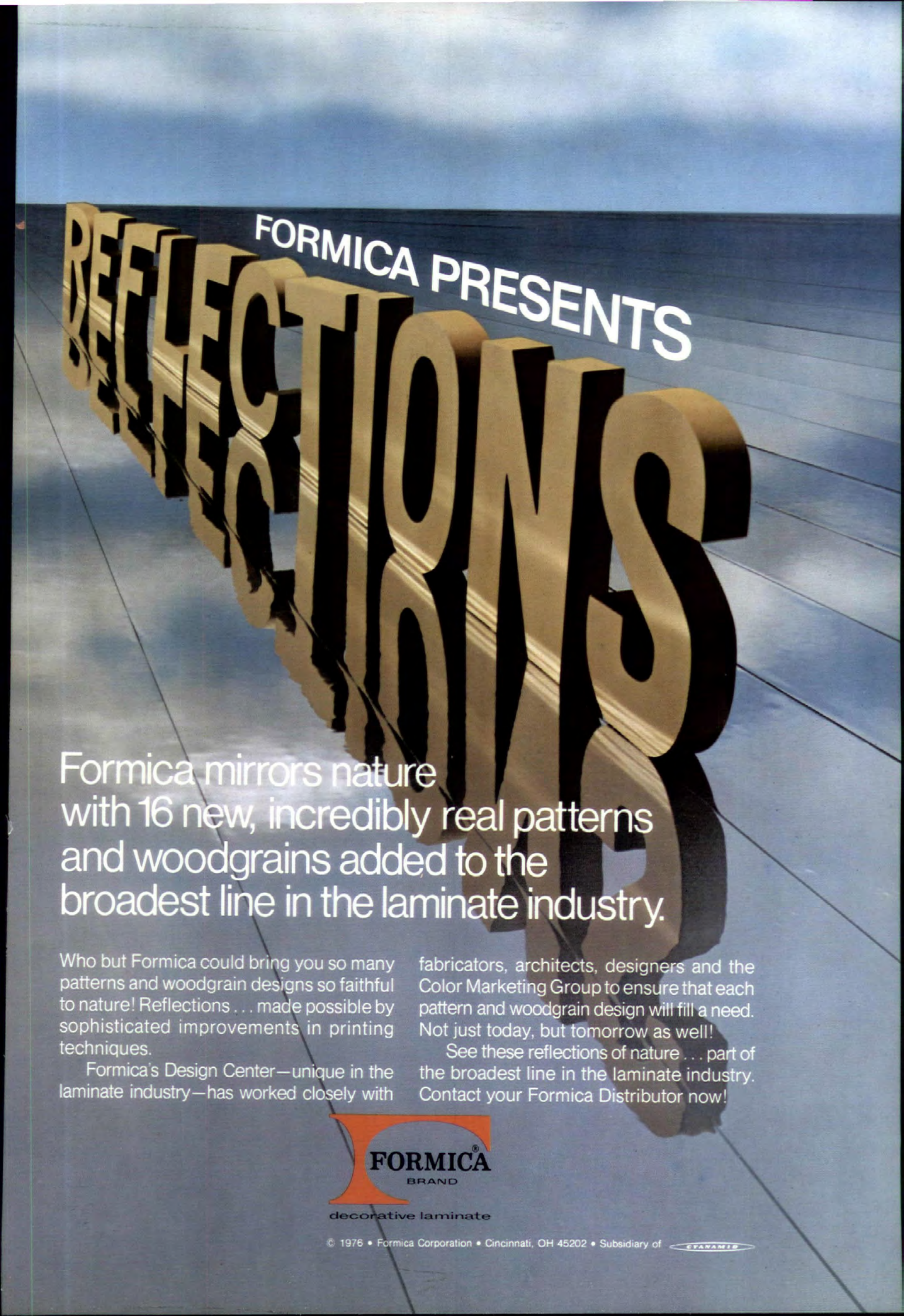
—FRED SHERMAN
Mc Graw-Hill News, Miami

Builder Ed Kromer of NAHB dies at 48

N. Edgar Kromer, who waged a spirited campaign six years ago for the post that usually leads to the NAHB presidency, died of a heart attack September 26 in his office in Delray Beach, Fla.

Kromer lost the race for the fourth position on the NAHB's officers' ladder at the Houston convention in 1970. The winner, George Martin of Louisville, Ky., succeeded to the NAHB presidency in 1973. Kromer served on the NAHB executive committee from 1970 to 1974. He was also one of the charter members of the National Home Owners Warranty Corp. (HOW).

Kromer was a senior vice president of McKeon Construction in Sacramento, Calif. from 1969 to 1971 and a vice president of U.S. Home in Clearwater, Fla. from 1971 to 1974. He was president of E & P Enterprises, a building company in Delray Beach, at the time of his death.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From U.S. to Europe, rush is on for Nat Rogg's plush $70,000 job

The National Association of Home Builders has heard from hundreds of applicants who would like to be executive vice president of the organization—at a salary of about $70,000 a year. [See "Nat Rogg to Retire," NEWS, Sept.]

The search committee and the board of directors had hoped to offer choices at the annual convention in Dallas January 23-27 but, at the rate the selection process is going, that deadline is not likely to be met.

The search, underway since August, turned up so few prospects from word-of-mouth and industry publicity that the association turned to display ads in *The Wall Street Journal's* eastern and midwestern editions.

Executive Vice President

The National Association of Home Builders, a private trade association of 80,000 members based in Washington, D.C., is seeking an Executive Vice President to succeed retiring EVP.

The candidate would direct a staff of 200 persons, including professionals such as architects, engineers, land planners, economists, and public affairs people who provide services for the Association's members.

Candidate, therefore, must have demonstrated administrative and managerial abilities and expertise in development of budgets.

Basic responsibilities include formulation, development, and coordination of overall policy and program recommendations pertaining to all facets of housing and related economic issues.

Analytic thinking a basic requirement and articulate oral communication with individuals and groups of all kinds a prerequisite.

Salary open. Fringe and pension benefits excellent.

Our staff is aware of our search for this individual. Please send resume in full confidence with all particulars to:

National Association of Home Builders
National Housing Center
P.O. Box 28340, Central Station
Washington, D.C. 20005

An Equal Opportunity Employer

Early-on betting. Candidates discussed among members of the search committee prior to the *Journal* appeal were off-the-top-of-the-head choices tossed into the pot by NAHB staffers and members. Someone suggested John Connally might be considered—but others shot that one down.

One qualification, since downgraded somewhat, was that the man to be hired should be knowledgeable about the industry. "What we are really looking for," said a member of the search committee, "is management ability . . . and of course, part of that is the ability to get along with people."

Applicants. No applicant had been interviewed before the ads appeared. They pulled in almost 600 applications from the United States and from Americans in London, Berlin and Brussels.

The search committee's John Smith and Harry Brown drew up a list, and the NAHB executive committee met in Bal Harbour, Fla., in November to screen the names. The panel was reportedly looking for a man-of-distinction type who had served 15 years with an industrial company—and not for a lame-duck bureaucrat or congressman.

Politics and perks. One advantage of the stretched-out process is that the final selection can be made with the NAHB knowing that Jimmy Carter will occupy the White House.

Besides the salary, a generous expense account and a magnificent suite of offices across from Washington's posh Madison Hotel, the job provides such perquisites as a car and memberships in clubs to which the executive director of the NAHB believes he should belong in and around Washington. —D.L.

William Zeckendorf is dead at 71; he was a builder of skyscrapers—and skylines

He was a fallen giant. His star faded with the collapse of his real estate empire in 1965. But William Zeckendorf was a real estate tycoon of legend, a developer whose name inspired awe among builders and politicians until his death in New York City September 30.

As president, chairman and sole stockholder, Zeckendorf propelled his realty and development company, Webb & Knapp, into an operation that built and traded skyscraper office and apartment buildings and hotels in the United States and Canada. (He raised W&K's net worth from $127,000 in 1942 to $75 million in 1957.)

Peak of success for Bill Zeckendorf coincided with this H&H profile in October '57; it called him "biggest real estate tycoon in America."

The empire. At various times Webb & Knapp held the St. Regis, Drake and Astor Hotels as well as the Chrysler and Graybar office buildings in Manhattan. It built such major apartment developments as Kip's Bay Plaza in Manhattan and it built the Place Ville-Marie residential area in Montreal and developed the Society Hill residential area in Philadelphia. It developed L'Enfant Plaza as a residential and commercial project in Washington, D.C., built the Mile High City office center in Denver and started Century City as an apartment and commercial complex in Los Angeles. It was the original sponsor of New York's Lincoln Towers and Park West Village, both residential complexes.

Kept U.N. in N.Y. Zeck's most famous coup, however, was the postwar acquisition of the land on which the United Nations buildings were to stand.

He bought the acreage in 1945 from a meat packer, and his aim was to erect an apartment and office complex. But U.N. officials' talks with the city of New York over another site hit a snag, and it appeared that the world organization would go to Philadelphia.

Zeckendorf, aided by Nelson Rockefeller, convinced Nelson's father, John D. Jr., to put up the $8.5 million for the land.

Zeckendorf picked up $2.5 million in the deal, but he yielded the opportunity to make several more millions on his apartments. And the U.N. stayed in New York.

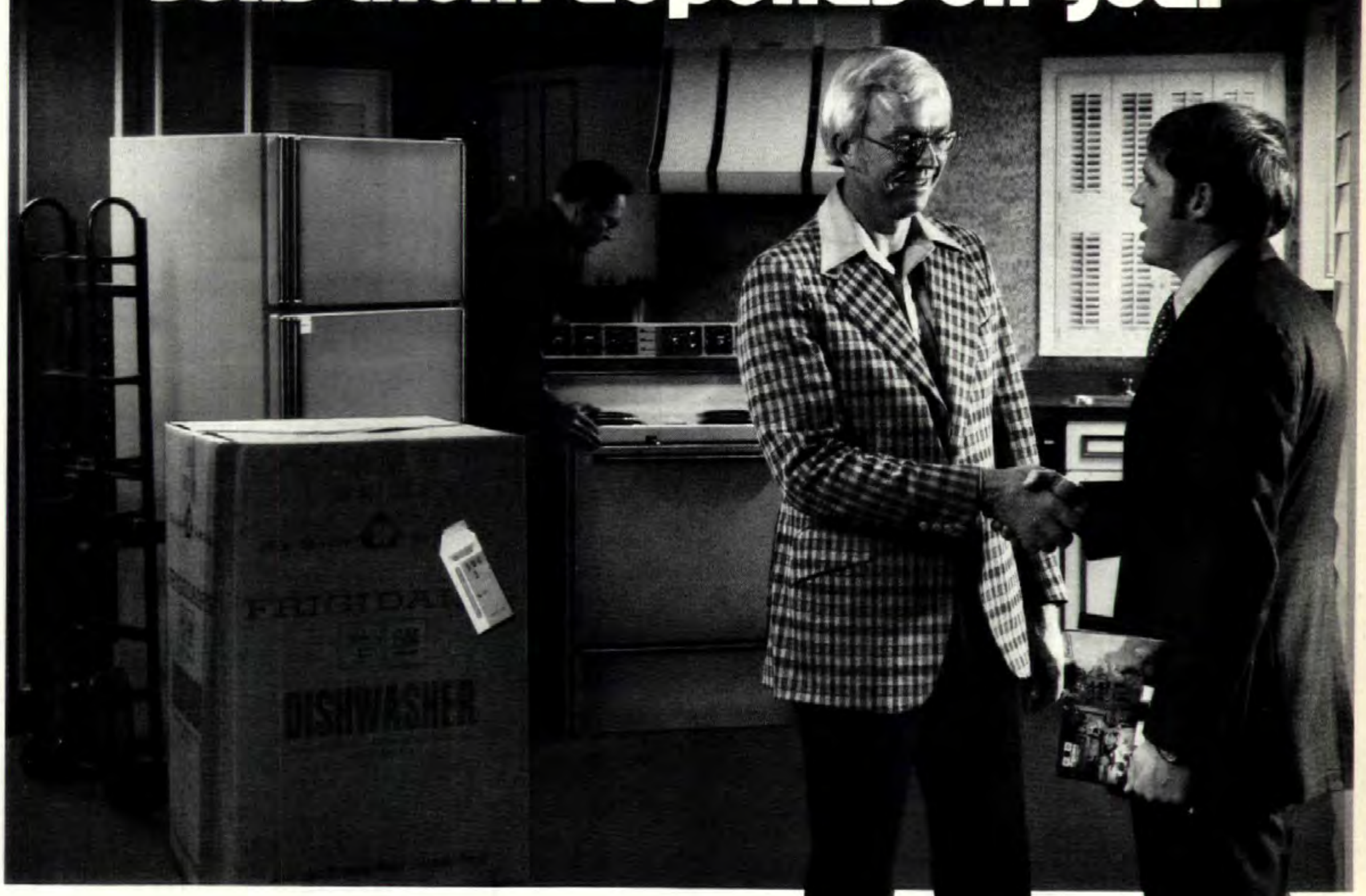
Trouble—and death. The Zeckendorf career was not all roses. Many projects never left the drawing board. The 1960s brought creditor-enforced retrenchment, and Webb & Knapp's glory days ended in 1965, when the company went into bankruptcy with debts totaling $80 million.

The collapse crimped Zeck's style of life. The owner of the big house in Greenwich, Conn.—and of a wine cellar reportedly containing 20,000 bottles—declared personal bankruptcy in 1968. In the same year his second wife was killed in a plane crash and Zeck suffered his first of several strokes.

Financial trouble spilled into the last years. He was indicted by a New York County grand jury last April for failing to file state income taxes for 1972-73. His lawyer has insisted that the taxes had been paid but the case was still officially open when his sixth and last stroke killed Bill Zeckendorf in his Park Avenue apartment.

He leaves his third wife, the former Louise Malcolm of Palm Beach, Fla., and a son, William Zeckendorf Jr., who carries on the tradition of the realty business as chairman of General Property Corp. in New York City. —TOM ALLEN

You can depend on Frigidaire appliances because the man who sells them depends on you.



One of the best reasons for you to add Frigidaire appliances to your kitchens? It's the man who sells them: your independent Frigidaire Builder Supplier.

You'll be dealing with an independent businessman like yourself, who lives and works in your own community. He owes his loyalty and his success to pleasing you and serving your interests better. What's more, he's extremely knowledgeable about your business, because it's his business to serve you more than just appliances.

Many Frigidaire Builder Suppliers carry complementary product lines associated with new construction such as lumber, millwork, plumbing and electrical supplies, supplementary appliances, kitchen cabinets and counter tops.

In addition, your Frigidaire Builder Supplier can perform all the services you might need in connection with purchase, delivery, installation and service according to your individual needs. It's easier, less expensive and less time consuming for him to make any last minute changes you might require.

And he'll save you time, thanks to a large showroom that gives your customers easy accessibility to choose optional products and features that help them customize their kitchens. What's more, his inventory is backed up by Frigidaire's sophisticated ordering and regional distribution system.

Best of all, your Frigidaire Builder Supplier offers you a full line of Frigidaire appliances with a nearly sixty-year-old reputation for quality and dependability that can't help but complement yours.

To get all this and a lot more, think independent. And look up the Frigidaire Builder Supplier nearest you, soon.

Frigidaire, 300 Taylor St.,
Dayton, Ohio 45442
Attn: Housing Industry Sales

☐ I'm interested in becoming a Frigidaire Builder Supplier. Please advise me of available territories and necessary qualifications.

☐ Please have a Frigidaire Builder Supplier contact me.

Name

Firm Name

Address

City State Zip

Telephone

Frigidaire. A Heritage of Quality Since 1918.

Norman Young joins the Levitt reunion at General Development

MARKETEER YOUNG
Teams up with Fischer

FOREST CITY'S LEEDY
Moves over from Larwin

COLWELL'S GABER
From S.F. to L.A.

Norman Young, a former senior vice president of Levitt and Sons and a past president of ITT Community Development, is joining Levitt alumnus Louis E. Fischer with General Development Corp. in Miami.

Young will become an executive vice president for marketing, sales, advertising and corporate relations. He will share the title with another former ITT and Levitt exec, **William R. Avella.**

Often described as a genius among housing market strategists, Young began his career with the American Broadcasting Co. He joined Levitt and Sons in 1963 as senior vice president in charge of marketing and remained with the company when it was acquired by ITT in 1968.

ITT divested Levitt in 1974 but retained Community Development and its Palm Coast project. Young remained under contract with the company until last March.

On the Florida west coast, meanwhile, U.S. Home Corp. (Clearwater) names **Robert J. Strudler** as chairman of the operating committee "in preparation for naming a new president." (The office has been vacant since **Ben Harrison** resigned [NEWS, July].) Strudler had been vice president in charge of legal affairs, a post now taken by **Isaac Heimbinder,** a corporate legal staffer.

The company names **H. Barry Johnston** as vice president of engineering for its subsidiary, U.S. Home of New Jersey. And it discloses that **Ross Stemer,** its press chief, is returning to his desk in Clearwater after recovering from a mild heart attack.

In Atlanta, **Russel O. Williams** becomes eastern marketing director for Kingsberry Homes, Boise Cascade's factory-housing arm. Williams, who succeeds **Frank D. Carter,** has been Kingsberry's northern general sales manager since 1972.

Thomas D. Tyson, a former marketing director of the defunct Ervin Co., Charlotte, N.C., joins Garden Properties Inc., Dothan, Ala., as marketing vice president.

On the Coast, **Stan Cook,** a 30-year real estate veteran, is named sales and marketing director for Shapell Industries of Northern California Inc., Sunnyvale, a subsidiary of Shapell Industries of Beverly Hills. Cook, who succeeds **Frank White,** was sales and marketing vice president for Kaufman and Broad's northern California division.

Dart Industries' **Gary A. Childress,** who resigned as president after citing "communications problems" with Chairman **Justin Dart,** is replaced by **Thomas Mullaney,** 43, who had been president of Wilson Sporting Goods.

James G. Toepfer, executive vice president of Aliso Viejo Co., a new Mission Viejo Co. subsidiary, puts together a staff to determine how to use the recently acquired 6,700-acre Moulton Ranch in California's Orange County. The team includes **Art Cook, Jeff Lodder** and **Van Stevens.**

Kaufman and Broad Homes Inc., the Chicago division of the Los Angeles parent, promotes three. It names **Michael H. Rabin** as vice president of finance and administration, **Jeffrey I. Hyman** as director of marketing and **David E. Beauregard** as contracts manager.

Forest City Dillon Inc. of Cleveland, a division of Forest City Enterprises, appoints **Carleton C. Leedy Jr.** as vice president of sales and development for its western offices in Irwindale, Calif. He was a senior vice president of the Larwin Group's multifamily housing division.

Three execs are promoted by Crestwood Communities Inc., Cincinnati. **James F. McEneaney** takes over as vice president in charge of Midwest operations, **J. Carey Fitzpatrick** as product vice president and **Robert E. Hafer** as marketing director.

LENDERS: **Robert W. Gaber,** former president of Conco Mortgage Banking Co. of San Francisco, becomes executive president of the Colwell Co., the prestigious mortgage banking combine in Los Angeles. He'll oversee financial and administrative affairs.

Six southern California mortgage execs organize Center Financial Group as a Los Angeles mortgage banking company. **Gary Carmona, Steven H. Gold, Richard M. Zelle, Herbert A. Rose** and **R. P. Snyder** come from Sonnenblick-Goldman Corp. of Los Angeles. **Daniel Paul Horwitz** headed Daniel Paul Horwitz Inc. there.

ASSOCIATIONS: **Benjamin D. Holloway** is elected president of the National Association of Real Estate Investment Trusts for 1976-77. He is president of Equitable Life Mortgage and Realty Investors of New York City and vice president of the parent Equitable Life Assurance Society.

The Society of Real Estate Appraisers, based in Chicago, elects **R. J. Frank Jr.** as international president. He heads R. J. Frank & Associates, Portland, Ore.

The Savings Association League of New York State elects **Nathaniel M. Giffen** to a second one-year term.

Robert M. Power succeeds **Andrew Mandala** as director of communications for the National Savings and Loan League, Washington. Power had been public relations director for the Manufactured Housing Institute, Chantilly, Va. Mandala left the league to become publisher of Mortgage Commentary Publications in Washington [NEWS, May].

The Florida chapter of the American Institute of Architects installs **Ellis W. Bullock Jr.** of Pensacola as president.

GOVERNMENT: **David Meeker,** HUD's assistant secretary for community planning and development, resigns after heart surgery. Deputy **Warren Butler** is expected to move up.

David H. Fox, 33, is appointed California real estate commissioner by Governor **Edmund G. Brown Jr.** Fox, an attorney and realty broker, replaces **Robert Karpe** in the $37,300 post.

K&B HOMES' RABIN . . .
Becomes vice president

. . . AND HYMAN
Director of marketing

. . . AND BEAUREGARD
Contracts manager

MERRETT

APPRAISERS' FRANK
International president

CENTER'S GOLD . . .
Helping to organize . . .

. . . AND ZELLE
. . . new mortgage group

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Plywood Cost Cutters for Commercial Construction. Sixteen specific ways to cut the fat out of building. Bonded roofs, pre-framed walls, acoustical floors. And other plywood money-saving tactics for 1976.
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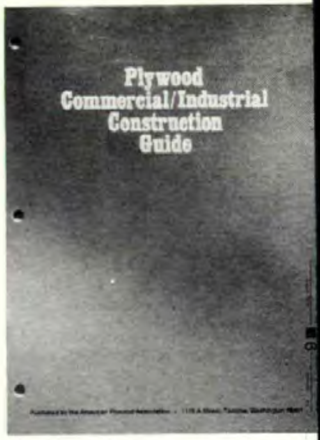
APA Glued Floor System. How it works. How it saves on call-backs. How it adds stiffness. How the new span tables make it more efficient. One builder saves $10,000 a year in no call-backs.
(Circle Service No. 487)



Plywood Commercial/Industrial Construction Guide. The big volume for plywood systems. Fifty-five pages on plywood roofs, walls, floors, fire-resistant construction and finishing. Also up-to-date specifications guide.
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Plywood for Floors. All the floor systems in one place. New span tables for glued floors. New ideas like plywood and foam. New information on heavy-duty floors. New specifications.
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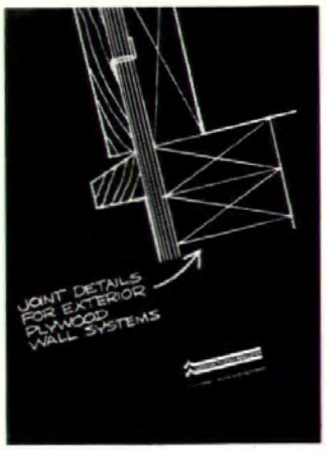

Joint Details for Exterior Plywood Wall Systems. A poster that shows 39 details on how to handle plywood joints. Window treatment. Corner. Vertical. Horizontal. All using conventional materials.
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Plywood Siding. A full-color, 16-page book on mostly multifamily and commercial siding examples. Also color closeups of different plywood features. And a good section on finishing.
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Softwood Plywood for Interiors. Thirty-eight full-color ways to use textured plywood inside. Grooved plywood that looks better than boards. A Medium Density Overlay Plywood wall. A rough-sawn Textured 1-11 bathroom.
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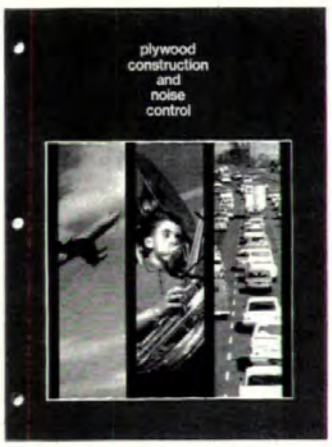

Plywood Construction and Noise Control. The basic facts and solutions on noise. Sound transmission levels. Acoustical lab testing. Ratings for floors and walls. Field tests. The works.
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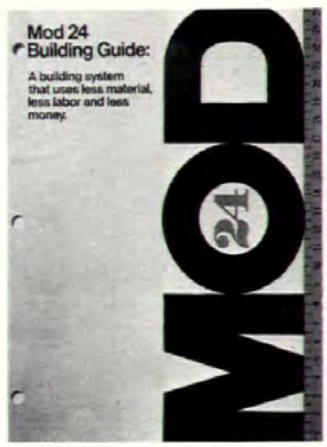

Mod 24 Building Guide. Tells how to use plywood over lumber framing, spaced on a 24-inch module, and save $200 a house. Less labor. Less materials. Less money. And plenty of proof.
(Circle Service No. 495)

Construction for Fire Protection. A 32-page guide to wood/plywood systems that meet code and insurance requirements. Explains the code picture in a nutshell. And insurance ratings. Loaded with benefits.
(Circle Service No. 496)

Solving the tough ones: A builder and a REIT offer lessons

Untangling a troubled construction-lending REIT can be a tortuous process, but dismantling a successful homebuilding operation can be just as complex and perhaps more painful. Two examples show the difficulties.

One case involves Singer Housing, one of the nation's largest homebuilding companies with \$153 million in sales in 1975. The Singer Co., the industrial giant that paid \$100 million to assemble Singer Housing in 1970-72, now wants to sell the four component companies back to the original owners. And the reasons why the Singer Co. has opted to leave housing show again why homebuilding and industrial companies have difficulty living in the same corporate house.

Singer began assembling Singer Housing by acquiring the Besco companies of San Leandro, Calif. A volume builder of lower-priced homes, Besco earned \$4.1 million on \$57 million in sales in its last year as a private company. Singer paid convertible preferred stock worth \$67 million, or 16 times earnings and three times the \$21.2-million book value. Wayne Valley, a principal in the Besco group, joined Singer's board. In the next 1½ years Singer acquired three more companies, giving 413,800 shares then trading at \$80 each, or about \$33.1 million in stock. The newcomers: Melody Homes of Boulder, Colo., Mitchell Companies of Mobile, Ala., and Estes Corp. of Tucson, Ariz. Combined under Valley's leadership, their sales rose from \$109 million in 1971 to \$153.5 million last year. Net income peaked at \$9.2 million in 1972 but nosedived to \$500,000 in 1974 before recovering to \$6.3 million last year. Although Singer Housing kept a low profile in the financial community, its success was generally attributed to the fact that corporate executives in New York City headquarters left the housing companies alone under Valley.

Trouble. So why the divorce? The reasons lie solely with happenings inside Singer. For Singer Housing was but one phase of the drive for conglomeration, during which the old-line sewing-machine and aerospace company expanded into several other businesses. One acquisition was a troubled business-machine company, Friden. Some new operations soured and Singer's total profits plunged. That led to firing of the old management.

And new management took a new look. It sized up Singer Housing as an entrepreneurial business and asked how long the entrepreneurs could be expected to remain, even though all the original entrepreneurs had stayed (in contrast to most homebuilders bought by the major industrials).

The decision: Sell the homebuilding companies to their original owners.

Singer would like to sell back at book value. But divesting a successful company is not as simple as writing off a loser and walking away. Valley and his former owners took Singer common (or convertible preferred) when it was selling in the 70-to-80 range, only to see it plunge 75%-80% to 17½ as this is written.

Ticklish problem. But because Singer Housing was successful, its book value has risen nearly 75% over the years to about \$58 million now. It matters not that Singer originally paid three times book for the combined companies; the total divergence of the two values now leaves the original owners with stock that's not worth much more than one-third of the price they are being asked to pay to redeem their companies.

No one's talking about the negotiations, which have just begun and promise to be unusually delicate. Valley has resigned his Singer board seat so as not to be on both sides of the negotiations.

A REIT in difficulty. If getting rid of a success is delicate, reversing a failure can be difficult too. The experience of Capital Mortgage Investors provides a case in point. That experience bears heavily on the question of whether the sick construction and development lending trusts can ever recover as developers or land packagers.

Capital, based in Washington, D.C., is an unusual mortgage REIT because it was not sponsored by one of the big banks or life insurance companies, and its independence led it to restrict investments mainly to the Washington area it knew best. But when the housing boom ended, Capital was left with troubled real estate in such places as Memphis, Atlanta and Florida's panhandle as well as in Washington.

Enter a troubleshooter. Capital needed a job done fast by a development pro. It called in Edmund J. Bennett, a Washington builder.

Bennett has operated for nearly two years with the title of real estate consultant, hoping to work himself out of a job. That may take time, because turnarounds take time. Happily, Bennett feels he hasn't inherited any disasters at Capital.

A touch of success. Apartments have responded most quickly and positively to Bennett's efforts. Capital had acquired four projects and now Bennett reports all on the road to recovery, with sale contracts or serious negotiations pending on three. Perhaps the best success was obtained at 104-unit Hunting Ridge in Goldsboro, N.C., obtained by deed in lieu of foreclosure in 1975. Conceived as a condo, it had faltered because the town wasn't ready for condos. So the complex was being rented, and it was 20% rented when acquired. Bennett assembled a team of architects and contractors, and they corrected minor deficiencies. He then began an aggressive rental program that filled the units in seven months, at \$200/mo. for two-bedroom units up to \$255/mo. for large three-bedroom units.

Goldsboro rentals have, meanwhile, turned exceptionally tight and rents are rising; the REIT project's cash flow is good and a sale is pending. Capital will get its money back.

At Private Hill, a 246-unit high-rise apartment in Prince Georges County, Md., the building was incomplete when Capital took over—by a deed-in-lieu here as well. Bennett's crew supervised completion and the rentup. The high-rise market was soft until recently here, so that rentals went slowly; now the units are 94%-95% occupied in the \$240-\$265/mo. range for one-bedrooms and \$265-\$300/mo. for twos. Recently Bennett began bumping some rents up, and he now expects to get Capital's \$1.2-million investment over a \$3.3-million permanent first mortgage.

Two other projects are slightly behind the first two in their rentup: English Village, a 300-unit townhouse project in Memphis, was acquired before completion in May 1975; Bennett completed it through a local contractor and it reached 92%-94% occupancy last summer; four prospective buyers want it. And Westminster Club, 140 garden units in Dalton, Ga., was taken over in April 1976 and is being completed. It is 80% to 82% occupied.

'Stay out in rain.' Land gives Bennett more problems. The trust wound up with \$18 million invested in 15 separate parcels. The problems surrounding them boil down to local issues that must be resolved, like the 21 completed building lots in Fairfax County, Va., where officials complain that road improvements weren't made properly.

Outside Atlanta, Ga., the trust took over 250 acres planned for apartments and townhouses. But Bennett couldn't justify the land's value in light of Atlanta's soggy market. Now he's brought in a local land planner and they're going forward with a PUD plan.

"You have to discover the problems on each tract and try to work them out," says Bennett.

"You have to stay out in the rain."

Campbell is president of Audit Investment Research Inc., New York City.

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THE BLUE BOOK OF MAJOR HOMEBUILDERS®

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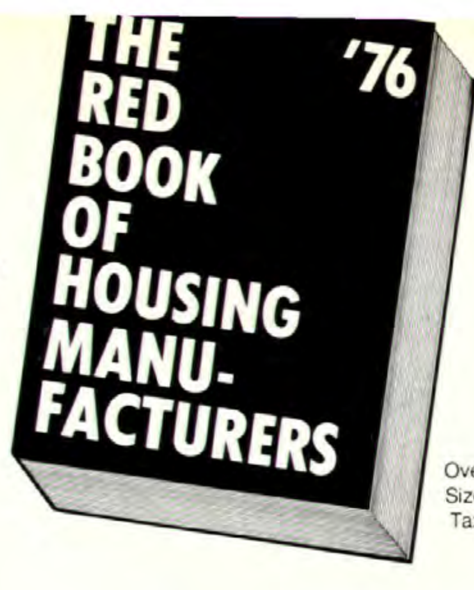

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HH-1276

IN SAN DIEGO

A bigger-is-better house for status-conscious move-ups

The house is 2,555 sq. ft., sells for $63,000 and has five bedrooms, three baths, a family room and a game room. It's a best seller—and the largest plan—at The Woodlands, a 251-house San Diego project with a better-than-average four to five house a week sales pace.

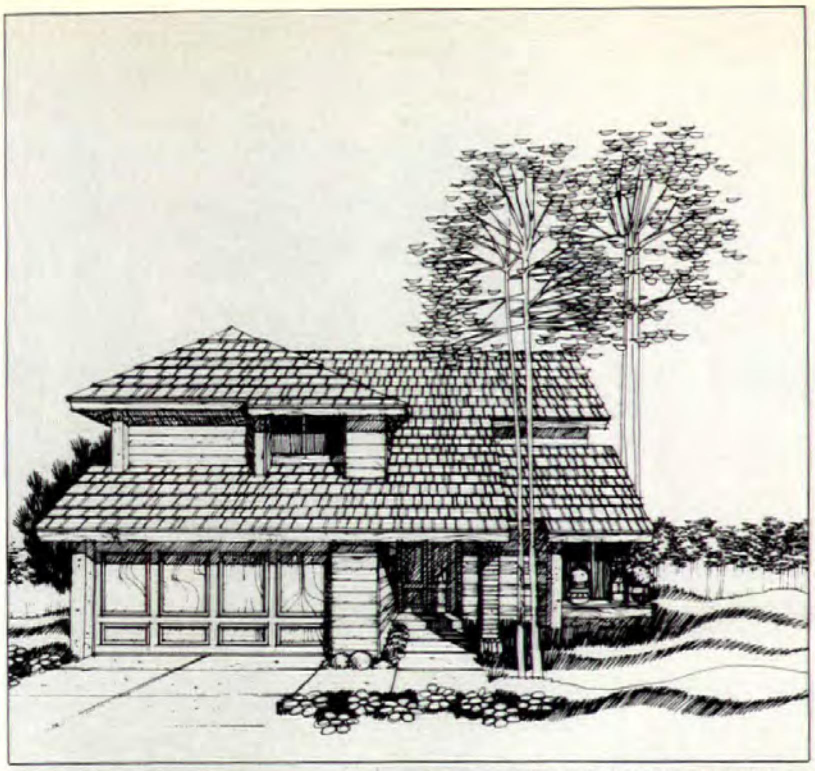
"Our market is shopping for the most square footage they can afford," says Chris Gibbs, vice president of Crow/Pacific Development Co. "The biggest two of our five models consistently sell the fastest."

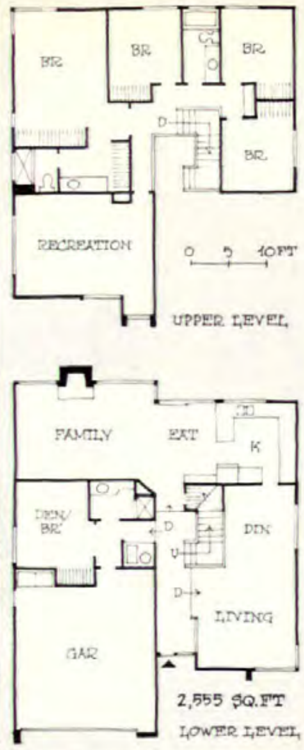
Why is size so important? Gibbs says it's because buyers tend to be the young families who bought small, no-frills-type houses in the late sixties. Now they want more house and they have the income (often wives have gone back to work) and the built-up equity to be able to afford it. To this group, a bigger house is the best indicator of their improved status.

Crow/Pacific did not count on square footage alone to sell houses, however. To reinforce the move-up feeling, each house includes:

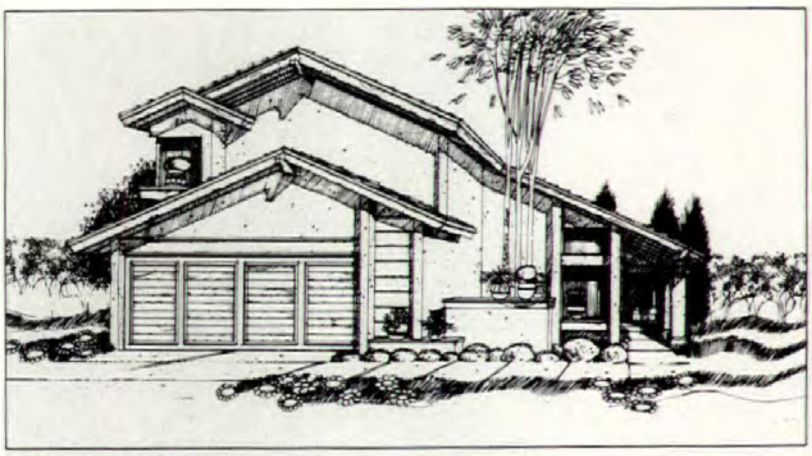
- Separate living areas for adults and children. For instance, in the two largest models there's a recreation room adjacent to the children's bedrooms. (Buyers usually have children in or entering their teen years when close supervision is no longer needed.)
- A formal dining room and a family room plus, in most models, a breakfast nook in the kitchen. Crow/Pacific and architect The Berkus Group knew that buyers had probably had to make a family room do double duty as an eating area in their first house.
- Sliding glass doors and concentration of windows in the back of the house. This opens up the family living areas to the outdoors, contributing to a sense of spaciousness and counteracting a chopped-up feeling which could result from including all the separate rooms buyers wanted.

—Barbara Behrens Gers

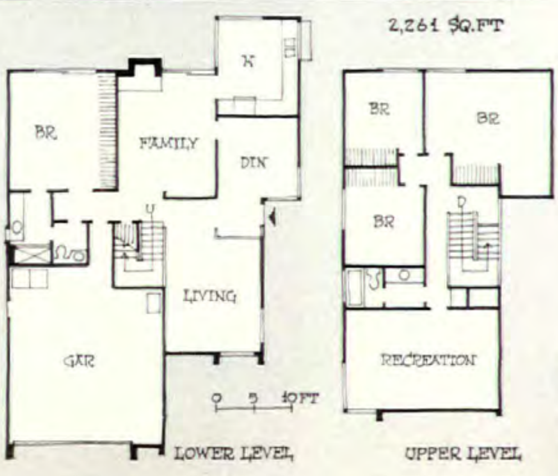




Exterior of largest plan has typical contemporary look that appealed to buyers. They also liked hilly site since most came from flat, gridiron subdivisions. Many have copied model-home landscaping and enjoy view of outdoors from family room and breakfast nook *(photo right)*.



Four-bedroom plan was also fast seller. For privacy, master bedroom is on different floor than childrens' bedrooms and recreation room, has its own sliding glass doors. Exposed staircase in living room *(photo below)* is feature in all three of project's two-story models.



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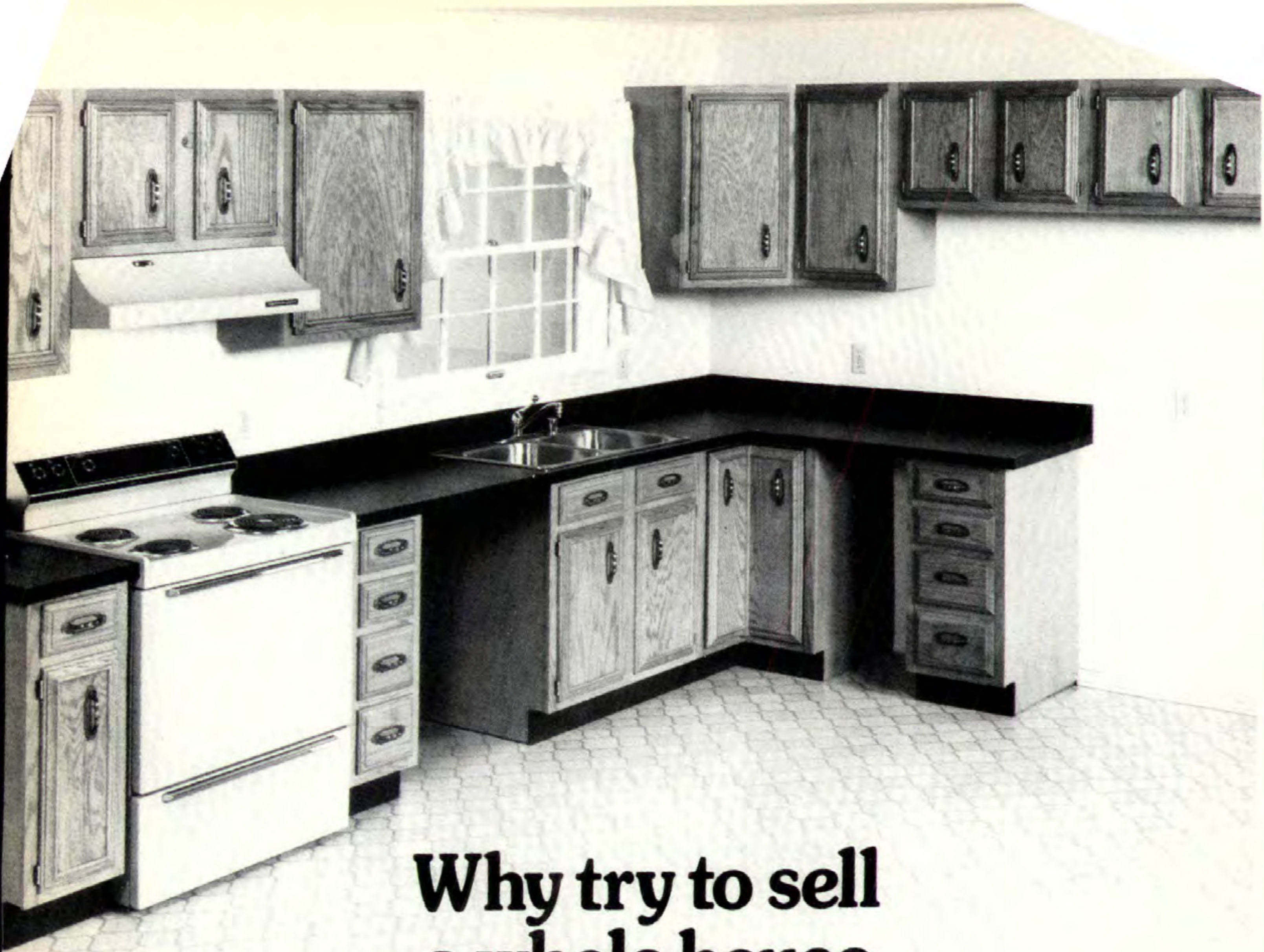

Why try to sell a whole house with half a kitchen?

A model home kitchen is usually the place where salesmen have to do the most selling. Simply because, to most people, it's still the important room. And if you're showing customers empty spaces where they expect to see sparkling new appliances, you could be making that sale a lot tougher. And that's expensive.

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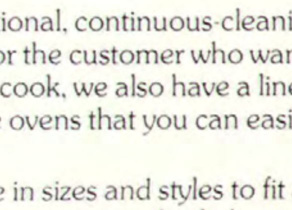

Will homebuyers pay extra for energy-savers? Texas giant says "yes"

And to prove it Dallas-based Centennial Homes reports 289 sales of energy-saving houses in four months. What's more, 95% of them included optional features that cost buyers $600 to $1,300 over base prices.

Sales began in May when word got out that Centennial was premarketing energy-efficient models. By July, when the company's first energy-saver ad *(right)* appeared, traffic had picked up significantly at all of its Dallas-Ft. Worth locations.

Why so much buyer interest? The promise of a possible 42% reduction in heating/cooling costs—a figure the company bases on data for a one-story, 1,300-sq-ft. detached house heated by an electric furnace and cooled by electricity.

The two-part package. All Centennial houses in Dallas and Ft. Worth are now sold with beefed-up insulation, materials that reduce infiltration, and heating and a/c ducts installed in conditioned spaces rather than in attics. This standard part of Centennial's package is expected to reduce heating/cooling bills by about 16%. Its added cost—$500 over previous base prices—should be recovered by buyers in about three years, Centennial says.

Optional features, which the company calls its "super-savers", include a G.E. Weatherton heat pump, double-glazed windows and insulated patio doors. They are expected to cut 26% more from heating/cooling costs. And they add another $600 to houses priced from $21,000 to $35,000 and $1,300 to houses in the $35,000-to-$46,000 bracket.

Start-up. Centennial began shaping its energy-savers a little over a year ago by taking a close look at what other builders were doing to reduce energy usage.

Company officials visited pioneer energy builder Bob Schmitt of Berea, Ohio, several builders using the well-publicized Arkansas-house techniques [H&H, Oct. '75] and other volume builders who are marketing energy-savers.

Next, Centennial got together

with Texas Power & Light Co. to check costs of the various techniques against benefits.

Finally, specs were drawn up and savings retested.

The idea, says company president Frederick E. Roach, was to find out which techniques could best be adapted to conditions in the Dallas-Ft. Worth area. So although nothing Centennial is doing is new in itself, "we believe the combination is innovative," he says.

Homebuyers in Houston (which accounts for about 200 of Centennial's 850 projected sales for this year) have not been offered the two-part package. But the company's top-line houses in that area do include added insulation, insulating glass, thermostatically controlled turbine ventilators and high EER a/c equipment.

Will Centennial be increasing the energy efficiency of its houses even further? The company admits it's testing more ideas; but for the present, future plans are hush-hush.

—LORRAINE SMITH
McGraw-Hill World News, Dallas

If he's one of the 140 Whirlpool builder territory managers, you can bank on it. For some very good reasons.

For starters, he *knows* the builder business and the problems you face in coping with the multiple housing industry crisis. And the importance of prompt handling, scheduling . . . and personal follow-through until on-time, at-site delivery is assured. To help you make it happen on the bottom line.

What's more, to paraphrase that long-running Broadway smash musical, he's got to *know the territory*, your territory. He *has to*, or he wouldn't be calling on you for Whirlpool. (If he's just another order taker, who needs him?)

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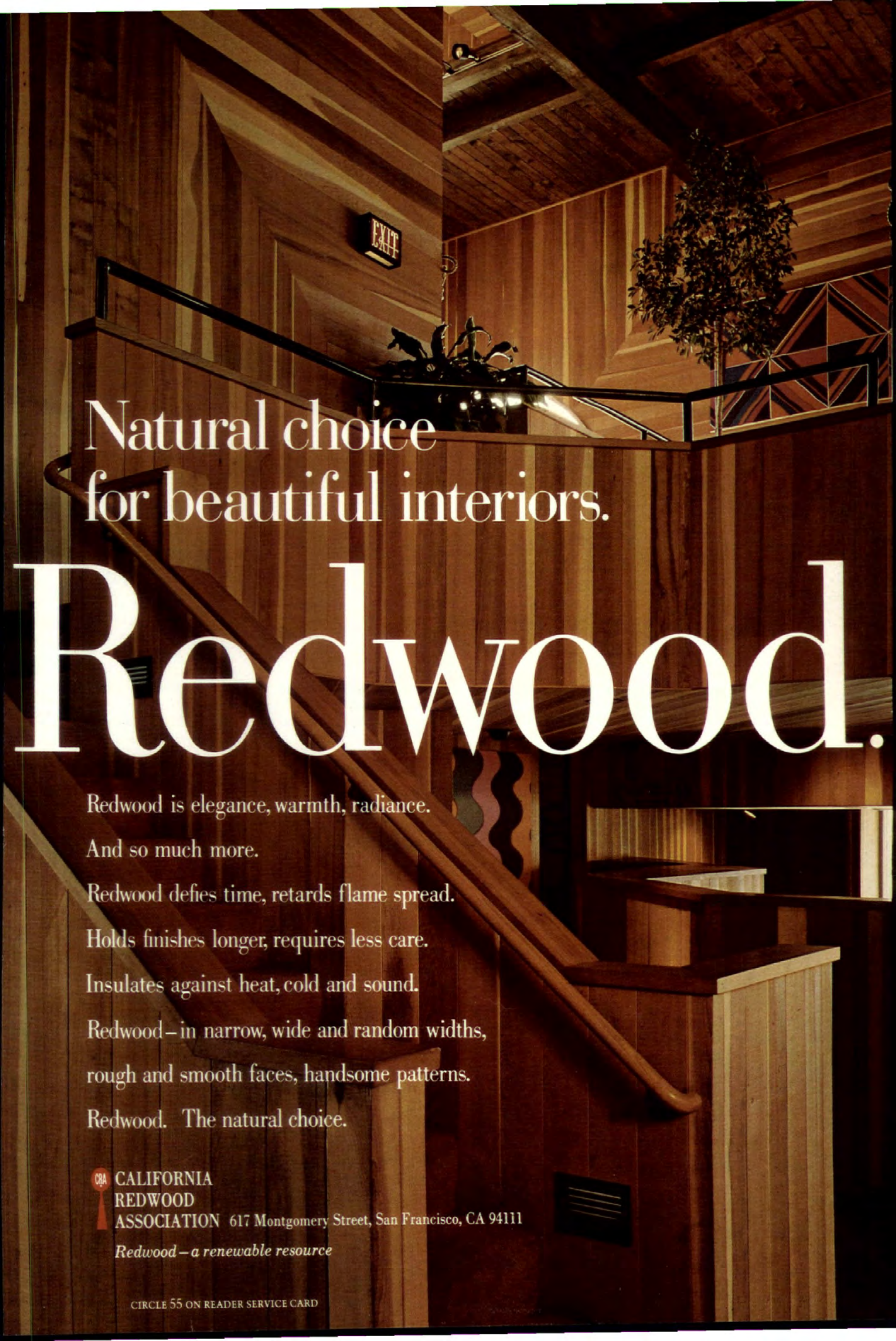
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How **George Christie** sees it:
McGraw-Hill Information Systems chief economist

1977 YEAR OF MULTIFAMILY'S BIG LEAP

Total starts will hit 1,650,000—up almost 12% from this year

Single-family will total 1,050,000—off 25,000 from this year

And multifamily will jump to 600,000—up 50% from this year's 400,000

Here's Christie's reasoning:

One-family homes. After leading the building business out of its recession through most of 1975, single-family housing starts plateaued at a rate of just over a million units early in 1976. It was about then that the housing market began to flash some early warning signs, and builders—for once—seemed to be paying attention. New-home sales began to soften just a bit in the spring, causing the inventory of unsold units to edge up. The market was saying that production of a million units a year was just about enough to satisfy demand—at least at the average price of $45,000-plus. For the following six months the rate of one-family housing starts held steady in the narrow range of 1.0 to 1.1 million units.

A continuing demand for one-family homes of slightly more than a million units a year is easily supported by the arithmetic of demography. And the fact that the housing cycle of 1975-76 has (so far, at least) managed to avoid its usual tendency toward excess is reason enough to expect that the current one-million-plus rate of starts is sustainable until something comes along to disturb it.

One such disturbance might be the housing industry's recurring nightmare of a credit crunch. However, in view of savings and loan liquidity and the limited demands on the credit market for business financing, the likelihood of disintermediation in 1977 is remote. The cost of credit will remain high, but long-term interest rates will at least be stable for the near future.

Another potential disturbance—and a more welcome one—would be a stronger commitment on the part of the federal government to the support of housing for low- and middle-income families. Increased subsidization could add an extra layer of demand. Such a development is a possibility, but its probability remains low. So next year's potential for one-family housing has to be hedged—it amounts to one million units plus whatever latent demand might be brought in through a step-up in subsidies.

Multifamily. If the single-family market is now bumping against its practical ceiling, further expansion of the residential cycle depends heavily on getting something going in multifamily. That's not as hopeless as it sounds, because there's more happening in that market than is generally recognized.

Conventional wisdom holds that apartment development has been unprofitable, and therefore stagnant, ever since the recession hit bottom. A closer look, however, shows that even in 1975—the year when multifamily starts just refused to budge from their low 250,000 rate from the first quarter to the fourth (while one-family building was recovering nicely)—the situation wasn't as dormant as it looked. Despite the appearance of stagnation in the national totals of multifamily building, there was plenty of action at the regional level.

Following the steep decline through all of 1973 and 1974, apartment building in the West turned up at the very end of 1974 and was rising all through 1975.

How other housing economists see 1977

	Total (millions)	Single-family (millions)	Multi-family (thousands)
Ken Thygerson, chief economist, U.S. League of Savings Assns.	1.8	1.3	500
James J. O'Leary, vice chairman, U.S. Trust Co.	1.8	1.3	500
Michael Sumichrast, chief economist, NAHB	1.7-1.8	1.25-1.3	500
Harry S. Schwartz, vice president and chief economist, FNMA	1.8	1.25	525-575

And—Richard Mitchell, director of new business development for the Manufactured Housing Institute in Chantilly, Va., says mobile-home shipments will rise to 308,800 in 1977. They are expected to total 264,700 for 1976.

Best markets for single-family in '77

It should be another record year for both single-family and total production in Houston.

And it should be the best year for single-family since the 1950s in Chicago, Cincinnati, Indianapolis and Baltimore. Denver and Phoenix should have a better year than 1976 but they won't have anything like their peak years.

This outlook for 1977 is compiled from the latest nationwide market survey taken by Advance Mortgage Corp. of Detroit, publisher of "U.S. Housing Markets."

Strong to average. The survey finds that the single-family market will be strong, though nowhere as strong as in its peak years, in Dallas, Detroit and Washington.

It should be an average year for such northeastern markets as Philadelphia, Boston and New York.

Top of the charts. The hottest single-family markets may be a couple that are normally overlooked because they lie in the shadow of larger neighbors, Advance reports.

Riverside-San Bernardino may start 16,000 singles this year and 17,000-18,000 in 1977. Sacramento should start 10,000 singles this year and 11,000-12,-

In the Midwest the turn came in the spring of 1975, and in the Northeast it occurred in the fall. But in the South, where the 1972-73 boom had been most excessive, 1975 was a year of continuing decline which was finally reversed only in the early months of 1976.

The net effect of these conflicting cyclical patterns may have given the national totals a look of stagnation in multifamily building, but the fact is that 1975 was a year of substantial recovery. By the time the last of the four regions had turned up, the national apartment totals were beginning to reflect the dynamics of the situation. From a rate of only a quarter million units in January, apartment starts passed 400,000 units shortly after mid-1976 and were still rising.

000 next. On a population basis, both cities will run about 13 starts per 1,000 population. Only Phoenix in 1971-73 and Orange County, California in the 1960s have touched such rates.

Commuter overflow. The two California markets will prosper on the overflow from neighboring cities.

Riverside-San Bernardino is one solution to the high costs of land in Los Angeles and Orange Counties. Twenty percent of the new market's households commute to neighboring counties, and 10% of Sacramento's households commute to San Francisco.

Christie's view of housing progress

Starts (thousands)	1975 Actual	1976 Preliminary	1977 Forecast	% Change 1977/76
1- & 2-Family	845	1,075	1,050	− 2%
Multifamily	241	400	600	+50
Total	1,086	1,475	1,650	+12%
Contract Value (millions of dollars)				
1- & 2-Family	$25,444	$34,900	$36,300	+ 4%
Multifamily	4,710	7,800	11,700	+50
Nonhousekeeping residential	1,115	1,150	1,300	+13
Total	$31,269	$43,850	$49,300	+12%

Contract value by regions (millions)

Midwest*	1975 Actual	1976 Preliminary	1977 Forecast	% Change 1977/76
1- & 2-Family	$ 6,065	$ 8,400	$ 8,700	+ 4%
Multifamily	1,175	2,400	3,400	+42
Nonhousekeeping residential	166	350	350	—
Total	$ 7,406	$11,150	$12,450	+12%
Northeast*				
1- & 2-Family	$ 3,895	$ 4,200	$ 4,500	+ 7%
Multifamily	1,037	1,400	2,200	+57
Nonhousekeeping residential	156	150	200	+33
Total	$ 5,088	$ 5,750	$ 6,900	+20%
South*				
1- & 2-Family	$ 9,322	$12,550	$12,900	+ 3%
Multifamily	1,050	1,700	2,700	+59
Nonhousekeeping residential	409	300	400	+33
Total	$10,781	$14,550	$16,000	+10%
West*				
1- & 2-Family	$ 6,162	$ 9,750	$10,200	+ 5%
Multifamily	1,448	2,300	3,400	+48
Nonhousekeeping residential	384	350	350	—
Total	$ 7,994	$12,400	$13,950	+12%

* **Midwest:** Northern Ill., Ind., Iowa, Ky., Mich., Minn., N. Dak., Ohio, Western Pa., S. Dak., Wis., W. Va.
Northeast: Conn., D.C., Del., Mass., Md., Me., N.H., N.J., N.Y., Eastern Pa., R.I., Va., Vt.
South: Ala., Ark., Fla., Ga., Southern Ill., Kan., La., Miss., Mo., N.C., Neb., Okla., S.C., Tenn., Tex.
West: Alaska, Ariz., Calif., Colo., Hawaii, Idaho, Mont., Nev., N. Mex., Ore., Utah, Wash., Wyo.

For the views of leading builders, turn the page

1977 HOW THE BUILDERS SEE IT

Regardless of what economists say, homebuilding ultimately is a very local business. So to find out how builders and developers around the country see the year ahead—and how they plan to meet local market conditions—HOUSE & HOME conducted a random telephone survey in some key marketing areas around the country. Not surprisingly, the mood of both for-sale and apartment builders ranges from bullish to bearish—as you'll learn from the following report.—JUNE R. VOLLMAN

In Indianapolis, Oxford Development Corp. . .

. . . reports that all signs point to an upswing in the apartment market. In fact, rent-up at the first section of a 424-unit project the company opened in June is so good that "anyone who wants a two-bedroom unit has to wait until next April," says company vice president Richard A. Dube.

There are several indications for a brighter outlook for apartments, Dube says.

For one thing, a lot of younger tenants—people who went back to live with parents when the economy soured—are re-entering the market.

For another, money costs are easing, and so are material and labor costs.

And perhaps most important, Dube says, "we've been able to bump rents up high enough to make apartments pay."

The major remaining problem for apartment owners and builders is rising operating costs—especially those related to energy. So Oxford Development has put two programs into effect to keep the bottom line on an even keel.

First, whenever possible, older properties where the company has been paying for all utilities, are being converted to individual metering. And at new projects, rents are on a plus-utilities basis.

Second, all leases are now written with an escalation clause that allows the company to increase rents by up to 17% in any given year.

"We don't have to give tenants proof that costs are rising in order to raise rents," Dube says. "But we try not to go over what the market will bear."

So far there has been little turnover because of rent increases, Dube says. And in one project where rents have been bumped up three times in the past 14 months, there's a waiting list for vacant units.

Yet even with this kind of built-in, anti-inflation protection, the company has a hard time keeping ahead of rising operating costs.

"We're always a day late and a dollar short," Dube says. "There's no way to completely anticipate the inflation rate. It's like trying to play catch-up baseball."

Oxford Development is one of the few rental builders that stayed with apartments during the slowdown. In addition to the project opened in June, this year the company started a second phase of another Indianapolis project, began work on a couple of Baltimore high-rises and worked on subsidized apartments in several communities.

The company operates on an April-to-April fiscal year. And on that basis, the bottom line looks "pretty good for 1976-1977," Dube says.

Plans for next year include doing more of the same kind of building as in 1976. "But we're also toying with the idea of getting into commercial," Dube says. "Even though residential will always be our big thing, we'd like to be a bit more diversified."

How come Oxford didn't pull out of apartment building when just about everyone else did?

Dube says the company president, Leo Zickler, never lost faith in the future.

"We were down like everyone else," Dube says. "But Zickler kept everyone working so we'd be ready when things began to look good again."

On a long-term basis Dube thinks rent control could become a major worry for apartment builders. Right now it's no problem in the area, he says, but "every so often, the subject comes up. So sooner or later, we'll probably have to face it."

In Dallas, Centennial Homes . . .

. . . says all residential markets are getting healthier. The optimistic report is based on the company's own sales record, plus the latest figures on starts in Dallas and Ft. Worth. (September-to-September figures for Dallas show a 33% increase in single-family starts and a 222% increase in apartment starts; in Ft. Worth, single-family increased by 41%, apartments by 76%.)

"By the end of this year, in Dallas and Ft. Worth we'll have sold slightly more than 625 houses at prices ranging from $21,000 to $47,000," says Steve Goodman, senior vice president of marketing. "Next year we're projecting 725 sales at slightly higher prices."

Goodman also expects the company's Houston sales to increase—from about 200 this year to 275 in 1977. Houston prices are higher—$38,000 to $60,000—and they, too, will go up somewhat next year.

Higher labor and material costs will account for most of next year's price increases, according to Goodman.

"We contract nearly all of our material and labor for an entire year at the start of each year. So we haven't had any increases since January, except where we re-engineered for more energy-efficiency *(see page 53)*," Goodman says.

One of the company's top sellers is a line of $21,000-to-$25,000 houses, which was introduced early this year [H&H, July].

That market is booming, Goodman says. "Everywhere they're in place, they take off."

If there was any weak market in the Dallas area this year—and it wasn't truly weak, Goodman says—it was in the $30,000-to-$35,000 price range where sales fell off during the early months.

"People who usually bought in that range were buying down for a while. But in the past couple of months, that market has strengthened."

Next year, Centennial expects to test a new market in its Dallas-Ft. Worth operations: "We're going to try to compete with custom builders and offer some $50,000 to $60,000 houses," Goodman says. "We think that market will expand because so many companies are transferring people to this area."

This new line of 1,800- to 2,300-sq.-ft. houses is scheduled to debut in April. "We'll get our feet wet slowly, and make adjustments as we go along," he says.

Goodman thinks the only major problem in the area is a shortage of labor. And to counteract that problem, Centennial has developed a year-round building program.

"We're scheduling construction so we can offer full-time employment," Goodman says. "Many builders in the area go full-out for three or four months, then shut down a couple of months. That plays havoc with labor."

The area has lost many construction people to other industries, Goodman says.

"They'd rather be indoors during the cold weather. And there's no lack of jobs. Dallas has a tight labor market."

In Columbus, Wallace F. Ackley Co. . . .

. . . reports a bull market in single-family housing and a bear market in apartments.

"The single-family market is getting a lot of action," says managing director Stanford Ackley. On the other hand, apartment owners and builders like Ackley are just beginning to recover from a spate of overproduction that occurred three years ago.

"During the past six months we've experienced the best surge of rentals we've had in three years," Ackley says. "But there's still no relationship between existing rents and the cost of producing new units. Most apartments in central Ohio remain real bargains."

There are also the corollary problems of escalating taxes and operating expenses and increased material costs.

"So we won't consider doing any new units unless rents go up somewhere between 15% and 30%," he says.

Ackley doesn't know how long it will take to get rents up that much; but he does know what kind of units the company will build if it does plan any new projects.

"They'll have front and back doors and a place to park a car out of sight," he says. "Even in tough times, that kind of unit never has any problems, no matter what the rent or the size."

The projects that have had the most trouble during recent years, he says, are the more-or-less standard apartment buildings.

"We've been doing some brokerage during the slowdown. And all the projects we've sold through bankruptcies look like typical rental projects.

"Tenants want the same things that homeowners have—adequate storage, a sense of privacy and a sense of identity. If apartments don't offer those things, turnover comes quickly. And turnover, in the end, is what ruins apartment developers."

There is one more "if" that could stop any new apartment construction cold, Ackley says.

"If rent control comes, there'll never be any new construction."

Homeowners could be the bulwark against rent control, he thinks.

"They're beginning to realize that if they vote in rent controls it will eventually affect their pocketbooks, because rent control makes property less valuable and even leads to abandonment. Then the property goes off the tax rolls, and that throws a larger tax burden on families who own homes."

In Chevy Chase, Poretsky & Starr Inc. . . .

. . . believes there are strong signs that the basic-house idea has fizzled. The company has been trying to reach lower-end buyers for the past year and a half with 1,000-sq.-ft. single-family detached houses priced from $40,000 to $48,000.

"But we never attracted families who had been priced out of the market," says Martin Poretsky. "They still aren't buying."

Instead, the company's "basics" were snapped up by "overqualified buyers," Poretsky says. "They're people who are hedging against an uncertain economy by buying less than they can afford."

But these families aren't taking the houses as basics. "They upgrade them with several thousand dollars worth of extras—even extra baths."

Why so much upgrading when just a short time ago the basic house was being hailed as an answer to many industry problems?

The basic house doesn't fit in with today's accepted standard of living, Poretsky believes. "On the face of it, one bath in a house is adequate. But few buyers are willing to settle for something that's merely adequate."

To meet this demand for what Poretsky calls "more house," next year his company plans to concentrate its single-family operations on the middle market—families with $22,000-to-$25,000 incomes. "We expect to go back to what we were offering four or five years ago," Poretsky says.

That means four-bedroom houses with 1,500 to 1,700 sq. ft. of living space built on 9,500- to 10,000-sq. ft. lots. "Hopefully," he says, "We'll be able to bring them in at the mid-$60,000 level."

For lower-end buyers—families earning roughly $16,000—the company will try to come up with a small townhouse that will sell in the mid-$40,000s.

Poretsky puts much of the blame for high housing costs in the Washington, D.C. area on local government.

"Fees, controls, delays, etc. caused by arbitrary governmental policies have artificially driven housing costs above other increasing costs and salaries," he says.

As an example, he cites a near-$2,000-per-house sewer-tap fee, which Fairfax County (Va.) is "charging over and beyond what it might cost to put the sewer lines in.

"That's arbitrary because they simply don't want growth," he says. "Moratoriums for whatever reason—sewer, utility, etc.—only inflate the piece of ground under moratorium. The end result is they're pricing us out of the market."

In Los Angeles, M. J. Brock & Sons Inc. . . .

. . . says a large percentage of today's buyers constitute an "acceptance market." "Most buyers want big houses on large lots," says marketing manager Ted Cox. "But they're settling for what's available—medium or even small houses on smaller lots."

The company, which operates in northern and southern California and in Denver, expects to close out 1976 with roughly 900 sales totaling about $40 million. Except for one second-home, attached-house community, all 1976 starts were single-family detached houses selling for an

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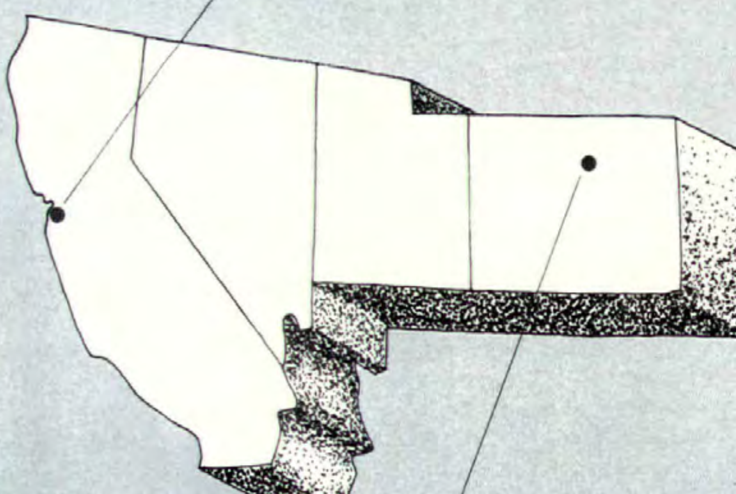

average of $45,000 to $50,000.

They were sold to a broad-based market—both young and older families. So the company has a good overview of how buyer preferences are changing, and it's revising its merchandising strategy accordingly.

"Next year we'll be spending more money on kitchen and family-room arrangements and less on master suites," Cox says.

"Kitchens were the big thing ten years ago; then we sort of backed away from them into the living area and master bedroom."

Recently, he says, many builders in the area have returned to kitchens and family rooms as the primary merchandising areas in their houses. "Those rooms attract a lot more interest; that's where people live," Cox says.

Cox believes that rapidly increasing new-home prices—anywhere from 1½% to 3% per month—are the biggest problem for builders in the area.

"It used to be that an average house out here cost $35,000 to $40,000," he says. "Now anything under $60,000 is considered low. At this rate, the simple houses we build will be over $75,000 in a few years; the public can't keep up with that kind of increase."

Cox would like to see local governments try to help builders solve the rising-cost problem.

"You can't lower labor costs or per-acre land costs," he says. "The only things to do are decrease the size of the house and put more houses in one location in different kinds of arrangements. And you need the cooperation of local government to do that."

For the immediate future—at least during the first half of 1977—Cox expects sales to remain high.

"But the general opinion is that things may start to slide as we go through 1977 because of inflation. Prices are always escalating; money might start to get a little tighter because of business expansion and the recovery. So it's questionable whether the whole year will be good. Starts may not drop off, but sales might."

In Atlanta, Crow, Pope & Land Enterprises Inc. . . .

. . . expects the area to sell itself out of an oversaturation problem within two years.

"No one here is building anything in either rental or condos," says Lee Matthews, the company's vice president of marketing. "So I'm anticipating a big shortage when the current inventory is depleted."

According to Matthews, most marketing studies show that Atlanta ranks with Florida as a major disaster area when it comes to unsold units. Atlanta's problems started four years ago. "At the beginning of 1972 there were about 14 condo projects in the area; within 13 or 14 months the number had climbed to 187. We couldn't have absorbed that many units even if the overall market hadn't gone bad."

Crow, Pope & Land is still trying to work itself out of the 600-odd units (primarily townhouses) it projected in 1974.

A major selling problem—especially this year—has been competition from condo auctions conducted by Robert R. Rouse and Associates [H&H, July]. "There were seven or eight projects on the block," Matthews says. "And buyers were waiting for super-deals."

Crow, Pope & Land still managed to sell 150 units—mainly to young couples moving out of apartments—by marketing its reputation.

Prospects were told: "Even if you can get an auction unit for 60¢ to 70¢ on the dollar, you'll be better off with us. Those developers are gone; we'll still be around."

Matthews expects his company's units will be sold out by next spring. "But we think it will take a year or a year and a half for the area to work out its problems," he says. "And when we see the end of everyone else's inventory problems, we'll probably get right back in and start building."

In the meantime, the company hasn't been completely idle. It built a hotel and has been helping banks work out problems with other jobs. "They like the way we're working out our own problems," Matthews says.

For the long haul, Matthews believes the industry's biggest worry should be the constantly increasing cost of new houses.

Along with many other builders, he doesn't think the so-called basic house is acceptable to most buyers.

"So our major problem," he says, "is going to be how to produce a house the public will accept at a price they can afford."

In Denver, Wood Bros. . . .

. . . reports a 25% increase in single-family sales this year over 1975. And the increase, says executive vice president William Tucker, reflects improved activity in all of the company's marketing areas.

More specifically, Wood Bros. expects to close out 1976 with roughly $80 million in single-family business—about 800 sales in Colorado, another 600 or so in Arizona and New Mexico, some 525 in Houston and 80 to 100 scattered elsewhere.

"For the first time in about a year and a half, we've really started to grow again," Tucker says.

This year's price range—from the low $20,000s in Arizona to the low $60,000s in Colorado—represents an average price increase of about 12%, Tucker says. Some of the increase is due to a big jump in lot costs: In Albuquerque and Houston, for example, lots went up from about $5,500 to about $7,500 because "a good market has created a scarcity of lots."

Increasing prices, Tucker believes, is one reason why Wood Bros.' conventionally financed market "grew dramatically this year over other years. Fewer people can qualify under government programs."

Increasing prices, he says, also have eliminated a big share of the potential market. "Right now the average house is priced above what at least 50% of the population can pay."

The families who can pay the high prices, according to Tucker, are primarily move-ups who bought during the housing boom of the early 1970s.

"The same inflation that has been hitting—and hurting—homebuilders is also creating great resale profits on the little houses built four or five years ago. Those people can afford to move up if they're motivated properly."

Lower-end buyers, Tucker says, are increasingly becoming apartment tenants. "We used to be able to demonstrate that monthly payments, with tax advantages, were cheaper than apartment rents. Now it's cheaper to rent than to buy, so the apartment vacancy rate in Denver has dropped phenomenally."

Tucker expects the area's apartment industry to grow. "There's incredible interest in apartments," he says. "They're starting to draw capital in; new units are going up; and with the vacancy factor getting so low, owners are beginning to raise rents. So natural economics should make more new units feasible."

Despite the difficulties in coming up with good low-end for-sale housing, Tucker says Wood Bros. is trying to work out a $22,500-to-$30,000 product. "But it's at least six months away."

The company also is investigating the patio-home concept. "We don't really like it," he says, "because it entails homeowner associations, and they create elements of risk and cost. But we think it's the way we'll have to go."

Some middle-priced, single-story townhouses also are in the planning stage. "They'll be for empty nesters who don't like to climb stairs," Tucker explains.

However, Wood Bros.' main thrust in 1977 will still be single-family detached. "We're very optimistic about the market, and plan to open several new projects," Tucker says.

Actually the company is looking for about a 20% increase in sales for 1977—*if* 1) "we don't have terrific upheavals in the short-term or permanent financing markets" and 2) "the general economy maintains its stability or continues to improve slightly."

Despite his optimism, Tucker says there are factors that could prove troublesome to the industry:

- No-growth policies in certain areas. "In some places they're compounded by shortages of natural gas and water."
- Chaotic conditions in the permanent money market. "It's not nearly as bad as a year ago in that a lot of private investors are coming back in. But some old standbys such as insurance companies and other big money people still aren't buying single-family mortgages."
- Labor shortages. "Right now it's no problem for us because we're well established. But in Houston, which is booming, new builders coming into the area are having difficulty. And if the California housing boom continues, there may be an out-migration of labor. The rates are much higher there than here."

All-in-all, Wood Bros. seems to have come out of the housing downturn in pretty good shape.

"Like everyone else, when things went sour in 1974, we had to adapt our operations to existing conditions," Tucker says. "We cut a lot of overhead and made some tough decisions which are beginning to pay off now."

One of those decisions: In Denver all painters, carpenters and excavators used to be on the company payroll. Now all that work is subbed out. "It saved us a lot of money," Tucker says.

Another new idea for the company: "We're looking into the feasibility of building in smaller towns—going and trying for 5% to 10% of the market, even though the total isn't very big."

In Clearwater, Fla., U.S. Home Corp. . . .

. . . is optimistic that this year's upswing in housing will continue in 1977, says vice president Robert Strudler, who recently was named chairman of the multimarket company's operating committee *(see page 40).*

But it's a cautious optimism because, Strudler says, while conditions definitely are better than they were a year or two ago, "we're nowhere near the kind of boom we saw in 1971 and 1972."

One reason for U.S. Home's optimism is its improved earnings picture. The company, which operates on a fiscal year beginning March 1, had reported earnings of about $4.2 million for the previous fiscal year that ended in February. For the first six months of this fiscal year earnings were reported at $4.6 million.

"So we're confident our projection of doubled earnings for the current fiscal year will hold up," Strudler says.

The company's new orders are also up—from 3,475 for the first six months of the last fiscal year to 3,689 for the first six months of the current year.

What about the year beginning next March? "We expect more improvement, but we're not ready to make any estimates," Strudler says.

The company's western operations have shown more improvement than some of its northeast and Florida markets.

"We've also been able to hit the lower-end market a little bit better out west than we do in the Northeast," Strudler says. "But it's harder to define what the lower-end market is in the Northeast."

Strudler categorizes today's buyers as a "product conscious market." So while he believes there's a good potential for continued improvement in the in-

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NORTH KANSAS CITY:
'Apartment builders are the most optimistic people around. That's why they get in trouble'

WICHITA:
'Every step in the building process has become a big problem'

DALLAS:
'Low-cost houses take off wherever they're built'

dustry, "it's not a market where you can build just anything and make a profit. You have to come up with a really good product."

Regarding the overall outlook for the industry, Strudler says this:

"The money market is better than a year and a half or two years ago. And certainly the rate of inflation is lower today. So on a comparative basis, I think most builders can look to a continued viable market."

In San Francisco, Gerson Bakar & Assoc. . . .

. . . won't go back to building multifamily projects next year, even though company president Gerson Bakar does see "rents rising to a point where apartments are becoming feasible again."

Instead, his company will continue to build non-residential—a couple of office buildings and a shopping center are in the works—do some conversions and try to expand its management operations.

Actions by environmentalists have soured Bakar on new apartment construction.

"It now takes two or three years and several thousand dollars to find out if we can go ahead with the kind of large-scale project that's been our forte," Baker says. "And we're not willing to go through that process.

"Non-residential is much less onerous, and we're very comfortable with it."

The company is also very comfortable with its management operations, which cover about 9,000 units.

"We've been able to move our rents up enough to keep our bottom line fairly consistent; there's been very little slippage," Bakar says.

Because of increasing rents, Bakar feels that developers who are willing to bite the environmentalist bullet can start planning rental projects again. But he hedges that prediction with "unless rent control affects the picture. If that happens, nobody will build apartments."

Is the pro-rent-control faction very strong? Bakar thinks they're a potential threat. He was a member of a group that worked on a pre-emption bill which would have given the state sole rights over rent-control legislation. The state legislature passed the bill, but it was vetoed by the governor.

"The environmentalist and rent-control problems are tied together," Bakar says. "As building stops, the housing shortage gets more serious, and this puts more pressure on rents. It's a self-destructive process."

One item that Bakar doesn't see as a big industry problem at the moment is financing. "The market is as relaxed as it has been in the past two years," he says.

And labor, he adds, seems to be getting a little more pragmatic. "They had been beginning to price themselves out."

In Wichita, Leisure Living Inc. . . .

. . . reports a very tight new-home market. "For the most part, houses seem to be priced too high for the middle market," says Lee Aronfeld, who heads the company. "So a lot of new houses are just sitting and that includes single-family detached as well as our condos."

The only built-for-sale housing that's selling in the area is priced over $50,000. "And large custom houses at $200,000-plus also are in demand."

Financing is the major problem, Aronfeld feels. "For lower-priced houses—those selling in the low $40,000s—many lenders are calling for a family income of $22,000." The average Wichita income, according to Aronfeld, is in the neighborhood of $9,900. So younger families are buying older houses and remodeling them.

"Lenders are afraid to make loans," Aronfeld says. "They've been frightened by what happened to the REITs. I think we're now getting a delayed reaction to all the problems other sections of the country had during the past two years or so."

As proof of the gloomy picture in the Wichita area, Aronfeld describes his 1976 sales record for a 114-unit zero-lot-line project he started last year. "We've sold just 30 units at $56,000 since late in 1975," he says.

As this was written, Aronfeld

INDIANAPOLIS:

'Trying to keep up with apartment operating costs is like playing catch-up baseball'

COLUMBUS:

'Rentals with house-like amenities never get in trouble'

CINCINNATI:

'In today's unstable market, you've got to build in bite-size chunks'

was waiting to see how the market would accept a 64-unit townhouse project that he just opened. He's hopeful, because prices start at $37,600 and "I don't know of anything else around under $40,000."

Aronfeld feels that the industry—at least in his area—is in big trouble. Every step in getting a project through—including zoning, design, labor, and financing—is a problem, he says.

"Then, after giving half your life away for a project you believe in, it takes two to three years to build out. And who can forecast what the economic climate will be by then."

Aronfeld isn't sure just what road his company will take next year.

"We'll build something," he says. "But it may not be residential, which is what we've been committed to."

The company also will go into the land development business. "Let someone else have some of the building headaches," Aronfeld says.

In Cincinnati, Towne Properties . . .

. . . expects total sales for next year to be about the same as this year's—80 townhouses (average price $53,000), 20 patio houses (average price $60,000) and 25 single-family detached (average price $75,000).

But in 1977, Towne will go after sales in a new way, trying to bring in some lower-priced townhouses and *maybe* returning to the apartment market for the first time in two years.

The major change for Towne will be in what company president Neil Bortz calls an "exclusive, limited edition" building program. Towne is planning to limit starts in each of its for-sale locations to a number that will produce a realistic profit with the staff on hand, Bortz says.

"If we think we can make money with 50 units in a given location, we're saying let's make money with those 50 even if there are 25 more customers knocking at the door."

The company is experimenting with a limited building program for two reasons:

- As a hedge against wide fluctuations in the market. "We have a tough time gearing up to build 75 houses if we've originally planned for only 50," Bortz says. "Conversely, if we gear up to build 75 and only sell 50, we don't make any money. So we'll be trying to hold the line."
- As a marketing strategy. "We'll be saying 'okay, if you want to buy in this neighborhood this year, you'd better come out now because we're only building 50 houses here.'"

Most of Towne Properties' buyers are empty nesters and childless couples who are more sophisticated than average, Bortz says.

But, he adds, there are a lot of similar buyers who have been settling for "standard" single-family detached houses priced in the mid-$40,000s, even though they don't need the space.

"Many of them prefer the design and environmental qualities of a townhouse project," Bortz says. "But they either can't afford $50,000 or $60,000 for a townhouse or they'd rather use some of their money for such things as long vacations."

It is this market that Towne is going after with lower-priced townhouses—if the company can bring one in by reducing square footage and "maybe having only a single-car garage."

As to the possibility of building new rental units, Bortz says the go/no-go decision hinges on the continuation of two recent trends—a jump in rents and a reduction in the cost of money.

"We feel the combination of accelerating rents and somewhat reduced rates may justify starts, even though we're still facing a 5%-to-10%-per-year increase in construction costs," Bortz says.

If the company does start some apartments, Bortz is projecting 200 units in three of Towne Properties' established locations where occupancy is currently and traditionally high.

One of the chief reasons for the company's cautious and "iffy" approach to 1977 stems from what Bortz believes is the major problem facing the industry: ever-changing financial and regulatory policies of government on all levels that pre-

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vent stability in mortgage rates and housing costs.

"People want to buy houses because they know it's their best hedge against inflation. And people could adjust to a 10% interest rate and a $50,000 price tag."

But that kind of adjustment admittedly takes time, he says. So when, for example, interest rates change constantly, people back out of the marketplace to wait for rates to go down.

"But given some stability—a recognized interest rate and a recognized inflation rate that people can adjust to—the housing market will be stronger. Buyers will come back in because they know that a year later they won't be sorry they didn't wait for something cheaper," Bortz says.

In North Kansas City, North Kansas City Development Co. . . .

. . . expects the market for new rentals to open up in about two years. "But right now we just can't make the numbers come out," says executive vice president Russell V. Baltis Jr.

And what about Orange County, Calif., the nation's hottest market?

It's going to cool down. And the first signs of the cool-down could come as early as the end of 1977.

So says Ken Agid, director of residential sales for the Irvine Co., Orange County's biggest and probably most successful developer. And Agid makes that prediction despite the fact that the Irvine Co. recently turned to a lottery as the fairest way to sell 221 houses to 8,000 potential buyers [H&H, Aug.].

"1977 probably will appear as a very good year when we look back on it," he says. "But toward the end of the year we're going to experience a large cancellation rate. And we'll probably go into 1978 with a large inventory of houses—possibly as many as 5,000 or 6,000 units."

Why does Agid expect this cool-down in the red-hot Orange County market? The answer, he says, lies in understanding the abnormal market conditions that currently beset the area.

Normally, Orange County can only market—on a year-in, year-out basis—about 16,000 units. Yet the annual rate of sales for the first two quarters of 1976 is 24,000 units.

"Right now, demand far exceeds supply," Agid says. "But eventually the demand will come back to more normal levels, and there will be an overabundance of supply."

As Agid sees it. . . .

Here's what's triggering the abnormal demand

Carry-over buyers: During 1974 and part of 1975, Orange County, along with most of the rest of the country, felt the effects of the housing slowdown. Instead of the normal 15,500 to 16,000 new for-sale starts per year, there were only 12,000 in 1975.

"So there was a pent-up market for some 3,000 units, bringing the demand level up to about 19,000," Agid says.

Premature buyers: Normally, the average southern California family moves about every four and a half years. But the fear of inflation has cut the moving time to two or two and a half years for many prospects visiting the Irvine Co.'s sales offices.

"Some 2,000 to 3,000 prospects who normally wouldn't buy until 1979 or 1980 are being added to today's demand," he says. "So the demand level is up to 21,000 units."

Speculative buyers: For the past five years, the annual increase in Orange County housing values has been running at about a 20% rate—compounded. This has brought a lot of speculators into the market at all the area's projects.

"They account for another 25%—or 4,000 units—on top of everything else," Agid says. "So the demand level that we have here right now probably is close to 25,000 units."

But because of zoning constraints, processing time, labor shortages and builder capacities, "we'll only be able to yield about 17,000 units against that demand," Agid says. "So we'll start 1977 with a carryover of the abnormal market."

Later next year, however, Agid expects a more normal demand factor to begin showing up. As he sees it. . . .

Here's why the cool-down is bound to come

Oversupply: Due to this year's extra-strong market, a lot of builders—especially those in the single-family detached sector—are going to hit the market with new houses at the same time.

"Basically, those builders are all trying to beat each other to the marketplace," Agid says. "But in this business there's no way to rush houses. So everyone is going to come in on top of each other."

Resale market: For every new house sold in Orange County, traditionally there has been a multiplier effect of four resales.

"If you look at the long picture, this means there's going to be a flood of competitive resale values on the market," Agid says. "The families who own the resales are people with tremendous equities. But they're paper equities, which means the owners can accept less for their houses than a builder can. A resale owner who has held his house four years is working on a 100% markup. So he can afford to take a 20% price cut. A builder can't because builders in this area still are working on 8% markups."

The problem, he says, is existing rents: They're undervalued, although there has been some upward movement—about 10% —in the past year.

"There's still no shortage of apartments in the area," Baltis says. "But even those projects that went through the wringer are now beginning to fill up. If their owners will be a little more courageous about bringing rents up to where they should be, we'll all make out."

For the present, North Kansas City Development also is bypassing the single-family market, even though the company has about 400 acres of wooded land zoned for any kind of residential at 11 units per acre. There had been plans to start some single-family there this year, Baltis says. But the largest single-family market segment is for \$35,000-to-\$50,000 houses, and the company didn't think it could bring in a quality product below \$50,000.

"Most of what's being built for \$35,000 to \$50,000 doesn't come up to our standards," Baltis says. "And we didn't want to use up good land for what I consider marginal housing."

Baltis doubts that "quality" single-family will ever again be built for under \$50,000. "So we'll sit on our land and wait for rentals to come back," he says. "We've got the land at a low enough cost that it's not a burden to carry."

Thus, in 1977 the company will continue operating pretty much as it has for the past four years—concentrating on industrial and commercial building. "It's given us the best four years we've ever had," Baltis says.

The only exception: "We might get into federal programs for the elderly if funds become available, and if the city wants those kind of units built," Baltis says.

If so, it will be reluctantly—and only to "keep someone else from doing it on a shoestring and without doing the proper marketing homework."

Baltis is worried that if a lot of federal funds become available, some builders will take off with projects that might not be needed.

"Builders are the most optimistic people in the world," he says. "They count on 105% occupancy, 20% higher rents and no vacancies. That's why they get in trouble."

On that basis, Agid anticipates that resales, rather than new sales, will lead the price marketplace in Orange County for the first time in history. "Most of the resales are single-family detached," Agid says, "so we'll see a depressed price relationship in that kind of housing approximately a year from now."

Retrenched prices, Agid believes, will eliminate the speculative segment of the market. "This, in turn," he says, "will bring demand to a more normal level. And those builders who are geared up for the larger demand will find that all of a sudden the demand has disappeared.

"So potentially, there's going to be a large volume of unsold inventory—especially in the less desirable, marginal outlying areas. The greatest impact probably will be in the \$60,000-to-\$90,000 price range."

Nevertheless, demand should continue strong

Even with the disappearance of speculative buyers, Agid foresees a period of housing shortages in California—and also, in some cases, of irresponsible price increases.

One reason is the business outlook in the Orange County area. "Office space absorbency has been abnormally high and white-collar employment is really surging," Agid says. "Whereas in 1975 the rest of the country suffered a 2-million year-to-year decline in new jobs, Orange County enjoyed a 25,000 net year-to-year increase. And this year we'll probably add 30,000 to 35,000 new jobs."

Another favorable sign: "Median income is up; the estimate for last year in Orange County is \$18,000. So people can afford the houses."

How does the Irvine Co. itself expect to fit into the long-term picture? Agid doesn't think there will be much of a problem because the company's products are "distinctively different from what most other builders offer and from the resale market."

About 90% of the area's builders are going after 30% of the market, while Irvine concentrates on mini-markets, Agid says.

"Instead of building all units of one kind, we offer different projects, each with a variety of products. So we penetrate sub-markets that most builders ignore."

For 1977, the company plans about 2,000 starts, and about 65% of them should continue to be in some form of "evolutionary housing," Agid says.

"We're building a broad spectrum of products and we're not concentrating on the traditional single-family unit. So we don't expect to be hit as badly as other builders when demand drops.

"One reason we're so successful is that we're always tuned in to where the market is going."

As an example, Agid points to the company's concentration on products designed for the needs of childless couples.

We surveyed 2,000 shoppers at Irvine Ranch this year and discovered that 57% were childless. That compares to only 22% in 1971.

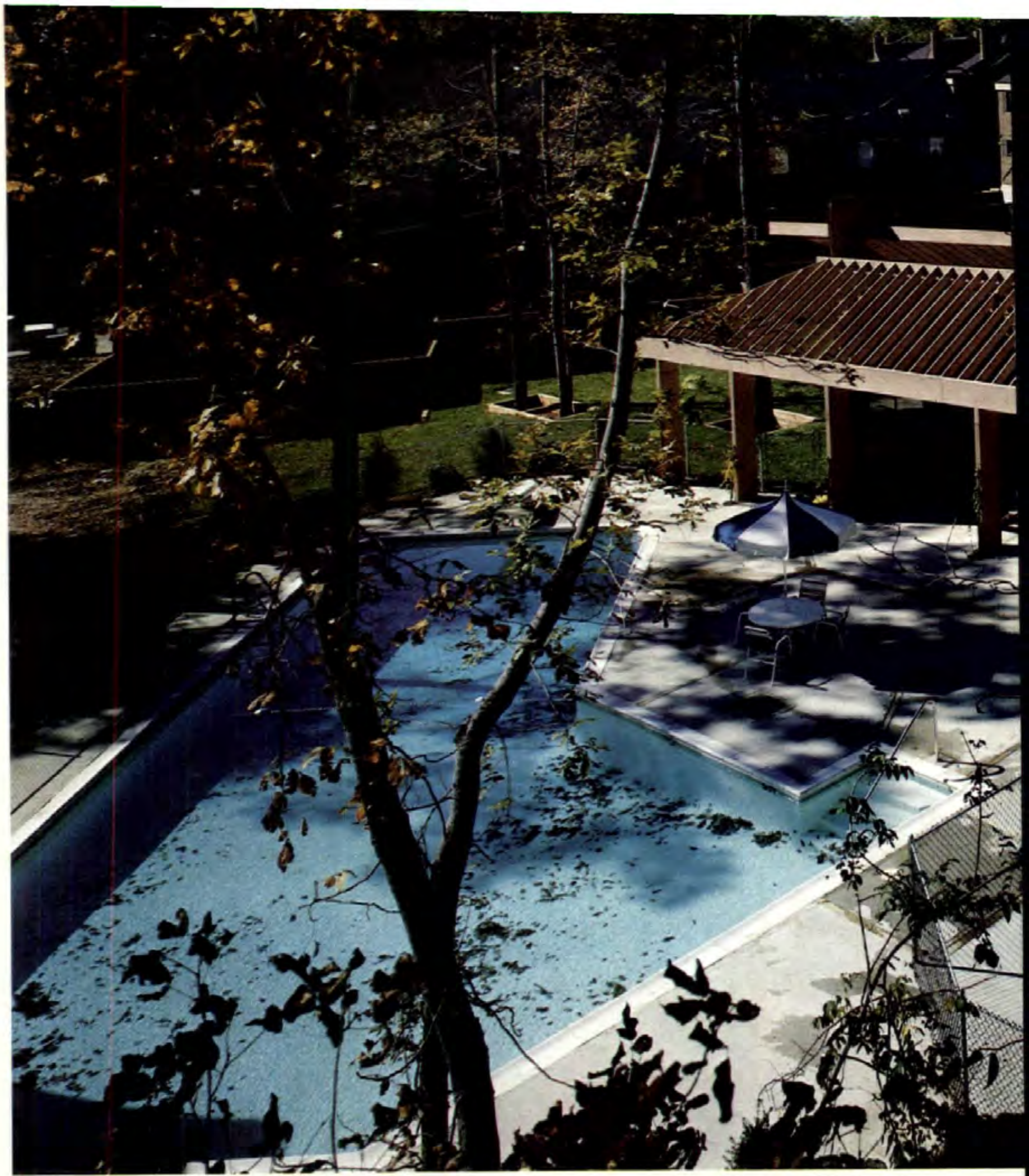
The company also has spotted another burgeoning market: pre-empty-nesters. "Families whose older children are beginning to leave home are looking for houses smaller but equal in price and quality to the houses they presently own," Agid says. "This probably has been our greatest growth market in the past year."

The singles market is also growing, he says. "Although unmarried buyers account for just 6% of our present market, one year ago it was only 3% and two years ago virtually nothing. Because people are delaying marriage, they have more discretionary income and they're looking for tax-saving advantages."

Agid reports that constantly increasing construction costs are a big worry in Orange County.

"Subs increase their bids from one unit to another by 25% to 35%," he says. "It's partly because they're so much in demand, and partly because their own labor forces make heavy demands."

At one project that Irvine had presold, for example, Agid says the framing sub hit the company for a \$3,000-per-unit increase after bids had been solidified. "We had to eat the costs because we had commitments to buyers."



How a small and struggling builder stepped up to a big project—

For most of his 25 years in the building business, Nolan Kerschner was a general contractor and small builder. His biggest project was a $2-million subsidized co-op, and he laughs when asked about his profits on it. He had also developed a few small second-home communities, but these, too, were only marginally profitable.

Today, however, Kerschner is well on his way to turning a 16% profit on an $8-million condominium in Norwalk, Conn.

Why did he make the leap to a project of this scope, particularly in the tightest housing market of the decade?

"I realized I'd have to increase my volume or I'd always be cash-poor and struggling to meet payrolls," he says.

The project, Sunrise Hill, sold out in just five months. Here's how it came about.

The turning point came with a prime piece of land.

The 13-acre site was right in Kerschner's back yard—Norwalk, Conn., in the heart of the prestigious Fairfield County commuter district. It was already zoned for over 200 units, and this was reflected in its selling price—nearly $1 million.

"I had to act quickly," Kerschner recalls, "because the previous owners were thinking of going ahead with a 179-unit project."

So in the tight-money days of early 1975, Kerschner raised funds to option the land, pay for feasibility studies and buy mortgage commitments.

"I borrowed a lot of money and signed for it personally," he recalls. "It was a real hairy six months."

Kerschner had two reasons for making the gamble: First, the land was right for the middle-income housing that he knows how to build better than anything else, and second, he was hoping to go into partnership with Vinnie Andrews of Vincent Andrews Management Corp. of New York, who manages investments for many celebrities.

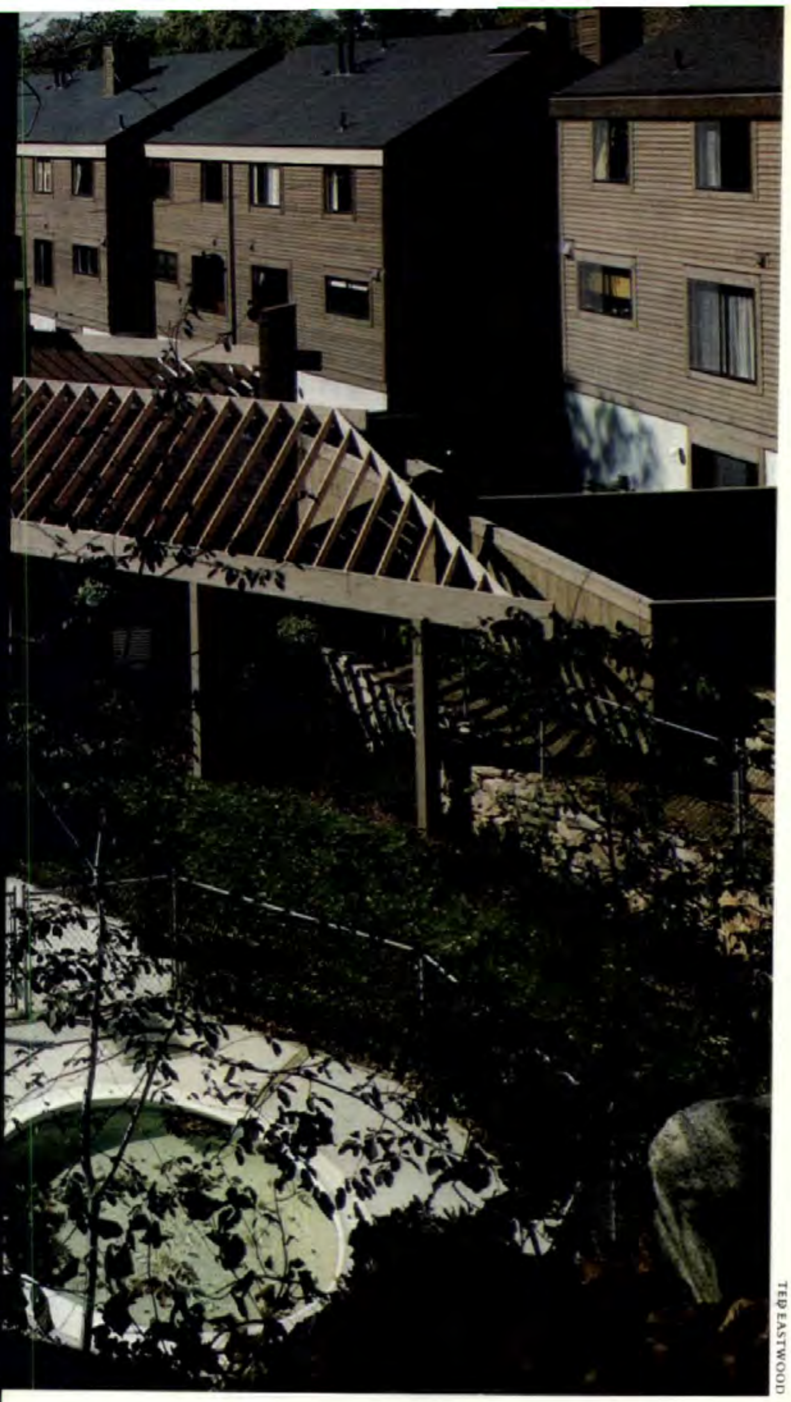
"If I was going to establish a relationship with Vinnie, I wanted it to be a permanent one," says Kerschner. "That's why I laid out the money and got Sunrise to the point where Vinnie could get a reading on it."

Andrews liked what he saw, and he raised $550,000 to develop the project. This was done through a limited partnership, Harbor Hill Associates, with himself and Kerschner as general partners.

Harbor Hill Associates then entered into a fixed-price contract with Kerschner's construction company.

The fact that the developer was putting a half million dollars into the project helped convince a lender to provide construction financing. Even so, market conditions were so tough that the lender would not finance more than eight units in advance of sales.

"I was horrified, and won-



TED EASTWOOD

80-ft. buffer required by zoning *(green area on site plan below)* forced the units to the center of the 13-acre site. Parking was brought to the front of the units so that the rear could be used for private yards, most of which open onto the heavily wooded buffer. Some 2,000 additional trees are being planted among the buildings to insure that the linear plan does not result in a tunnel effect.

The linear look was also relieved by the way the buildings related to the topography, which is fairly steep in places. Some areas, in fact, were so steep and rocky that they were unsuitable for building. One such area was used for the pool facilities *(photo left)*. However, the difficult terrain made it possible to build only two tennis courts. And it made it necessary to drop four units from the final plan, bringing the total to 156 and the land cost per unit to $6,471.

nd big profits

dered how we would ever get any construction economy," Kerschner recalls. "In retrospect, it was probably a good thing; it made us concentrate on getting a fast sellout."

But how could a one-man operation develop an $8-million project?

For that was essentially what Kerschner's development company boiled down to: one man. Even his construction company was lean; most of its eight or nine employees were in the field.

Nor did Kerschner want to hire a staff. "I'm convinced that the smaller developer has the advantage, in urban areas at least," he says. "By the time the big guys put their front-end load on a project, the costs are staggering."

Still, Kerschner needed the big-company advantage of a development team. His solution was to assemble a group of independent experts who were willing to meet regularly.

Three key jobs were filled by people Kerschner had worked with before: Zane Yost of Bridgeport, the architect; Dorothy Karg of Westport, the interior designer; and Art Schneider of Trumbull, the cost estimator. The marketing job was filled by a newcomer, John Scott of Development Research

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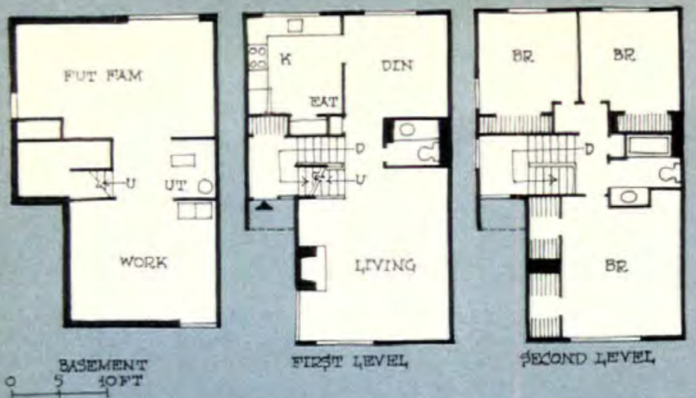
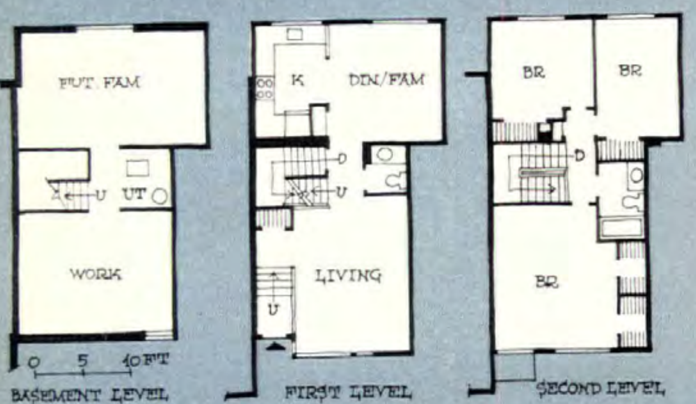


1,471-sq.-ft. Lockwood model *(cover photo)* was designed for empty nesters. Its center-hall entry with dramatic stairway, eat-in kitchen, formal dining room and large living room with fireplace and wraparound window *(photo right)* make it seem like a detached home. The Lockwood was priced at $50,900 when sales began; the final units sold for $58,200.



1,356-sq.-ft. Putnam model was designed for families with children. The traditional decor of the model *(photo right)* made it the most popular of the four. Putnam prices opened at $45,900; the final units sold for $51,600. As prices rose, fewer families with children bought units. This is true for all of Sunrise: section one has 36 children, section two, 16, and it is known that section three will have even fewer, although the exact number is not yet tabulated.

PHOTOS: TED EASTWOOD

A small builder steps up to big profits CONTINUED

Services of New Haven (a division of the Kagan Company).

All during development, this group met weekly with Kerschner, Andrews, and, at times, the project's attorney, management agent and ad agency.

"There was a lot of give-and-take, push-and-shove," Kerschner recalls. "For example, we argued for a week about whether to buy a front-door lock that would cost us $45 a unit when we could have bought an adequate one for $9."

In the end the $45 lock won out, and it proved to be worth the extra money from a marketing point of view.

Other decisions that came out of the team approach:

- A partition and a window were moved so average-sized closets in the master bedrooms could be turned into walk-in closets.
- Window configurations were adjusted to make furniture placement more flexible.
- The extra expense of 300 lb. roof shingles was rejected in favor of spending the money to provide more space.

All this, according to Kerschner, points up the real advantage to working with people who are not employees: It's easier for them to say "no" to the boss.

It would be uneconomical, however, to assemble a team of this sort for a project smaller than 100 units, says Kerschner. He hopes to cut the future cost of examining possible projects by giving his key people a piece of the action. "I'd like them to gamble a little and ride with us up front," he says. "If the project goes, then they'll share in the profit."

The marketing effort began with the design of the product

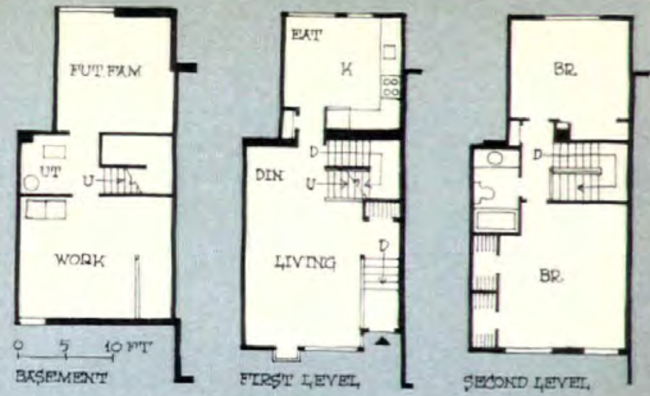
Studies confirmed Kerschner's feeling that the market for Sunrise would be both young families and older people who already lived in and around Norwalk.

The units would be competing on the one hand with quality condominiums that were essentially flats, and on the other with stripped-down, single-family ranch models on small lots in upper Fairfield County. Older homes would not offer competition, as the desirable ones were expensive.

The marketing strategy would be to try for a fast sellout by both underselling the competition—by $5,000 to $15,000 a unit—and outclassing it.

"We set the price before we designed the units," says Scott. "First we determined our budgets and then we looked for the best solutions in terms of market appeal."

The general solution was to



1,153-sq.-ft. Fitch model was designed for young people stretching to make the move from apartments. It has only one bath but was designed so that a lavatory could easily be added (in the space where the dining table is in photo at left). This proved to be unnecessary; the market accepted it as is. Fitch prices opened at $39,900; the final price was $44,900.

1,268-sq.-ft. Ludlow model was designed for young professionals. It has an unusual facade *(photo p. 70)*, and a dramatic living room with a bay window and corner fireplace. The model was decorated in red and black *(photo left)*, which turned out to be a bit extreme for the market: The Ludlow went from being the best seller when sold from plans to the least popular after the models opened. Prices went from $43,900 at opening to $49,950 at the close of sales.

offer well-built, utilitarian houses and to concentrate on providing space, which was what the market wanted most. Prices were to range from $39,-900 to $50,900.

"I consider the units to be undistinguished," says Yost. "All the things we architects love—such as soaring cathedral ceilings—cost too much, and would have meant squeezing on space to keep the budget in line."

Everyone understood that the project was going to be a compromise; the only question was how, for it could not seem to offer less quality than the competition.

So the design process turned into a series of trade-offs; how many of the available dollars should go into providing living space and how many should go into making the quality of that space as high as possible.

Some examples:

Unit size. The main living areas were larger than those of competing projects—in some cases even larger than those of units costing over $100,000. To accommodate these larger spaces, the units had to be at least 17½ ft. wide. And because zoning regulations permitted only 19% ground cover, the units could not be squeezed onto the site without cutting the total—from 179 to 156. This raised land cost per unit to $6,-471.

Basements. Room for expansion is always a problem with condominiums, and so full basements were offered as the cheapest way to provide extra living space. Many were at grade, but even those that were not had extra-large windows so they could be turned into large, attractive family rooms.

Back yards. From his experience with other multifamily projects, Yost was convinced that private outdoor areas large enough for children to play in, and perhaps for barbecues, are necessary for family living. The land cost, plus six-ft. cedar fences that averaged $700 a unit, made this the single most expensive feature of the Sunrise units. But it was also the single most important reason why many people bought.

Parking. Despite the tight site, one and a half parking spaces were provided in front of most units. (Where this could not be done, garages were built into the basements, adding about $2,000 to the price of these units.)

"Cars should be close to the home so that they're convenient and easy to protect," says Yost. "After all, they're the second most expensive item most people buy."

Floors. An extra 20% was spent on a system of 2x10 floor joists that were both glued and

TO NEXT PAGE

Typical building includes *(l. to r.)* a Lockwood model (only partially shown), a Ludlow (with peaked roof), a Putnam, a Fitch, another Ludlow and, finally, another Lockwood, which is always an end unit. The mix is roughly 25% of each model.

A small builder steps up to big profits CONTINUED

nailed. "The floors have almost no spring and no deflection," says Kerschner, "so they feel solid and don't squeak."

In addition, hardwood floors were offered, first as an alternative to carpeting and then as a $100 option.

"We'll do that again," says Scott. "It created a quality feeling: Wow! just like the home I grew up in."

Walls. Kerschner exceeded code with a nine-inch wall—double 2x4's separated by an inch—between the units to provide a good sound barrier. He also wrapped the pipes with insulation and caulked the sheetrock. This paid off when prospective buyers tested out the soundproofing by shouting at each other from unit to unit.

Also, to avoid nail-pops, all sheetrock throughout the units was screwed rather than nailed.

Product selection. The easiest way to create a quality image was with finishing materials, fixtures and appliances.

Clapboard siding was chosen, for example, because, as with hardwood floors, it reminded prospects of the homes they grew up in. And that builds confidence in first-time buyers.

Ceramic tile tub surrounds were used for the same reason.

For a touch of luxury, large plate-glass mirrors and brushed-chrome fixtures with make-up lights were made standard, even though they cost four times as much as medicine cabinets.

"People would always ask if they were included," says saleswoman Page Snow. "And their eyes would light up when I said yes."

Future maintenance. How a project looks in a year or two was an important marketing consideration in case sellout was delayed. And, of course, how it looks in the long run is important to a developer who intends to keep building in the area.

Some of the decisions involving maintenance included:

- Staining clapboards on both sides before putting them up.
- Choosing colors that would weather well. "We used a solid stain rather than a bleaching agent," says Scott, "because in time bleaching often creates a mottled effect, and we didn't want one building to look older than another if our marketing took longer than expected."
- Using a front door with raised panels because it would hide fingerprints and dents.

Some maintenance decisions went the other way: the brick pavers at the entries *(see cover photo)* will require more maintenance than blacktop, and the brick steps will be less durable than precast concrete, but both were chosen for their richness and appeal.

The payoff came with a five-month sellout

The models opened on April 24, 1976; by the end of September all 156 units were sold. Thus, nearly a quarter of a million dollars that had been budgeted for marketing and land carry was added to the profit from sales *(see table at right).*

Among the reasons for the fast sellout:

An effective off-site sales program. To head off any construction delays caused by the bank's refusal to advance funds more than eight units in advance of sales, Kerschner began his sales program three months before the models opened. A nearby store was turned into a sales office with floor plans, renderings, a kitchen mock-up and samples of the windows, doors, hardware and clapboard siding.

By the end of March, 18 units were under contract and 26 more were under reservation.

Even so, there's a danger in selling from plans, he discovered. Because buyers can't visualize accurately what they're getting, they can give a false reading on what they like. At Sunrise, for example, they couldn't get enough "Ludlows," and they ignored the "Putnams." Luckily no one tampered with the mix, because in the end the Putnams were the most popular.

A top-notch sales staff. Two full-time sales people, Page Snow and Tad Serrao, were chosen mainly on the basis of age and personality; Kerschner felt younger, first-time buyers would relate to them. Neither had ever sold housing before, but this was considered an advantage because they would have a fresh approach. Jean Proach, a well-known sales trainer, was hired to teach them.

The supreme test for Snow and Serrao came at the end of March: They had to explain to buyers that the project, which had been sold fee-simple with the common areas held by a homeowner's association, had been turned into a condominium. (Reason: The lender decided that the zoning ordinance under which it had been approved was flawed.)

"Some buyers were appalled that such a mistake could have been made," Scott recalls. "And others were so completely sold on the fee-simple concept that they threatened to back out. But in the end, not a single sale was lost."

A price strategy aimed at generating volume. Prices were deliberately kept low to create a bargain fever that would overcome the negative image condominiums had in the area.

"When I told them how fast we were selling, everyone in the industry said our prices were too low," Scott recalls. "But later, as we began to raise prices, we found we were eliminating many potential buyers."

By then it no longer mattered; Sunrise was getting lots of traffic because of the momentum that had been generated. But Scott is convinced that this momentum would never have built up if the project had opened with higher prices.

Today there are 45 move-ins at Sunrise. Construction should be finished by next spring. And some 130 people have put their names on a waiting list hoping for a cancellation.

It's unlikely that many of them will end up at Sunrise, but they may end up at another Harbor Hill Associates project. Kerschner and his team are already studying five other sites, and they hope to be ready to begin building again by March.

Does the success of Sunrise say anything about the condominium market? Scott thinks it does.

"It wasn't a fluke; it can be duplicated again," he says. "To me it demonstrates that metropolitan areas are full of families that are well educated, upwardly mobile and idealistic about the way they want to live.

"They don't see a condominium as a gimmick to get extra recreational facilities or no-maintenance living. They see it as the decent home with decent investment value that they can no longer afford in the single-family sector."

—NATALIE GERARDI

DEVELOPMENT BUDGET SUMMARY

	Budget 11/75	Projected 9/76
Land acquisition		
Purchase amount	945,000	945,000
Purchase money interest	64,500	64,500
Total	1,009,500	1,009,500
Construction		
Unit*	3,467,095	3,499,288
Site	680,000	680,000
Recreation facilities	70,000	70,000
Bonds & Permits	17,500	17,500
Total	4,234,595	4,266,788
Developers' overhead	211,729	213,336
Professional fees		
Architect & engineering	127,000	127,000
Market research & program	12,000	12,000
Legal	90,000	90,000
Total	229,000	229,000
Marketing		
Advert. & promo. materials	200,000	50,000
Sales commissions	133,000	135,200
Closing costs & fees (excl. legal)	69,000	69,000
Overhead	30,000	22,000
Marketing management	42,450	32,000
Models & site signage	40,000	40,000
Total	514,450	348,200
Financing & carrying		
Construction loan interest	111,486	98,815
Origination fees	50,000	50,000
Permanent loan		
Commitment fees	50,000	50,000
Insurance	30,000	30,000
Property taxes	123,000	65,000
Brokerage fees	10,000	10,000
Total	374,486	303,815
Preliminary expenses	25,000	25,000
Contingency		63,705
TOTAL DEVELOPMENT COSTS	6,598,760	6,459,344
TOTAL PROJECTED REVENUE FROM UNIT SALES	7,601,250	7,726,200
TOTAL PROJECTED PROFIT	1,002,490	1,266,856

* 11/75 budget based on 160 units; 9/76 costs based on 156 units

PRO FORMA OF A TYPICAL UNIT*

	Per unit	Per sq. ft.	% Cost	% Sales
Land	$ 6,471.15	$ 4.94	15.5	13.1
Construction	22,431.33	17.31	54.5	45.8
Site development	4,358.97	3.33	10.5	8.8
Recreation Facil.	448.72	.34	1.1	.9
Bond & permits	112.18	.09	.3	.2
Developer's overhead	1,367.54	1.04	3.3	8.7
Architecture & eng.	814.10	.62	2.0	1.6
Research & program	76.92	.06	.2	.2
Legal	576.92	.44	1.4	1.2
Marketing	2,232.05	1.70	5.3	4.5
Financing & carrying	1,947.53	1.49	4.7	3.9
Miscellaneous	568.62	.43	1.4	1.1
TOTAL COST	41,406.05	31.62	100.0	83.6
Profit	8,120.87	6.20	—	16.4
TOTAL SALES PRICE	$49,526.92	$37.82	—	100.0

* Based on average living area of 1,309 sq. ft.

Troubled by...

Big road-building bills?
Heavy off-site costs?
Angry environmentalists?

Sell your town on...

NATURAL

And the sales message is that everyone benefits.

- The developer can substantially cut site costs by installing narrower roads and fewer sidewalks, curbs, gutters, storm-water lines and catch basins.
- The town saves on the long-term expenses of maintaining and replacing these facilities.
- The environment benefits because water is left on the site where it belongs, rather than flooding off to possibly ruin other property.

But before you start counting the dollars you will save—up to 25% over conventional paving and water control, according to land planner John Rahenkamp—you'll have to sell natural drainage to local planners who are more often than not obsessed with just the opposite.

"And it won't be easy," says Rahenkamp, whose firm, Philadelphia-based Rahenkamp, Sachs, Wells & Associates (RSWA), has long advocated the natural-drainage concept. "Extra-wide roads, miles of sidewalk and excessively built drainage systems have been a part of most subdivision codes since World War II. Planning boards are accustomed to requiring these specs, and they're not likely to change their minds too quickly."

In these days of perpetual municipal budget squeezes, however, it's certainly worth the effort. And if you can convince the town planners, says Rahenkamp, you can expect to save at least:

- $4 a square yard on unnecessary road paving.
- $3 a linear foot on sidewalks.
- $4 a linear foot for curbs and gutters.
- $12 a linear foot for storm-water lines.
- $400 to $500 a catch basin.

All that results in these annual maintenance savings for the town:

- Eight to fifteen cents for every square foot of road or sidewalk that isn't built.
- Two to five cents for every linear foot of curb and gutter that isn't installed.
- Five to ten cents a linear foot for every storm drain that isn't put in.
- Plus, impossible-to-predict but substantial savings because of better flood control.

The key to natural drainage, says Rahenkamp, is to leave intact as much as possible of a site's natural water paths and ground cover. In other words:

- Cut down on paved surfaces because they are impervious to seepage.
- Use natural swales (turf- and grass-covered drainage depressions) instead of curbs, gutters, storm lines and catch basins.

Starting at right is a close look at the three elements of natural drainage. And on page 74 is a case study from Wichita, Kans. where Rahenkamp's firm convinced municipal planners to accept the idea.

—Joel G. Cahn

1 MAKE THE ROADS NARROWER

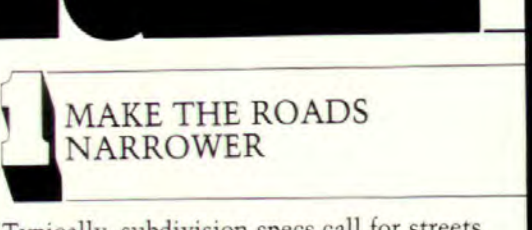
Typically, subdivision specs call for streets up to 40 ft. wide—two travel lanes and two parking lanes plus storm runoff channels.

But all that pavement isn't necessary, according to Rahenkamp. Street widths can be narrowed to as little as 20 ft.—no more than 26 ft.—if you:

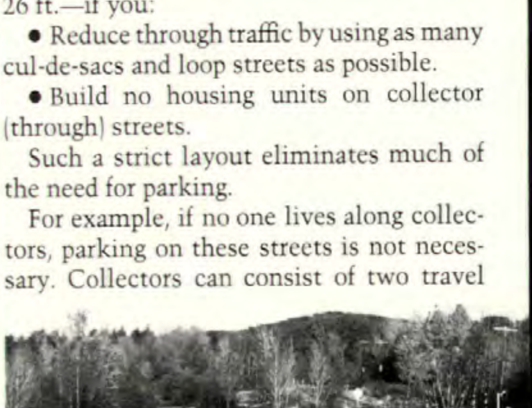
- Reduce through traffic by using as many cul-de-sacs and loop streets as possible.
- Build no housing units on collector (through) streets.

Such a strict layout eliminates much of the need for parking.

For example, if no one lives along collectors, parking on these streets is not necessary. Collectors can consist of two travel



Narrowed natural-drainage street *(above)* eliminates need for most sidewalk, parking lanes and curbs used conventionally *(below)*.



STREET WIDTH STANDARDS

	Paved width	Parking	Total
Collector			
Conventional	24'	16'	40'
Natural drainage	24'	00'	24'
Loop			
Conventional	22'	8'	30'
Natural drainage	22'	4'*	26'*
Residential loop			
Conventional	22'	8'	30'
Natural drainage	20'	4'*	24'*
Cul-de-sac			
Conventional	20'	8'	28'
Natural drainage	18'	4'*	22'*

* median

DRAINAGE

lanes and shoulders for disabled vehicles.

Loops and cul-de-sacs need two travel lanes plus only one additional lane for limited parking. The same is true for what Rahenkamp calls eyebrow streets which provide access to clusters of units.

And driveways to multifamily housing need no parking lanes as sufficient off-street parking can be located next to the buildings.

Such land planning, says Rahenkamp, turns each subdivision into an island where traffic demands can be accurately anticipated for maximum safety. In addition, the narrower roads reduce water runoff velocity and volume as the added natural cover enables more water to remain on the site.

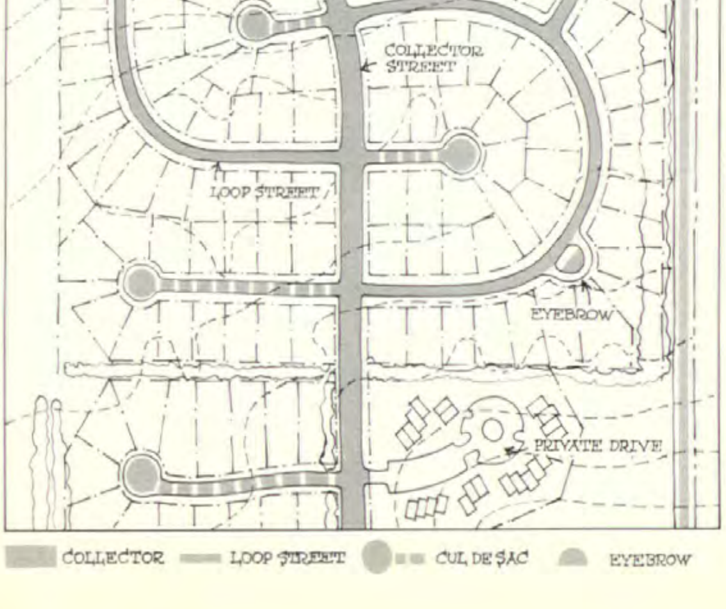
2 CUT DOWN SIDEWALKS

Conventional site requirements usually stipulate sidewalks on both sides of every street. "It's like spaghetti following the roads everywhere," notes Rahenkamp.

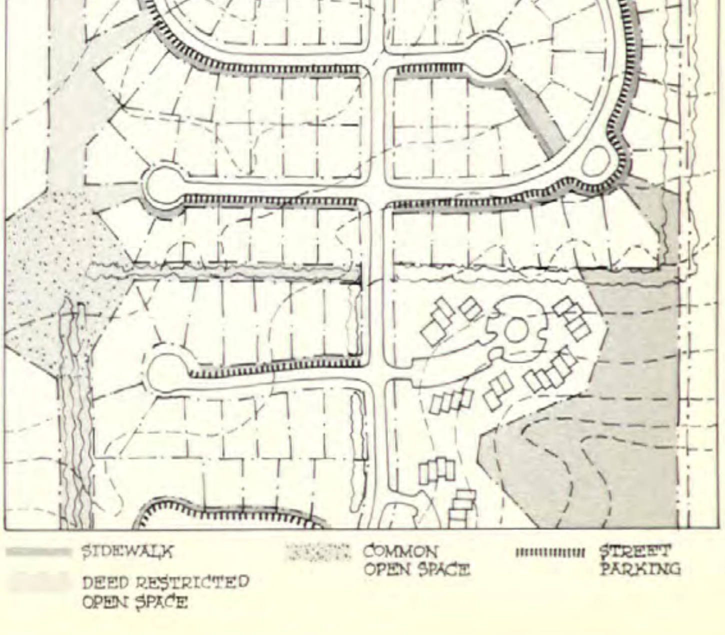
Natural drainage can eliminate up to 50% of this by using roadside swales to separate vehicular and pedestrian traffic. Also advocated by Rahenkamp are open-space corridors which link major pedestrian facilities and provide a logical place for constructing bicycle paths.

Collector streets on which no one is living need no sidewalks, Rahenkamp says. For residential streets, sidewalks on one side are sufficient if alternative open-space pathways are available.

TYPICAL STREET LOCATION



TYPICAL PARKING/SIDEWALK LOCATION



NATURAL DRAINAGE

CONTINUED

3 ELIMINATE CURBS AND GUTTERS

Subdivision codes normally call for curbs and gutters to 1) direct the flow of water away from the site, 2) prevent traffic from running up on walkways and property and 3) keep pavement edges from unraveling and heaving.

Rahenkamp points out that you can get the same results without resorting to curbs and gutters.

Water runoff, for example, can be controlled by swales—gentle drainage depressions usually covered with grass or other vegetation. Used as part of an open-space system, swales reduce runoff velocity and amount because water either is absorbed into the channel or moves along its course more slowly.

If you run into scouring (the velocity at which water causes erosion) problems—estimated to occur at five ft. per second on 10% slopes and four ft. per second over 10%—swales should be reinforced with concrete, riprap or piping to keep natural cover in place.

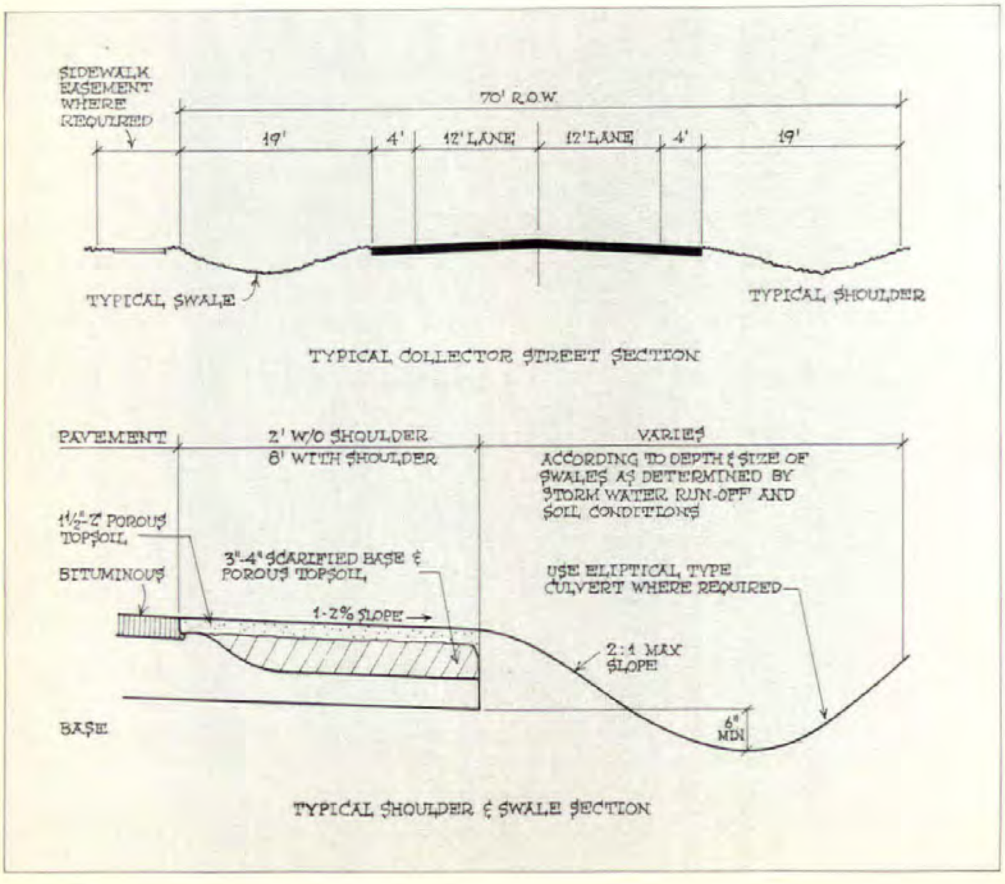
Town concern that curbless streets will cause traffic to overrun adjoining walkways and property, Rahenkamp says, can be overcome by placing vertical bollards (wooden or metal posts) along curves and at intersections.

As for unraveling of pavement, Rahenkamp points out that this usually occurs because the gravel base of the street does not extend far enough beyond the blacktop edge. Soil at the street's edge erodes faster than gravel, and is likely to undermine the pavement.

If you extend the gravel base 18 to 24 inches beyond the pavement edge, however, the edge will be structurally stabilized and unraveling is prevented.

Actually, says Rahenkamp, curbing tends to cause unraveling because it can trap water that seeps through the pavement edge and curb during heavy storms and create heaving. For best results with an extended gravel base, he adds, the bottom of your swale should be at least six inches lower than the street base. This allows water to flow off the pavement into the swale and minimizes the problem of water backing up onto the street.

Bollards substituted for curbs in photo above keep traffic from running up on property and mark pavement limits for snowplowing.



Street section diagram at left shows swales replacing curbs and gutters to handle water runoff. Detail below indicates subsurface edging for swale system which keeps pavement edges from unraveling.

CASE IN POINT

NATURAL DRAINAGE TRIMS DEVELOPMENT COSTS IN A MIDWESTERN PUD

And part of the saving shows up in the dollars-and-cents figures below from Comotara, a 3,300-acre project in Wichita, Kans. Reduced street widths—a major ingredient of Comotara's natural-drainage program—are cutting street building costs by as much as 28% and street maintenance costs by up to 20%.

The developer, Wichita Land Co., started Comotara five years ago. Plans called for a mixture of housing, stores, offices and recreational facilities.

The first section—506 housing units on 160 acres—was completed under conventional subdivision requirements. Then came the recession and housing's cost crunch.

Of particular concern to Wichita Land Co.—which produces the finished lots and then sells them to local builders—were sharp increases in a special assessment charged by the city for site improvements.

"To hold down the cost of finished lots," says Wichita Land's assistant general manager, Paul Snodgrass, "we had to find an alternative to conventional site development. We felt natural drainage might be the answer and, as the Rahenkamp group had championed the technique for some time, we asked them for a proposal."

Rahenkamp, Sachs, Wells & Associates drew up a natural drainage plan for the undeveloped Comotara acreage. City planners and engineers approved the proposals after about three months of negotiations.

"Of course, there were compromises," says John Rahenkamp. "For example, we agreed to roll curbs in detached neighborhoods. But we got about 95% of what we went after."

Otherwise, Comotara's natural drainage system accomplished the following:

- Street widths are reduced by from four to eight feet from the usual Wichita specs.
- Sidewalks are eliminated along collector streets and confined to one side on loops, cul-de-sacs, eyebrows and private drives.
- Curbs and gutters are replaced by swales along most residential streets.
- Storm sewers are eliminated in swale pathways; swale right-of-way widths are used to recharge precipitation.
- A retention pond collects runoff and serves as an amenity for the community.

COMOTARA STREET COMPARISONS

	Right-of-way	Travel lanes	Parking/shoulder	Total pavement*	Developer cost**	Maintenance cost***
Collector						
Wichita standard	70′	2-12′	2-8′	40′	$46 l.f.	$5.10 l.f.
Comotara	70′	2-12′	2-4′	32′	$33 l.f.	$4.70 l.f.
Loop						
Wichita standard	64′	2- 9′	2-8′	34′	$38 l.f.	$4.40 l.f.
Comotara	60′	2-11′	1-8′	30′	$33 l.f.	$3.70 l.f.
Cul-de-sac						
Wichita standard	60′	2- 9′	2-8′	34′	$38 l.f.	$4.40 l.f.
Comotara	60′	2-11′	1-8′	30′	$32 l.f.	$3.50 l.f.

* Measurements are face of curb to face of curb, including 2′ for each curb and gutter.

** Construction costs are based on current area costs and methods and do not include costs for storm sewers (about $14 l.f.), swales (about $11 l.f.) and sidewalks (about $10 l.f.) for collectors.

*** Maintenance costs based on current city costs for (a) replacement or repair of surface pavement, curbs, storm sewers and drainage swales and (b) yearly maintenance (mechanical sweeping and maintenance).

BIG SPACE FOR

DAVID ROSS

Big two-story living room (24'x28') dwarfs baby grand piano. For another view of the same space and a floor plan of the

THE MONEY IT STILL WORKS FOR A VETERAN BUILDER


EDDY MEREDITH

Over-sized rooms have faded from fashion in southern California's booming single-family market, where many new houses with less than 2,000 sq. ft. are priced at more than $100,000. But builder Eddy Meredith of Tustin hasn't changed with the times.

Generous square footage sold Meredith's houses on Long Island, N.Y., in the 1940s and '50s, and it's still selling them in Orange County in the '70s.

His current bestseller is just about as large as it was when he introduced it in 1948. It's a 3,259-sq.-ft. two-story priced today at around $100,000, and its sheer size shows in every room. Examples:

- The smallest of the secondary bedrooms measures 11'8"x14'4".
- The 18'4"x28'3" master-bedroom suite is almost as large as the two-story-high 24'x28' living room *(left)*.
- An 18'x18'4" country kitchen serves an old-fashioned formal dining room amply proportioned at 14'x18'4".
- Two of the secondary bedrooms have walk-in closets.
- The secondary bathroom has a separate tiled shower stall in addition to a bathtub.

But the eye-catcher in Meredith's 30-year-old bestseller is an 8 ft.-wide stairway from the foyer to a second-floor landing, which overlooks the two-story sunken living room.

"In the old days that stairway was a full 10 ft. wide," says Meredith. "We've had to shrink it a couple of feet because of rising costs, but it still takes their breath away."

Elsewhere in the house, however, Meredith has added space to keep up with buyers' changing lifestyles. This year, for example, he introduced four-car garages in two new subdivisions. Three-car garages had been standard in his houses, but he figured there was a strong desire for still more vehicle space among his recreation-hungry buyers.

"They need that fourth space for their boats, campers, motor homes, antique cars and work-

TO NEXT PAGE

3,259-sq.-ft. house, see page 79.

shops," he says, "and it has turned out to be one of our most popular amenities. So now we're including four-car garages on every lot big enough to take them."

Meredith is building 332 houses in two tracts in San Juan Capistrano and Laguna Hills. Prices, not including premiums for view locations, are $85,000 to $110,000 for seven plans ranging from 2,260 sq. ft. to 3,590 sq. ft. In both tracts, sales are well ahead of production.

Meredith's original bestseller was a front-to-back split-level. He converted it to a two-story in 1966, then began adding a few amenities to keep up in a modest way with southern California's aggressive merchandisers. Some of those amenities now include:

- Crystal chandeliers in the formal dining rooms.
- Built-in wet bars and paneling in family rooms.
- Fireplaces with tile or marble surrounds in master bedrooms.
- Pantries and pass-through windows to patios in kitchens.

A bonus feature of the big-space house that Meredith promotes is the ease with which it can be remodeled later on. "There's so much square footage to work with," says he, "that new spaces can be created within the existing interiors without changing the exteriors."

"You're bound to save money when you build the same basic house over and over again," Meredith notes. "We save on architectural fees. We've squeezed out wasted construction costs."

Meredith also saves on model-home decorating—partly because he does it himself and partly because he sticks to the same basic decorating scheme.

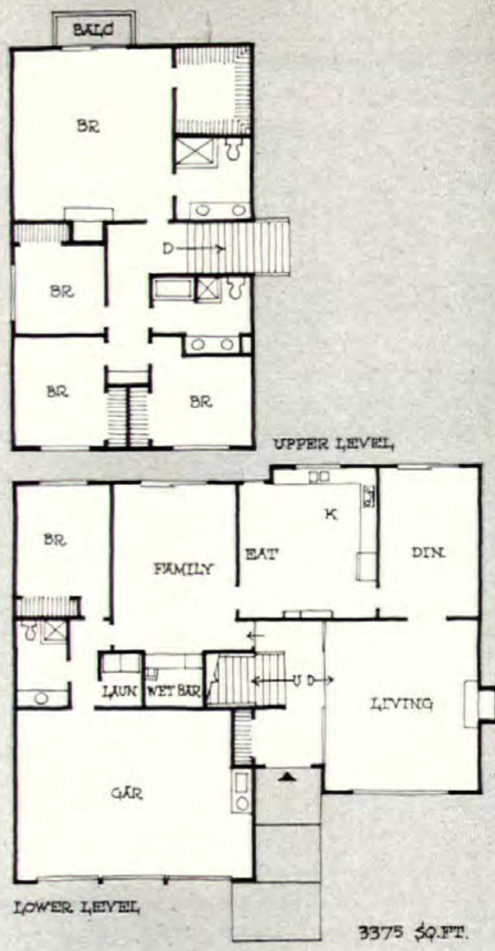
"We have very definite ideas about how rooms should look," he says. "We don't believe in startling the prospect with knock-out decorating schemes. We try to furnish our models just like our typical homeowner would."

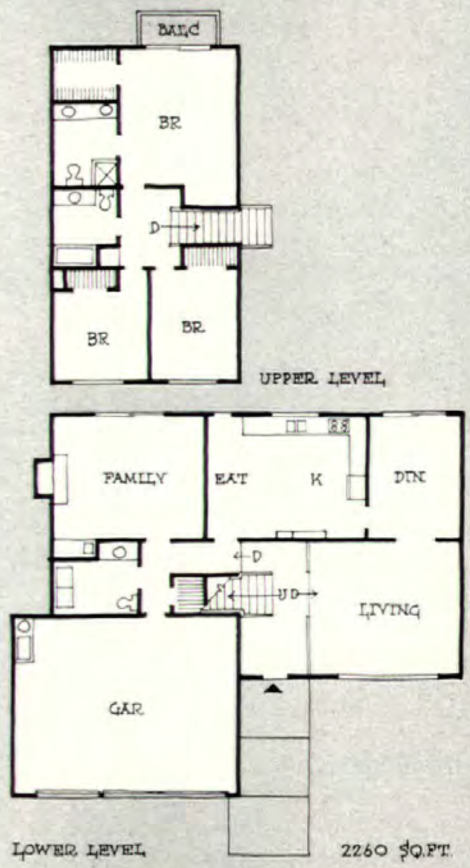
Meredith often re-uses the same furnishing packages, moving them from one project to the next and warehousing them when they're not needed. One of his staples is a baby grand piano to show off the spacious living room dimensions.

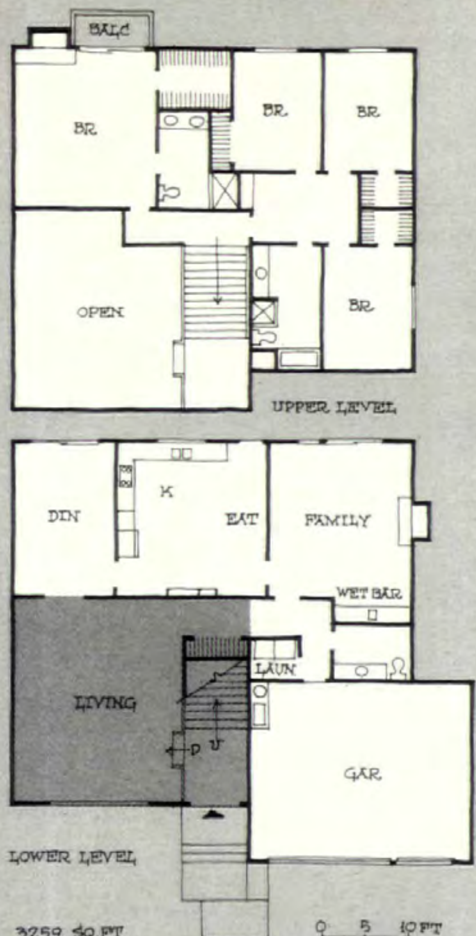
As an old-school builder, Meredith believes in low overhead. He and his brother Richard, an attorney, run the company. Together, they manage the two current single-family tracts plus a 200,000-sq.-ft. office complex that they built for the company portfolio.

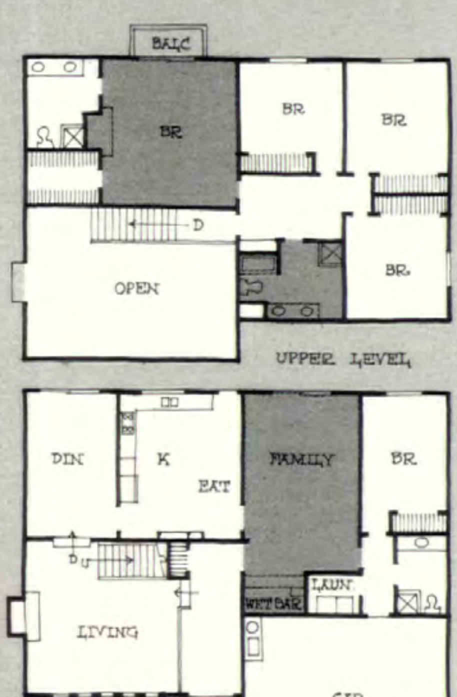
—H. Clarke Wells

Mansard-roofed model has 3,259-sq.-ft. living area *(plan, opposite)*.









Big plans of builder Meredith's houses range from 2,260 to 3,590 sq. ft. Four of seven available models are shown above; shaded areas are rooms pictured above and on page 76.

Big spaces, shown here in two of Meredith's models, include an 8'-wide stairway (shaded in 3,259-sq.-ft. plan at left) and a second bath, master suite and family room (shaded in 3,461-sq.-ft. plan).

PHOTOS: DAVID ROSS

AN ENVIRONMENTAL HORROR STORY WITH A HAPPY ENDING

"We struggled through 11 public hearings at the town, city and state level to build this condo," says Robert K. Adams of Corona del Mar, Calif. "We were forced to slash the project's density by more than 32%. We had to jack up prices on the remaining units 65% to come out. And we had to re-plan the job completely. But I have to admit we ended up with a more saleable project than the one we started out with."

The reason Adams caught so much flak is the project's extremely rare location: on the ocean beachfront in La Jolla, the wealthiest and most environment-conscious township in the City of San Diego.

"We knew we were asking for trouble," says Adams. "But the site is a jewel. We couldn't pass it up."

The jewel-like site, only two acres, cost Adams almost \$1.5 million (or \$17.50 a sq. ft.). But existing zoning permitted 46 dwelling units, which justified the high price for Adams. He submitted a plan for 43 condominiums, priced from \$60,000 to \$130,000, to the La Jolla Architectural Review Committee in January 1974. That was just the beginning.

Eight months and 20 drawings later, Adams eventually got approval for a project of 31 units, which he managed to start building in December 1974.

Prices, in the meantime, had to be pushed up to \$98,500 to \$199,500 to keep the job profitable. "If I had known in the beginning that I would be selling so few units at such high prices," says Adams, "I never would have attempted the deal."

The first big cut in density came after La Jolla planners insisted on 1) an easement through one side of the property to permit public access to the beach and 2) an increase in parking spaces to two per unit. To create the easement, Adams had to switch his underground parking garage entrance from the side to the front of the project.

Further density cuts and design changes were made after hearings before the La Jolla Town Council, meetings with San Diego planners and further hearings before the San Diego City Council. And Adams was unable to maintain unit density by adding more levels because of stringent height restrictions.

But the most drastic change came after the La Jolla and San Diego officials had okayed the developer's plans. The California Coastal Commission then turned thumbs down on the project because, even though it provided public access to the beach, it blocked the public's view of the ocean from the street.

Adams' architect, Peter Munselle AIA of Beverly Hills, came up with the solution: He notched out the front of the U-shaped project so that the ocean could be viewed through its center. According to Adams, the resulting design so pleased the coastal commission that, for the first time, it voted unanimous approval of a developer's project.

Resistance came also from non-government quarters. A group called SOS, for Save Our Shoreline, and another named Friends

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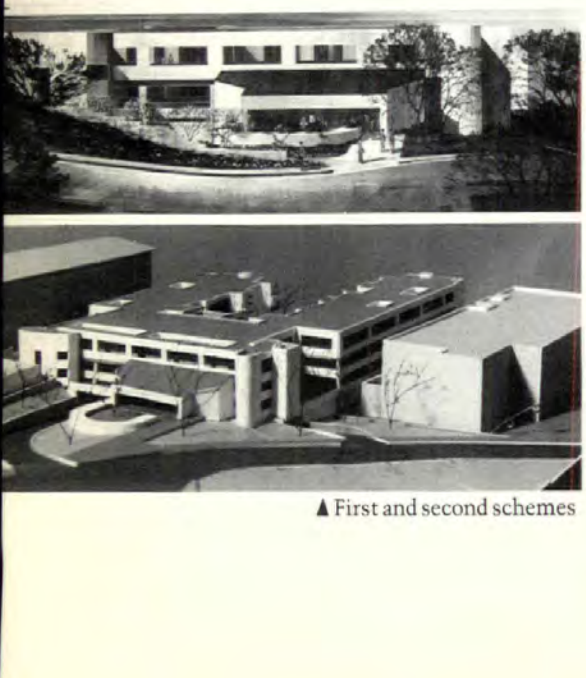
SCALE MODELS AND ARCHITECT'S RENDERING SHOW EVOLUTION OF



▲ First and second schemes

▲ Final scheme ►

Central courtyard at 100 South Coast opens ocean views to apartments set well back from the shore *(see also p. 83)*.

ENVIRONMENTAL STORY
CONTINUED

of La Jolla kept up a steady barrage of protest at all the public hearings until Adams presented his view-preserving concept.

"We didn't fight with any of them," says Adams. "We couldn't afford the time. The meter was running. Besides the loan interest and taxes on the land, we were watching the prime rate climb to over 9% and inflation was driving up construction costs. We kept redrawing as fast as we could to come up with new solutions to meet each new set of objections."

To help win over opponents, Adams showed them scale models of the project and other visual aids to help sell the environmentalists. He also superimposed a reduced photograph of a model onto an aerial photograph of the area, then converted the picture to a slide for projection onto a screen.

"That," he says, "was the most realistic way we could think of to show how the project would blend into the environment."

As prices went up, Adams increased square footages. "We had to maintain a reasonable square footage-to-price ratio." He also added amenities like master-bedroom fireplaces.

Sales started in January 1975, and by September all but four units were sold. "We were delighted," says Adams. "Three a month is a good sales rate when you're in the $200,000 bracket."

The ocean views boosted prices by more than $40,000 per unit. For example, same-size units with and without views sold for $199,500 and $156,000 respectively.

Most buyers were in their middle sixties, and were well-heeled. Twelve paid the full purchase price in cash, and almost all of the others paid at least 40% down.

Anticipating that most of the buyers would be retirees, Adams kept the monthly maintenance fees low by holding common-area landscaping and amenities to a minimum. Other than a swimming pool, underground parking and entry planting, the owners have little to care for. Monthly maintenance fees are only $55 to $62, unusually low for $200,000 condos.

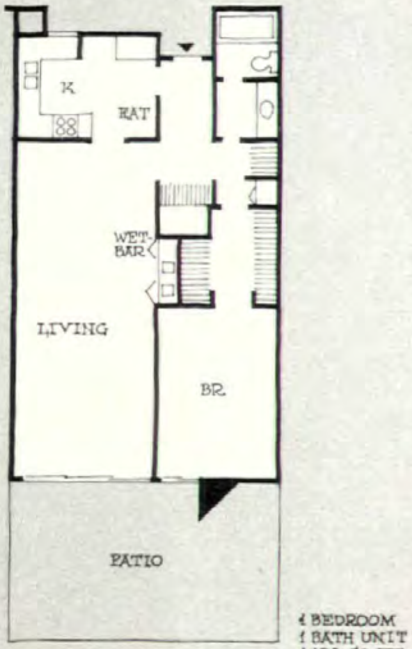
But Adams may have erred a bit in including three townhouses in his otherwise single-level unit mix. As of October, all three townhouses remained unsold.

Older people don't like to climb stairs," Adams says, "so those two-level units are taking longer to sell."

While a few buyers came from as far away as Mexico, Canada and Puerto Rico, about half came from within a ten-mile radius. The only advertising was a small display ad in *The Wall Street Journal's* Friday real estate section, a San Diego daily newspaper and the in-flight magazine of Pacific Southwest Airlines, which runs hourly commuter flights from San Diego to Los Angeles and San Francisco.

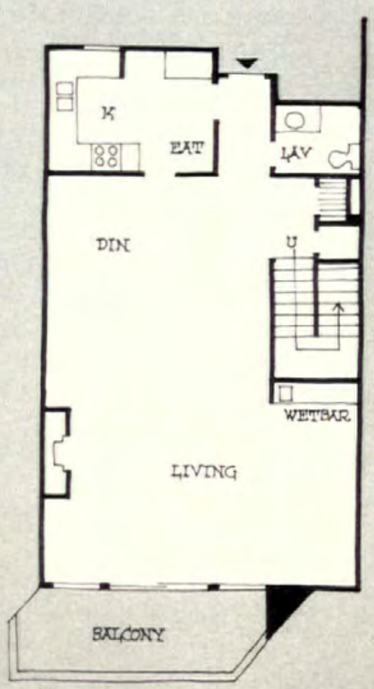
For financial staying power, Adams teamed up with a savings and loan company to do the project. His joint-venture partner was Wilshire Diversified, a division of Glendale Federal S&L. —H.C.W.

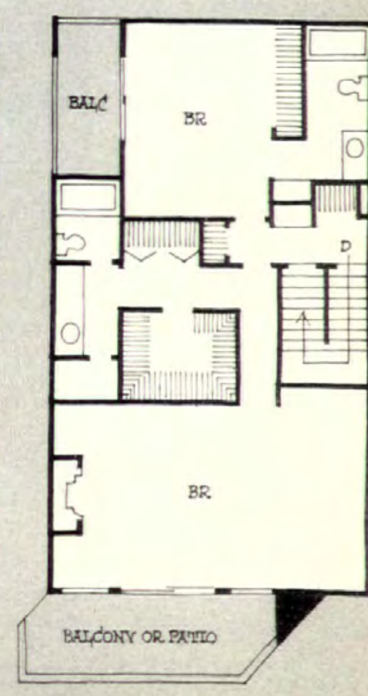
Floor-plan mix at 100 South Coast ranges from standard-size one-bedroom units to three-bedroom flats, which have four exposures and are larger than many single-family houses. All sold fast except a trio of townhouses *(far right)*.



Big windows and sliding glass doors capitalize on ocean views. Central courtyard, seen at right from ocean side of project, extends to front entrance in far background.

3-BEDROOM - 2 BATH UNIT 1,800 SQ.FT.





LOWER LEVEL UPPER LEVEL

2 BEDROOM - 2½ BATH UNIT 2,100 SQ FT.

This park gives the mobile-home image a big boost

It's so well designed that people living right next door in expensive conventional homes have accepted it almost without a murmur. And even before it was completed, two-thirds of the park's 162 spaces had been reserved; the balance were rented in five months. A large percentage of the renters are well-off empty nesters—average age, 55—who chose the park over conventional-house subdivisions and condominiums.

Oak Forest is located in Westlake Village, Calif., a 15,000-acre master-planned community, created by Prudential Life Insurance Co., about a half-hour drive from downtown Los Angeles. The developer is M. J. Loustaunau of Irvine, Calif., and the owner is Oak Forest Mobile Estates Ltd., a partnership consisting of Loustaunau, the general partner, and Western Home Financing Corp.

The park's 120 acres had been master planned for mobile homes from the outset. But before it could be developed, approvals had to come from Los Angeles County regional planners, the Westlake architectural committee and the Westlake Homeowners Association.

No opposition materialized from any of these groups. The reasons are easy to understand:

Lots are bigger and density lower than in most conventional subdivisions. Minimum lot size is 55'x80' and some lots are as big as one-third of an acre. The 162 spaces are spread over 120 acres, a density of only 1.4 units per acre.

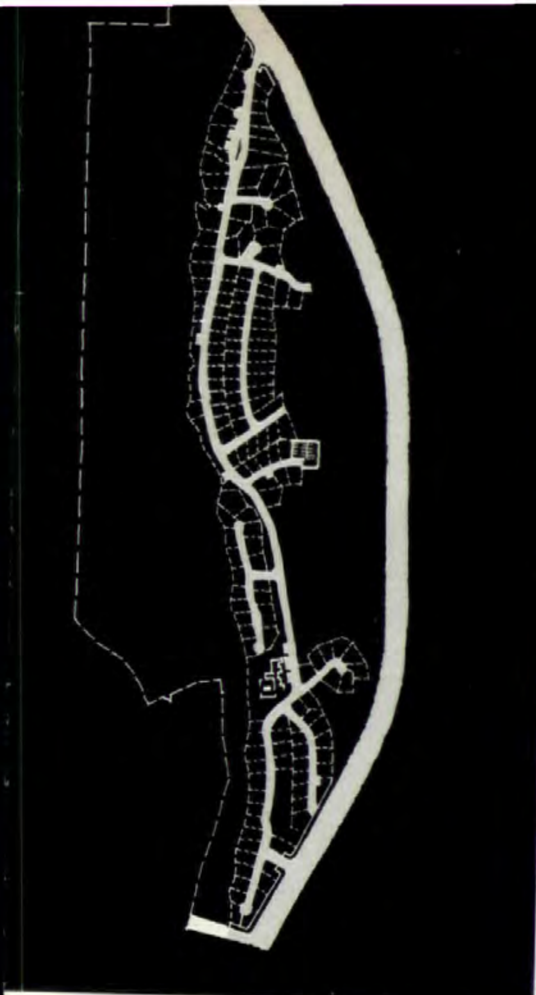
Coaches are as large as the average conventional house. Oak Forest allows nothing smaller than a double-wide, so the minimum-size coach is about 1,500 sq. ft. (today's average double-wide is two 12'x60' sections combined). What's more, because the lots are so big, at least half of the residents have brought in triple-wides. And the addition of third sections from 12'x15' to 12'x40' creates units of 2,000 sq. ft. or more.

Siting options are virtually unlimited. Again, that's because the lots are so large. Coaches can be placed sideways and at random angles, and triple-wides can be arranged in L-shapes. Parking shelters can be detached and built wide enough to accommodate two cars side by side instead of end to end as in standard parks.

Architectural controls prohibit the typical mobile-home look. Shiny metal roofs aren't permitted, and neither are metal patios and carports. Roofs must be finished with asphalt or wood shingles. Aluminum carports may be installed, but all supports and fascias must be covered with wood. Even wood-simulating aluminum is a no-no. Coach bodies must be painted earth tones or dark green, and trim colors must be harmonious.

Space rentals range from $135 to $300 per month. Coach prices run from $25,000 to $40,000, less than half the cost of the average new home being sold in Los Angeles County today.

Unlike other mobile-home park owners, Loustaunau doesn't rent or sell his own line of coaches. Residents buy from any dealer or manufacturer they like, and they don't buy models off the dealer's lot.



"Coaches in this park are all custom-ordered," says Loustaunau. "You just can't buy a model off a lot and meet the standards we've set up. Besides, the kind of people we're attracting want large custom coaches, and our lots can accommodate them."

Loustaunau also avoids the usual practice of leasing spaces on a month-to-month basis. His leases are for three years, and include cost-of-living escalation clauses.

"This makes for a much more stable park," he says. "From an investor's standpoint, this kind of park is a better deal than an apartment project: vacancies are minimal, turnover is low, and maintenance is relatively easy."

The park was designed and developed with the idea of one day possibly selling it to the residents as a condominium.

"It was zoned as a condominium mobile-home park originally," says Loustaunau, "the only one like it in Los Angeles County that I know of."

Southern California legislators in general have resisted the idea of fee-simple or condominium ownership of mobile-home parks by residents, and only one other county currently permits it. "But we can win over others," says Loustaunau. "It's just a matter of proving that mobile homes don't have to be a threat to the architectural integrity of residential areas."

Loustaunau, who has been developing mobile-home parks for the past six years, spent over two years designing and developing this one. The site is in a canyon containing about a thousand oak trees with trunks up to 5 ft. in diameter. —H.C.W.

House-like exteriors of mobile homes enhance streetscapes at Oak Forest. Architectural controls are strict—no bright colors or shiny metal roofs, for example. But individualized exteriors are encouraged. Result: There's more design variety here than in many conventional subdivisions.

Contemporary kitchen cabinetry, "Woodlake" *(above)*, features "Excelite-M," a sturdy decorative surface that resists stains and scratches. Cabinets have all-wood drawers, self-closing hinges and adjustable shelves. Excel, Lakewood, N.J. CIRCLE 200 ON READER SERVICE CARD

High-pressure decorative laminate, "Sun Beech" *(above)*, is suitable for rustic or contemporary decors. The material simulates the bold grain and knot patterning of Beech wood. Laminate is heat- and warp-resistant. Formica, Cincinnati, Ohio. CIRCLE 202 ON READER SERVICE CARD

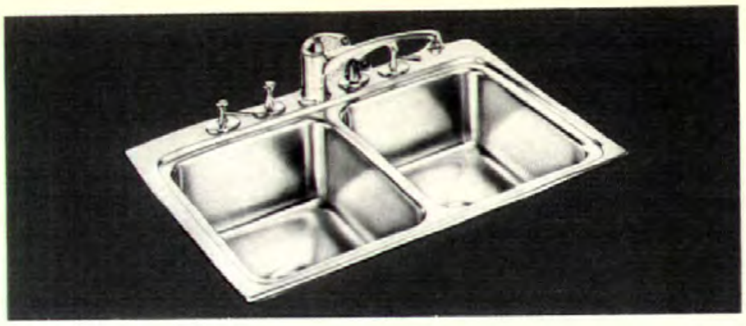
High-pressure plastic laminate, "Jacobian" *(above)*, is a parquet pattern of richly toned woodgrain strips. The surface material, with "Velvet Textured" finish, can be used for a wide range of residential applications. Exxon, Odenton, Md. CIRCLE 204 ON READER SERVICE CARD

Double built-in wall oven *(above)* features self-cleaning upper and lower ovens. Top-of-the-line model has digital clock/timer, automatic meat thermometer, Rota-Grill™ rotisserie and black glass control panels. Hotpoint, Louisville, Ky. CIRCLE 206 ON READER SERVICE CARD

Automatic washer and dryer *(above)* are available in a variety of models. Energy-saving washer has a cold water rinse and power-fin agitator. Dryer features air flow pattern which offers fast, even drying of clothes. Maytag, Newton, Iowa. CIRCLE 203 ON READER SERVICE CARD

Glass-ceramic cooktop *(right)* has two-step push-to-turn infinite-heat controls. Temperature-limiting feature automatically shuts off elements should temperature build up under "no-load" conditions. General Electric, Louisville, Ky. CIRCLE 205 ON READER SERVICE CARD

PRODUCT INDEX



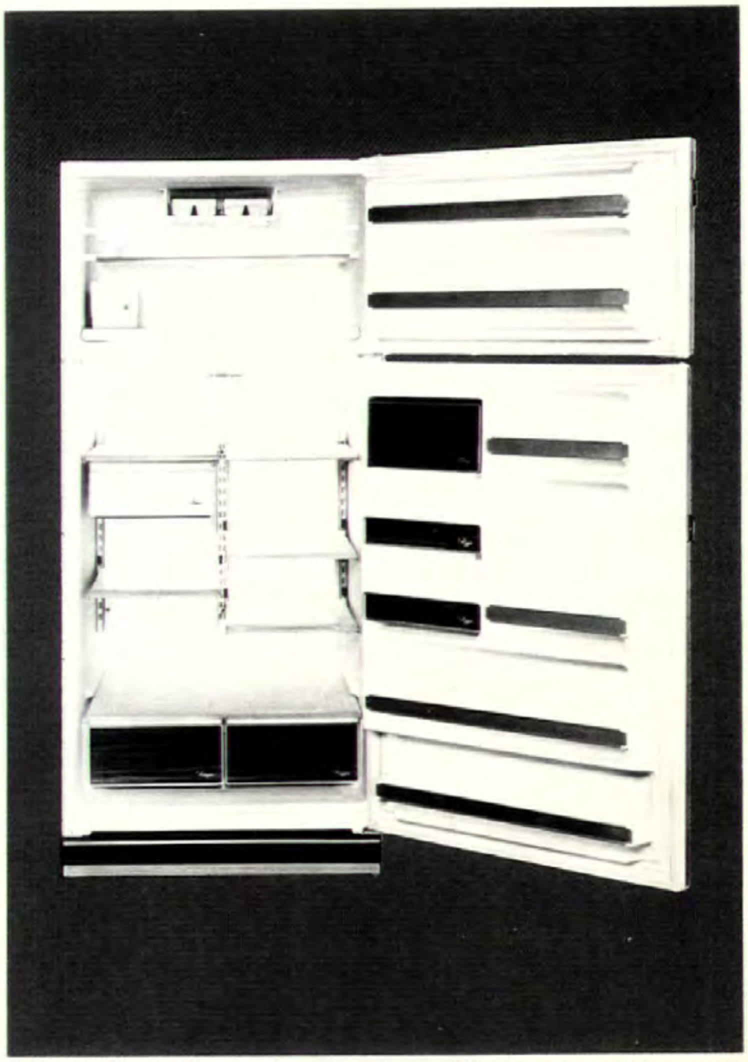
Double-bowl sink, "Ala Carte" *(above),* is available with retractable spray hose, remote drain control and liquid soap dispenser. Unit also comes in single-bowl model. Elkay, Broadview, Ill. CIRCLE 210 ON READER SERVICE CARD

Built-in "Hot Food Server" *(below)* features "Moistrol" control that keeps meals hot and fresh for up to six hours after cooking. Unit can be installed in a 24" cabinet or wall space. Edison, Chattanooga, Tenn. CIRCLE 211 ON READER SERVICE CARD

Compact refrigerator, "Wanderer" *(above),* can be built into a closet, under a counter, or stand by itself. Wallcovering, fabric or paneling can be applied to change the door face. Norcold, Sidney, Ohio. CIRCLE 207 ON READER SERVICE CARD

Stainless steel bar sink *(right)* is part of the "Congeniality Group." The line features one- and two-bowl units in a variety of sizes. Self-rimming easy-to-install sink comes in three models. Just, Franklin Park, Ill. CIRCLE 208 ON READER SERVICE CARD

Continuous-cleaning double wall oven *(above)* is designed for installation in a 27"-wide cabinet. "No-Turn Speed-Broil System" in upper oven broils meats on both sides at once. White-Westinghouse, Pittsburgh, Pa. CIRCLE 209 ON READER SERVICE CARD



Energy-saving refrigerator/freezer, "Econocold" *(above),* includes a true zero-degree freezer for safe, long-term food storage. Frost-free unit features heavy-gauge steel exterior and freon-foamed insulation. Magic Chef, Cleveland, Tenn. CIRCLE 212 ON READER SERVICE CARD

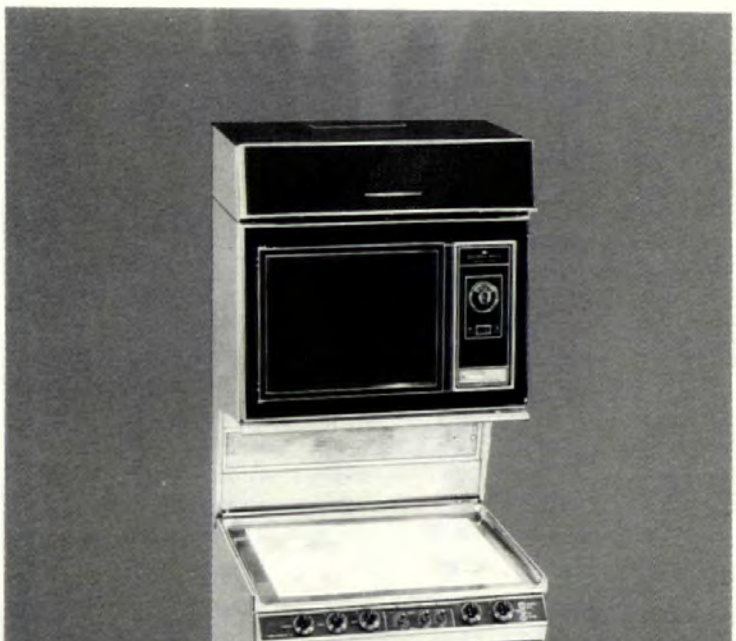
Compact kitchen *(above)* includes a refrigerator, a two-burner electric cooktop, a sink and an undercounter storage compartment. Unit has welded metal base. Cervitor, South El Monte, Calif. CIRCLE 213 ON READER SERVICE CARD

Top-of-the-line self-cleaning range *(right)* features a one-piece glass ceramic cooktop. The 30" unit has a black glass oven door, a Mealtimer™ digital clock and full-width fluorescent top lighting. Whirlpool, Benton Harbor, Mich. CIRCLE 214 ON READER SERVICE CARD

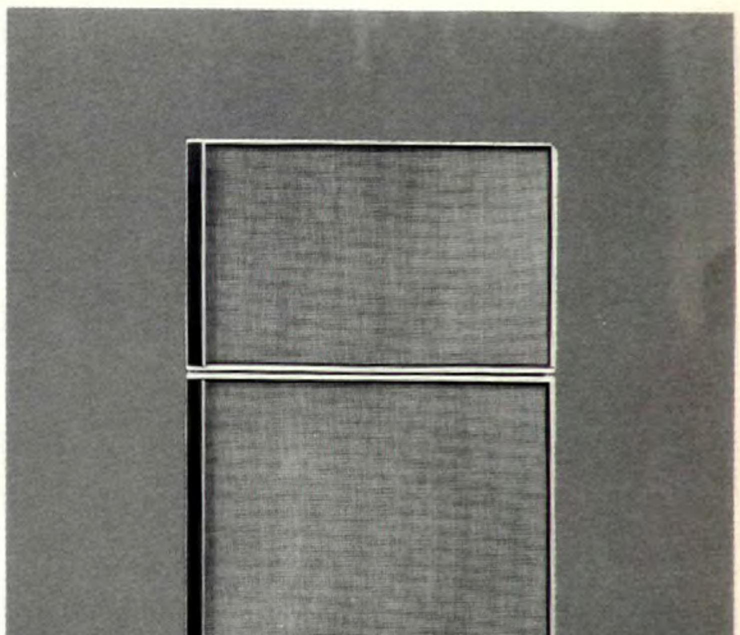
Freestanding electric range *(above)*, part of the Standalone™ line, features a self-cleaning oven and a smoothtop ceramic glass cooking surface. Unit has variable broil. Chambers, Oxford, Miss. CIRCLE 216 ON READER SERVICE CARD

Built-in dishwasher, "Superba" *(above)*, features multilevel wash system consisting of "4-Way Hydro Sweep" wash arm, power wash and overhead wash/rinse. KitchenAid, Hobart, Troy, Ohio. CIRCLE 217 ON READER SERVICE CARD

Stainless steel double sink *(left)* features a strengthened deck to accommodate installation of single-lever faucets. Economically priced satin-finished sink features a sound-deadening design. Jensen-Thorsen, Addison, Ill. CIRCLE 218 ON READER SERVICE CARD



The 30"-wide "Everything Range" *(above)* includes a conventional continuous-cleaning oven, a microwave oven and a four-burner glass ceramic cooktop. Lower oven features smokeless broiling and an exhaust system. Modern Maid, Chattanooga, Tenn. CIRCLE 215 ON READER SERVICE CARD



Top-mount refrigerator *(above)* permits design versatility. Unit features automatic icemaker and Cold Can Carousel® beverage dispenser. Decorative door insert panels fit easily into special mounting trim. Rockwell, Admiral, Schaumburg, Ill. CIRCLE 219 ON READER SERVICE CARD

Staggered-brick design paneling, "Used Brick" *(above)*, comes in 4'x8' sheets made of durable ¼"-thick hardboard. Easy-to-install panels join without a noticeable seam on any smooth wall surface. Offered in a choice of three colors, paneling is easy to maintain. Masonite, Chicago, Ill. CIRCLE 220 ON READER SERVICE CARD

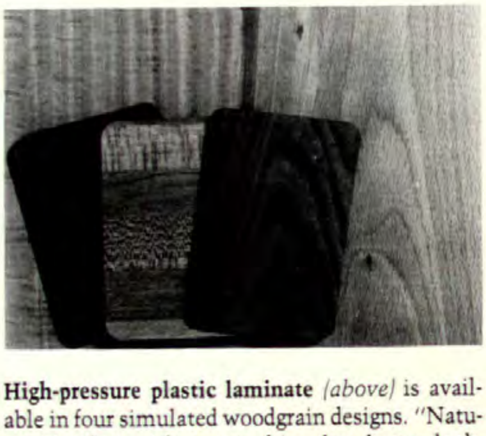
Pre-pasted vinyl wallcovering, "Block Party" *(left)*, is a bold geometric design. Part of the "Tots N' Teens" collection, the wallcovering features an 18" vertical repeat. Pattern is available in a choice of red, brown or orange colorways. General Tire & Rubber, Akron, Ohio. CIRCLE 221 ON READER SERVICE CARD

Hardboard paneling, "Tara Ebony Brick" *(above)*, brings the warm weathered look of fired red clay to any room. The 4'x8' panels can be installed over flat surfaces, studs or furring strips. The surface is protected with a plastic coat that resists peeling. U.S. Gypsum, Chicago, Ill. CIRCLE 224 ON READER SERVICE CARD

Hardboard panels in a stucco pattern are accented by column molding in a hand-hewn simulated wood design *(below)*. Deep-embossed panel is available in two prefinished shades. Molding can be used as cove, base, divider or corners as well as trim for windows or doors. Abitibi, Troy, Mich. CIRCLE 223 ON READER SERVICE CARD

Decorative wood paneling, "Linen Wall II" *(above)*, features an embossed, textured pattern which blends with any decor. The surface is a thermal-fused vinyl for easy maintenance and long life. Paneling is available in three colorways. DG Shelter, Portland, Ore. CIRCLE 222 ON READER SERVICE CARD

Prefinished wall paneling, "Oxford" *(above)*, features dappled undertoning on its birch-veneered plywood surface. Available in standard 4'x8' panels, the mottled pattern with a rustic look is offered in ivy, burgundy and heather brown. Georgia-Pacific, Portland, Ore. CIRCLE 225 ON READER SERVICE CARD



High-pressure plastic laminate *(above)* is available in four simulated woodgrain designs. "Natural Finish," with a non-shiny low-luster look, takes on a rich wood sheen when waxed. The surface is suitable for home furnishings, cabinets and countertops. Exxon, Odenton, Md. CIRCLE 226 ON READER SERVICE CARD

Front loading means they're stackable.
Just 70" high. So you don't need a whole laundry room to do the laundry.

Put them in the kitchen, or laundry,
side-by-side under a counter. In the bathroom, under a vanity.

Just give us a little space and we'll help you sell your homes.

The Economical Space Mates from White-Westinghouse.

The solidly built Space Mates front-loading washer and dryer fit into places no other full sized washer and dryer can. Each unit is just 27" wide by 27" deep and 35" high.

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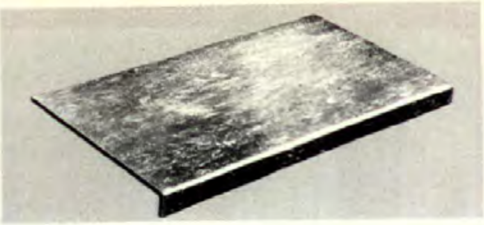
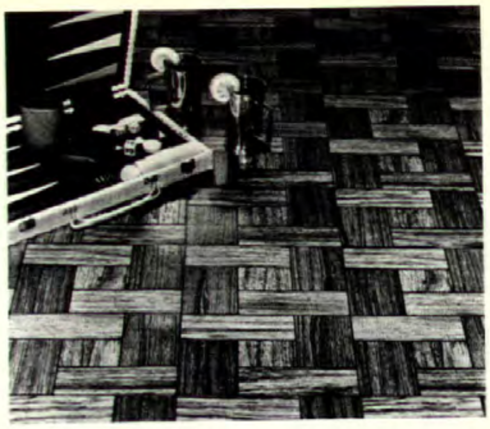


Molded-rubber stair tread *(above)* features pre-sanded back and nose to assure stronger tread-to-surface adhesion. Pre-sanding eliminates time-consuming tread preparation prior to installation. R.C.A. Rubber, Akron, Ohio. CIRCLE 230 ON READER SERVICE CARD

Custom wood flooring, "Monticello" *(below)*, is inspired by the Bicentennial celebration. The white oak floor is 3/4" thick, tongued and grooved. The pattern is composed of 18"x18" squares with 12"x12" centers. Wood Mosaic, Louisville, Ky. CIRCLE 232 ON READER SERVICE CARD



Sheet vinyl flooring, "Woodstown" *(above)*, simulates the look of hand-set hardwood floors. Suitable for traditional and contemporary interiors, the wood mosaic pattern comes in walnut and rosewood. Mannington Mills, Salem, N.J. CIRCLE 231 ON READER SERVICE CARD

Nylon saxony carpet, "Celestial Way" *(above)*, is made with the "Crawford Spectramatic Process." The six-color design can be adapted to a variety of decors. The carpet is available in 14 colors and retails for approximately $9.95 a sq. yd. Mohawk, Amsterdam, N.Y. CIRCLE 227 ON READER SERVICE CARD

Prefinished basketweave parquet flooring *(below)* is featured in genuine "Tiger Stripe" Teak. The variegated colortone of the wood hides scuff marks in heavy traffic areas. The pattern field is composed of solid slats and measures 5/16"x12"x12". Bangkok, Philadelphia, Pa. CIRCLE 228 ON READER SERVICE CARD

Saxony plush carpet, "Young Set" *(above)*, is made with Fortron-50, a blend of 50% Celanese nylon and 50% Fortrel polyester. The stain-resistant fiber does not build up static electricity. Carpet comes in 15 colorways and retails for about $9.95 a sq. yd. Alexander Smith, Amsterdam, N.Y. CIRCLE 229 ON READER SERVICE CARD

"GymTech Flooring System" *(left)* is composed of 5/8"-thick, high-resin-content particle board. Suitable for gymnasiums, cushioned underlayment absorbs the shock of heavy traffic. Easy-to-install flooring has tongue and groove interlocking edge. Arco, Philadelphia, Pa. CIRCLE 233 ON READER SERVICE CARD

"Tretford Carpet" tiles *(below)* permit design versatility. The fusion-bonded, PVC-backed dimensionally stable tiles will not ravel at the edges and are suitable for loose-laid and glued-down installations. Eurotex, Philadelphia, Pa. CIRCLE 234 ON READER SERVICE CARD

Specialty rules (*above*) are designed to simplify measurement in brick and masonry construction. The brick mason's rule and modular spacing rule have standard markings on one side and specialized scales on the other. Lufkin, Apex, N.C. CIRCLE 236 ON READER SERVICE CARD

Heavy-duty double-insulated drill (*above*) is suitable for use on any type of material. The unit features built-in circuit breaker and safety locking button to prevent accidents. Tool has insulated wiring. Stanley, New Britain, Conn. CIRCLE 235 ON READER SERVICE CARD

Clamp-forming device, "Multi-Klamp" (*right*), utilizes regular steel wire to form a wide range of clamps. The tool quickly and easily provides leak-proof clamps of any size, thickness and tension. I.R. & I.S., Johnson City, Tenn. CIRCLE 237 ON READER SERVICE CARD

Compact trailer for transporting small machinery (*above*) features tubular construction with leaf-spring suspension and standard tail and brake lights. Lightweight unit has a fold-down ramp for easy loading. Davis, Wichita, Kans. CIRCLE 239 ON READER SERVICE CARD

Cordless Scrugun® screwdriver (*right*) features a one-hour recharge system. The units, available in 1500 and 750 rpm models, can drive #6 through #12 fasteners into a variety of materials. Tool is UL-listed. Black & Decker, Towson, Md. CIRCLE 240 ON READER SERVICE CARD

Precision cutting accessory, "Model 300" (*left*), adapts to any portable circular saw. The attachment prescores plywood, veneer plywood or panel door prior to saw blade contact, eliminating costly splintering after cutting. Compact unit is lightweight and durable. Penn/Scarf, San Dimas, Calif. CIRCLE 241 ON READER SERVICE CARD

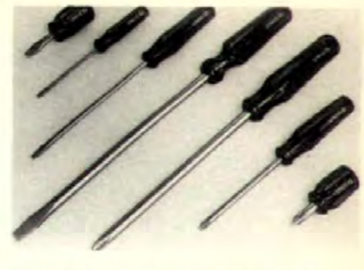
Folding "Port-A-Skaf" (*above*), constructed of chrome-plated steel, supports over 1000 lbs. Lightweight unit, which meets O.S.H.A. requirements, will fit most windows. Portable scaffold has expandable gate and safety chain. Port-A-Skaf, Greenfield, Mass. CIRCLE 238 ON READER SERVICE CARD

Portable sprayer system (*above*) is designed for applying plural component materials such as silicone and urethane. A solid state electronic system allows choice of application methods plus control of pressure and temperature. Galvo, Kohler, Wis. CIRCLE 242 ON READER SERVICE CARD

Ladder-leg extender, "Superfoot" *(above),* permits ladders to be used safely on steps and off-level pavement. Unit is constructed of heavy-gauge zinc-plated steel. Ellis, South El Monte, Calif. CIRCLE 243 ON READER SERVICE CARD

Multipurpose granule spreader, "Model T-7" *(above),* disperses materials quickly and evenly over a 20' width. Rate of flow is adjusted with 6-point scale shutter. Roll-A-Mix, West Caldwell, N.J. CIRCLE 244 ON READER SERVICE CARD

Receptacle circuit tester, "E-Z Check" *(above),* indicates wiring faults in 3-wire, 125-volt circuits. Compact, lightweight unit of impact-resistant plastic features easy-to-read lights. Ideal, Sycamore, Ill. CIRCLE 247 ON READER SERVICE CARD

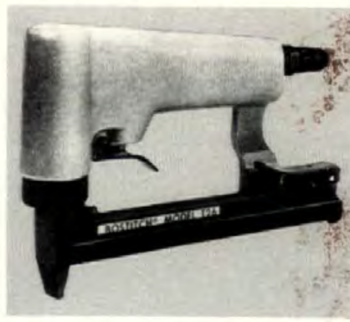


Stainless steel screwdrivers *(above)* are available in 16 slotted, 7 phillips head and 10 nut-driver sizes. Non-corrosive tools feature hard edge for long life, heat-treated, non-chipping blades and unbreakable, hand-contoured handles. Unico Tool, Lynbrook, N.Y. CIRCLE 248 ON READER SERVICE CARD

Polisher/sander, "Model 943" *(below),* is double insulated for safety. The tool features a speed locking button for continuous operation and a built-in tool rest. Wen, Chicago, Ill. CIRCLE 250 ON READER SERVICE CARD

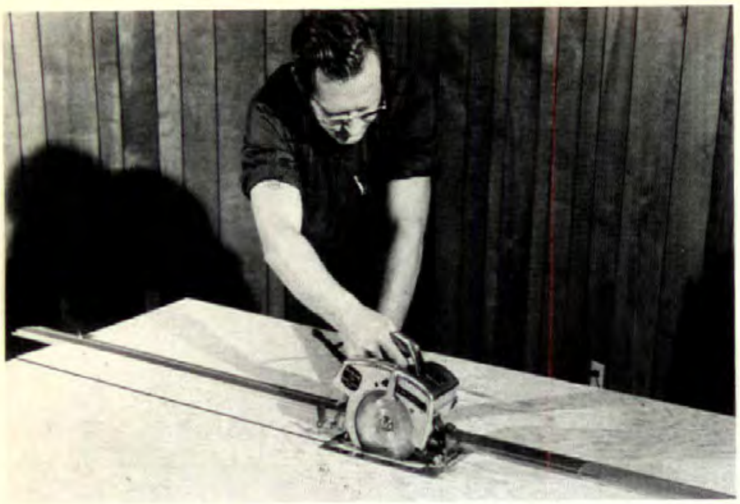
Heavy-duty trencher, "T-800" *(above),* digs down to 8' with trenching widths up to 36". Low-silhouette, crawler-type unit features double-digging chain system, each chain having 150,000 lbs of tensile strength. Vermeer, Pella, Iowa. CIRCLE 245 ON READER SERVICE CARD

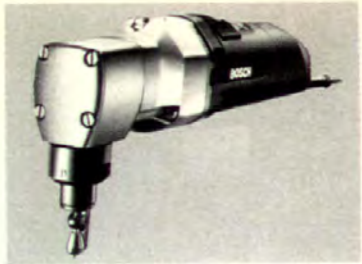
Compact concrete mixer, "Mark 8" *(below),* produces up to seven cu. yds. of concrete per hour. Prior to mixing, the unit loads easily at ground level via a front-end loader. U-Cart Concrete Systems, Vancouver, Wash. CIRCLE 246 ON READER SERVICE CARD



Pneumatic tacker, "Model T26-20" *(above),* is suitable for fastening insulation. The staple legs are automatically turned outward to clinch under or inside the work. Unit features simple trigger operation. Bostitch, East Greenwich, R.I. CIRCLE 249 ON READER SERVICE CARD

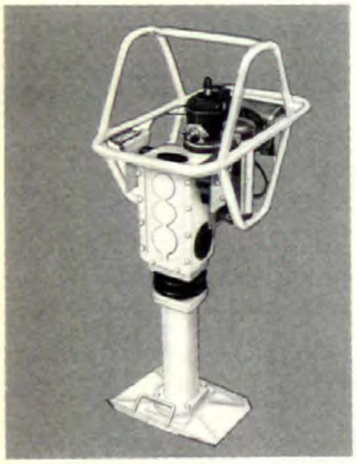
High-speed floor polisher, "RPM" *(below),* can buff up to 255 sq. ft. of floor per minute. The unit produces a long-lasting finish and high resistance to marking and dirt penetration. American-Lincoln, Bowling Green, Ohio. CIRCLE 251 ON READER SERVICE CARD





Corrugated sheet metal cutter, "Nibbler" *(above)*, has an 18-gauge capacity and a 360° rotating head. Planetary gear system allows the compact cutting head to maneuver into deep corrugated configurations. Robert Bosch, Broadview, Ill. CIRCLE 255 ON READER SERVICE CARD

"Strate-Cut Universal Cutting Guide" *(above)* serves as a guide for making a straight cut. The device attaches to paneling or sheet goods with C-clamps. Guide is not engineered for use with non-power tools. R.A.K., Milwaukee, Wis. CIRCLE 252 ON READER SERVICE CARD

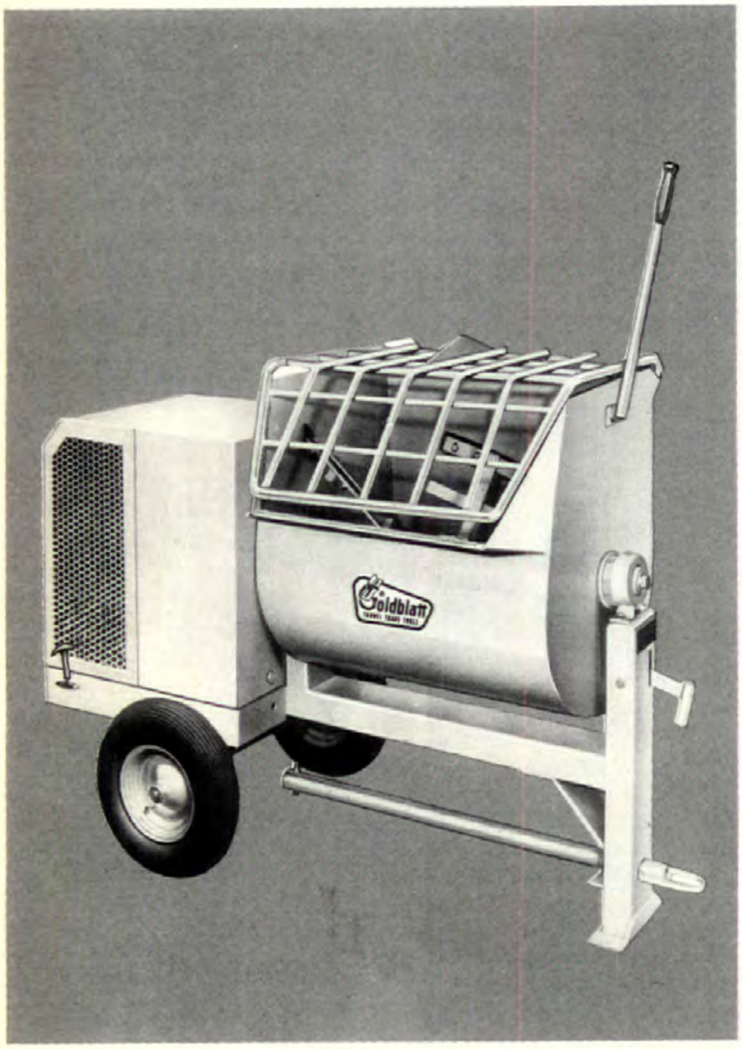


Stomper, "VR-15" *(left)*, slams the ground with 2000-lb blows, 700 times per minute. Unit, with a 15" shoe, has totally enclosed and all gear-driven motor. Unit is economical and easy to maintain. Stone, Honeoye, N.Y. CIRCLE 253 ON READER SERVICE CARD

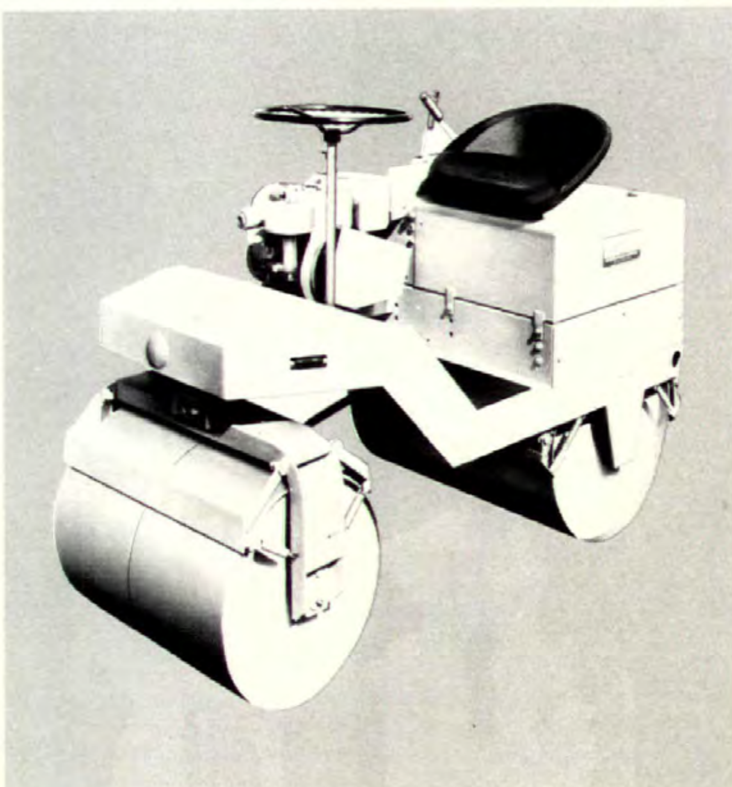
Pneumatic fastening tool, "PT-100" *(above)*, can drive as many as 20 fasteners in quick succession without reloading. Suitable for use on prestressed concrete and steel, the tool is easy to maintain. Pneutek, North Billerica, Mass. CIRCLE 256 ON READER SERVICE CARD

Right angle "D" handle drill *(left)* is double insulated for operating safety. The tool, with a multiposition auxiliary handle, is suitable for drilling in hard-to-get-at places. Unit features full-power reverse. Rockwell, Pittsburgh, Pa. CIRCLE 257 ON READER SERVICE CARD

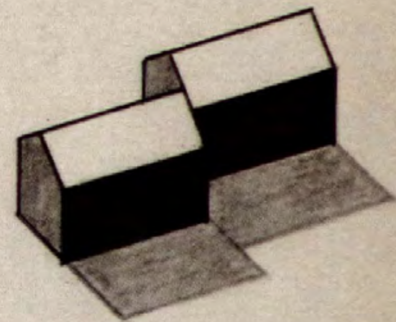
Joint tape *(left)* for gypsum wallboard features a center crease that facilitates folding for fast application. Improved edges minimize wrinkling, and smoother surface provides better feeding slip. Gold Bond, Buffalo, N.Y. CIRCLE 258 ON READER SERVICE CARD



Plaster and mortar mixer *(above)* features an extra-large drum of heavy-gauge abrasion-resistant steel. A detachable dump handle facilitates transportation and storage of the unit. Mixer comes in three models. Goldblatt, Kansas City, Kans. CIRCLE 254 ON READER SERVICE CARD



Roller, "Econoroll" *(above)*, features low-center-of-gravity design which enables it to perform on steep grades and slopes. The offset compression roll allows for close-up work without special added attachments. Stow, Binghamton, N.Y. CIRCLE 259 ON READER SERVICE CARD



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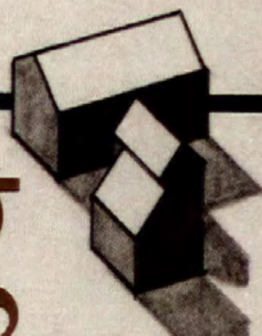
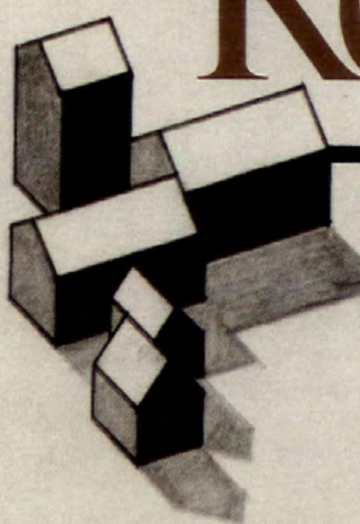


Housing Demand Reports



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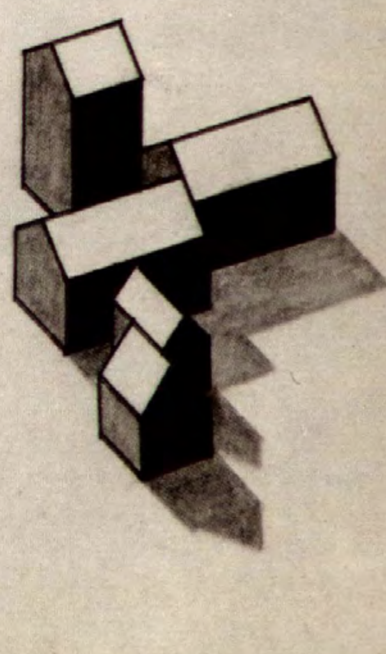

Housing Demand Reports help you avoid committing funds to the wrong

You can avoid mistakes that could cost you hundreds of thousands or millions of dollars in misplaced loans or investments by buying just one of these reports. And, because House & Home Housing Demand Reports are the result of a unique program, their cost is just a fraction of what you would otherwise have to pay for similar reports.

What the reports reveal

The reports show the true demand for various types of housing in virtually any given Standard Metropolitan Statistical Area (SMSA). Each report compares the area's existing housing with its capacity to generate rents and mortgage payments. It translates this comparison into total housing demand, expressed both an number of units and dollar value. It also breaks down these totals into for-sale housing and rental housing. Finally, each report gives you recommendations as to what price ranges are most (or least) promising.

All data is presented in the form of month-by-month graphs which vividly show housing supply vs. housing demand, carried back to 1970 so that trends are clearly understandable. The for-sale, rental and total markets are expressed both in terms of dollars and units, and each graph is accompanied by an interpretation and analysis which explains the data in the light of other market factors.

How they are prepared

The reports are prepared by Alfred Gobar Associates of Brea, California. This firm specializes in real-estate market analysis and has an enviable reputation for producing the most consistently accurate data of any such company.

Alfred Gobar Associates pioneered in the use of computers in real-estate research. To prepare these reports, specialists feed local and Federal government data on both housing and general economic conditions into a sophisticated computer model. The output is a highly accurate projection of present and future housing demand.

High accuracy

The basic computer model has been evolved over a period of 12 years. During that time none of the reports checked out has shown an error exceeding 5%, and most have been much less than 5%.

All data is current

Information on market areas is updated quarterly, so no data in the reports is more than 90 days old at the very outside. And because the report program is computerized, virtually all reports are mailed within seven days of the time orders are received.

Compare this with the time it would take to prepare a similar report from scratch. It would require weeks to gather the data, coordinate the facts and come up with an analysis and recommendation. And the costs would be enormous.

House & Home's Housing Demand Reports give you the information you need faster, and at much less cost, than any other system.

Vital for builders

If you are a builder or developer who builds in any appreciable volume, these reports are a must for every market area in which you operate. You will be able to spot trends before they become apparent in the marketplace. You will know what types of housing are being overbuilt and, conversely, what market voids are due to appear. And you'll know early enough to take advantage of the changes.

If you decide to expand your building operation into new areas, these reports will give you an objective look at the potential of virtually any market area in the country.

If you specialize in a particular type of housing, these reports will tell you if adequate demand for it exists in the areas you are considering.

Vital for lenders

When you are lending on projects outside your own immediate area, these reports give you a means of double-checking the developer's market projections and evaluating the market for yourself. And they do it far less expensively than is possible by any other method.

In workout situations you can quickly screen distressed projects to decide how long it will take to work them out, hence, whether they should be held, sold or joint-ventured.

You can use your own field force more effectively by using these reports to find areas where development is lagging behind housing demand, and directing your personnel to prospect more intensely for loans in those areas.

Vital for investors

Investors can use these reports in much the same way as lenders, screening proposed projects and finding areas where underbuilding creates the greatest potential for profit—or where distressed properties have the market support necessary for successful workouts.

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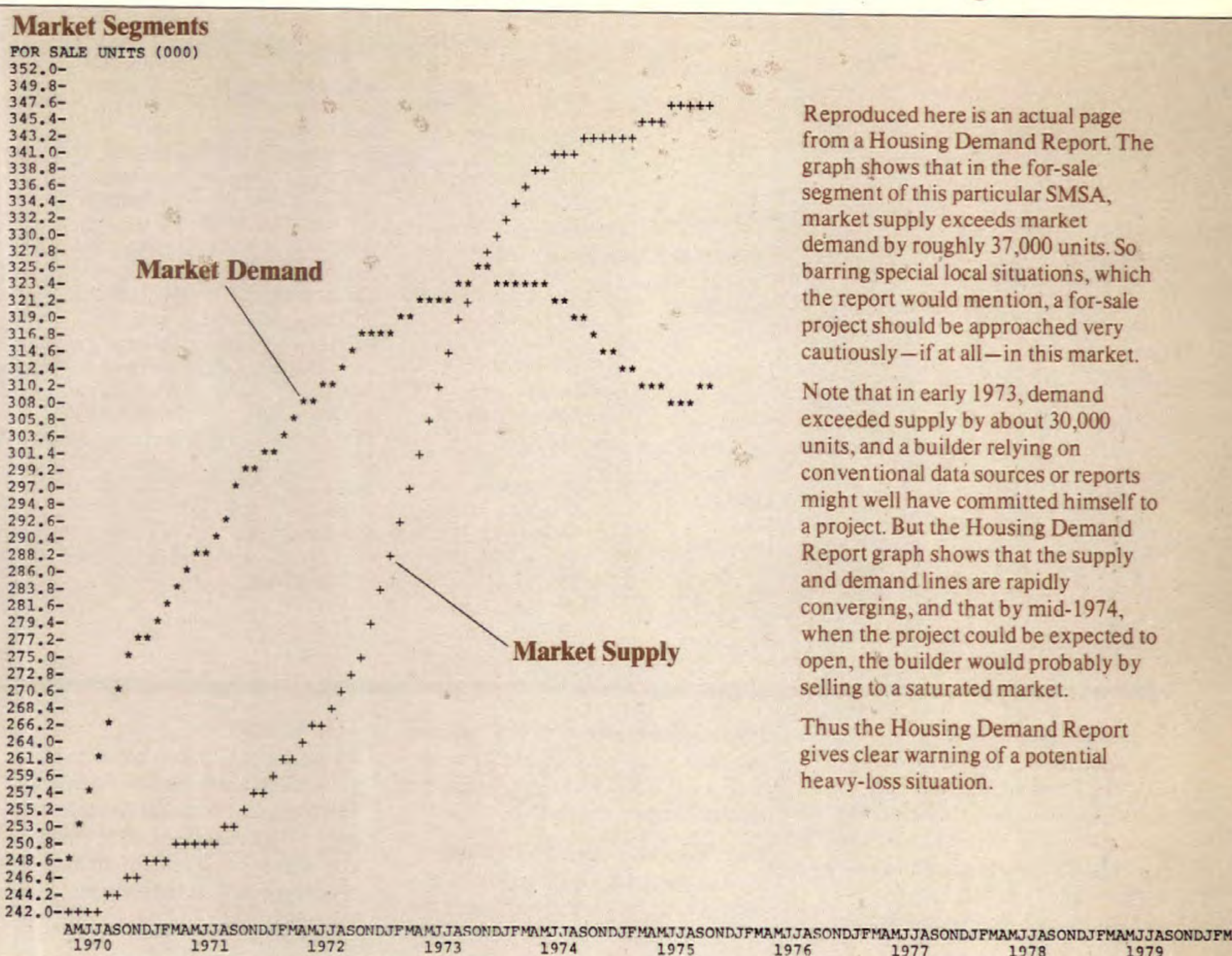

Reproduced here is an actual page from a Housing Demand Report. The graph shows that in the for-sale segment of this particular SMSA, market supply exceeds market demand by roughly 37,000 units. So barring special local situations, which the report would mention, a for-sale project should be approached very cautiously—if at all—in this market.

Note that in early 1973, demand exceeded supply by about 30,000 units, and a builder relying on conventional data sources or reports might well have committed himself to a project. But the Housing Demand Report graph shows that the supply and demand lines are rapidly converging, and that by mid-1974, when the project could be expected to open, the builder would probably by selling to a saturated market.

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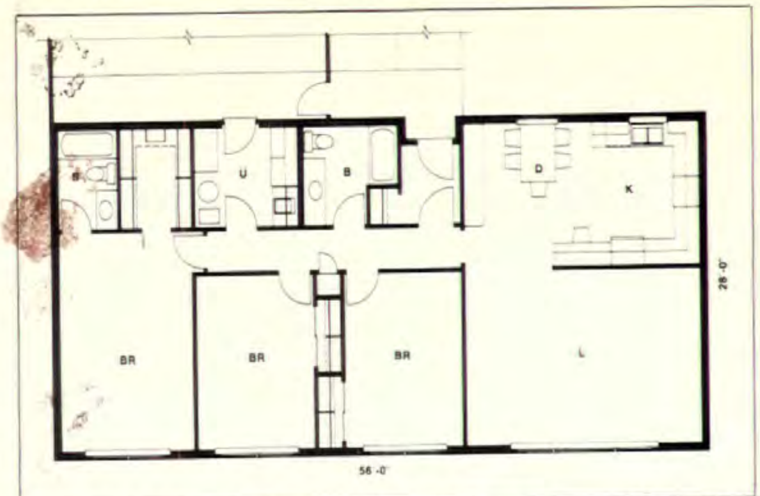
As described in an illustrated publication from the Small Homes Council-Building Research Council, the house 1) can be built with standard materials, 2) requires no new technology or labor skills and 3) adapts to various sites.

The more-than-standard insulation—said to account for 80% of the heating-cost savings—includes:

- 12" in the ceiling (modification of roof-ceiling construction provides space to extend insulation over outside wall while maintaining adequate ventilation).



Basic floor plan is for lot with street on the north, but can be adapted. Most windows are on south wall (bedrooms and living room), with none on east or west. North windows are to meet code requirements for light and ventilation only.

- 8½" in walls (wall is double-framed with staggered studs).
- vapor barrier below ceiling insulation and on interior surface of stud wall.
- triple-glazed windows (i.e., a standard window with sealed insulating glass plus storm windows).

With heavy insulation and 85% of the house's windows facing south *(see floor plan left)*, the house itself becomes an efficient solar collector, say its designers. The windows would provide a net heat gain of 200 to 300 Btu per sq. ft. per day during the winter.

For a copy of the booklet, write to the Small Homes Council—Building Research Council, University of Illinois, 1 E. St. Mary's Rd., Champaign, Ill. 61820. Cost: 25¢

These booklets can help you find the products you need

Pre-engineered building systems are presented in 24 four-color pages. The metal systems, for industrial, commercial and recreational applications, can be varied to produce several thousand different building designs (75 are shown in the brochure). Manufacture of the structural components is discussed, as well as the capabilities of the systems. Star Manufacturing, Oklahoma City, Okla. CIRCLE 300 ON READER SERVICE CARD

Aluminum building trim—fascia systems, gravel stops, copings and soffits—is described in a 16-page catalog. Residential and commercial applications are pictured in full color. Diagrams show installation details. Specifications are included. Construction Specialties, Cranford, N.J. CIRCLE 301 ON READER SERVICE CARD

Imprinted concrete can be used to simulate red brick, gray cobblestones or terra cotta tile, according to a full-color flyer. Photographs show commercial and residential installations of the colored concrete product. Step-by-step installation instructions are included. Bomanite, Palo Alto, Calif. CIRCLE 302 ON READER SERVICE CARD

Integrated ceiling systems are described in sixteen illustrated pages. Eight basic systems—each including lighting, acoustical materials and air-distribution equipment—are shown in color photographs. Text tells what cost and design criteria each system meets, and diagrams help explain the various configurations available. Technical data such as sound attenuation, sound absorption, thermal insulation and panel sizes is given for felted mineral fiber and low-density fiber glass acoustical materials. A separate section discusses air-handling equipment for different applications. Holophane, Johns-Manville, Denver, Colo. CIRCLE 303 ON READER SERVICE CARD

Flooring of imported hardwood is presented in an illustrated brochure. Black-and-white photographs of basic pattern units are accompanied by specifications. Sketches of custom patterns offered show additional design options. Eight pages also include installation and maintenance information. Designed Wood Flooring Center, New York City. CIRCLE 304 ON READER SERVICE CARD

Ornamental screening is cataloged in 16 pages. Included are traditional and contemporary designs for interior and exterior applications—custom facades, railings, room dividers, etc. The screens are aluminum or malleable iron, with many patterns available in either material. Each pattern is pictured and suitable uses for it suggested. Julius Blum, Carlstadt, N.J. CIRCLE 305 ON READER SERVICE CARD

Paneling ideas for kitchens, bedrooms, living rooms and family rooms are found in a series of four full-color flyers. Photographs of room settings show how prefinished plywood paneling can be used to complement traditional or contemporary interiors. Product data is given in brief. Georgia-Pacific, Portland, Ore. CIRCLE 306 ON READER SERVICE CARD

Plastic laminate flyer catalogs nearly 100 standard solid colors and patterns offered plus recently introduced registered designs and three-dimensional surfaces. Woodgrains, abstracts, leather-look and woven-cane designs are among the laminates pictured in full color. Fire ratings, thicknesses and grades, installation methods and maintenance recommendations are explained in text. Exxon Chemical, Odenton, Md. CIRCLE 309 ON READER SERVICE CARD

Structural textured clay tile is shown in a ten-page folder. Full-color photographs show various commercial applications of the easy-to-maintain tile. Complete technical data, including diagrammed wall sections and their fire ratings, is given. Stark Ceramics, Canton, Ohio. CIRCLE 310 ON READER SERVICE CARD

Foam construction tape is presented in an illustrated flyer. Text describes how the tape can be used to seal expansion joints in precast panels, windows, doors and other prefabricated building components. Specifications are given for the fire-retardant, moisture- and temperature-resistant tape. Willi Illbruck of America, South Minneapolis, Minn. CIRCLE 311 ON READER SERVICE CARD

Joint treatment and texture products for gypsum drywall interiors are the subject of an illustrated brochure. Six pages catalog both ready-to-use and powder joint compounds as well as reinforcing tape—all non-asbestos products. A chart comparing characteristics of various types of compounds is included as an aid to selection. Powder wall-finish products and ceiling-texture finishes for coarse, medium and fine simulated acoustical finish appearance are also described. U.S. Gypsum, Chicago, Ill. CIRCLE 312 ON READER SERVICE CARD

Wallcovering for protecting surfaces in industrial, institutional and commercial structures is described in a 26-page manual. Illustrated step-by-step guide shows how to apply the plastic sheet material to indoor wall and door surfaces. Instructions are given for installation on smooth or rough wall surfaces, for edge and joint treatments, and for applying the covering as a kick plate. Also discussed: recommended adhesives and suitable cleaning methods. Commercial Plastics and Supply, Cornwells Heights, Pa. CIRCLE 313 ON READER SERVICE CARD

Weatherproofing guide includes caulking, glazing and waterproofing systems. An easy-to-read selector chart provides information on performance characteristics, specification ratings, joint application sizes, surface types, life expectancies and color availability for a full line of sealants. Two types of glazing systems are illustrated and their capabilities outlined. Design, application and performance data are given for liquid polymers for waterproofing. Tremco, Cleveland, Ohio. CIRCLE 314 ON READER SERVICE CARD

Pressure-treated wood can provide protection against insects and decay, fire or corrosion, according to a 12-page illustrated booklet. The wood (treated with chemicals in pressurized cylinders) is described as appropriate for many residential applications. Representative interior and exterior installations are pictured in full color—from decks and patios to roof systems. Various types of the preservative treatments are explained in detail, and advantages and limitations of each are discussed. Koppers, Pittsburgh, Pa. CIRCLE 315 ON READER SERVICE CARD

Western red cedar in non-residential buildings is the subject of a four-page idea guide. Full-color photographs show clear and knotty cedar in a variety of applications. Western Red Cedar Lumber Assn., Portland, Ore. CIRCLE 308 ON READER SERVICE CARD

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Avanti is the first new knob design from Kwikset in a decade. And it's well worth the wait! *Avanti* is simple yet elegant. It's elegance is magnificently enhanced by Kwikset's unique new Ebony Brass finish, one of the most dramatic metal finishes you've ever seen. *Avanti's* tasteful design makes it compatible with a full range of architectural styles. Perhaps its biggest advantage is that *Avanti* is the good looking part of a rugged, reliable Kwikset 400 Line lockset. These days, that's a necessity, not a luxury.

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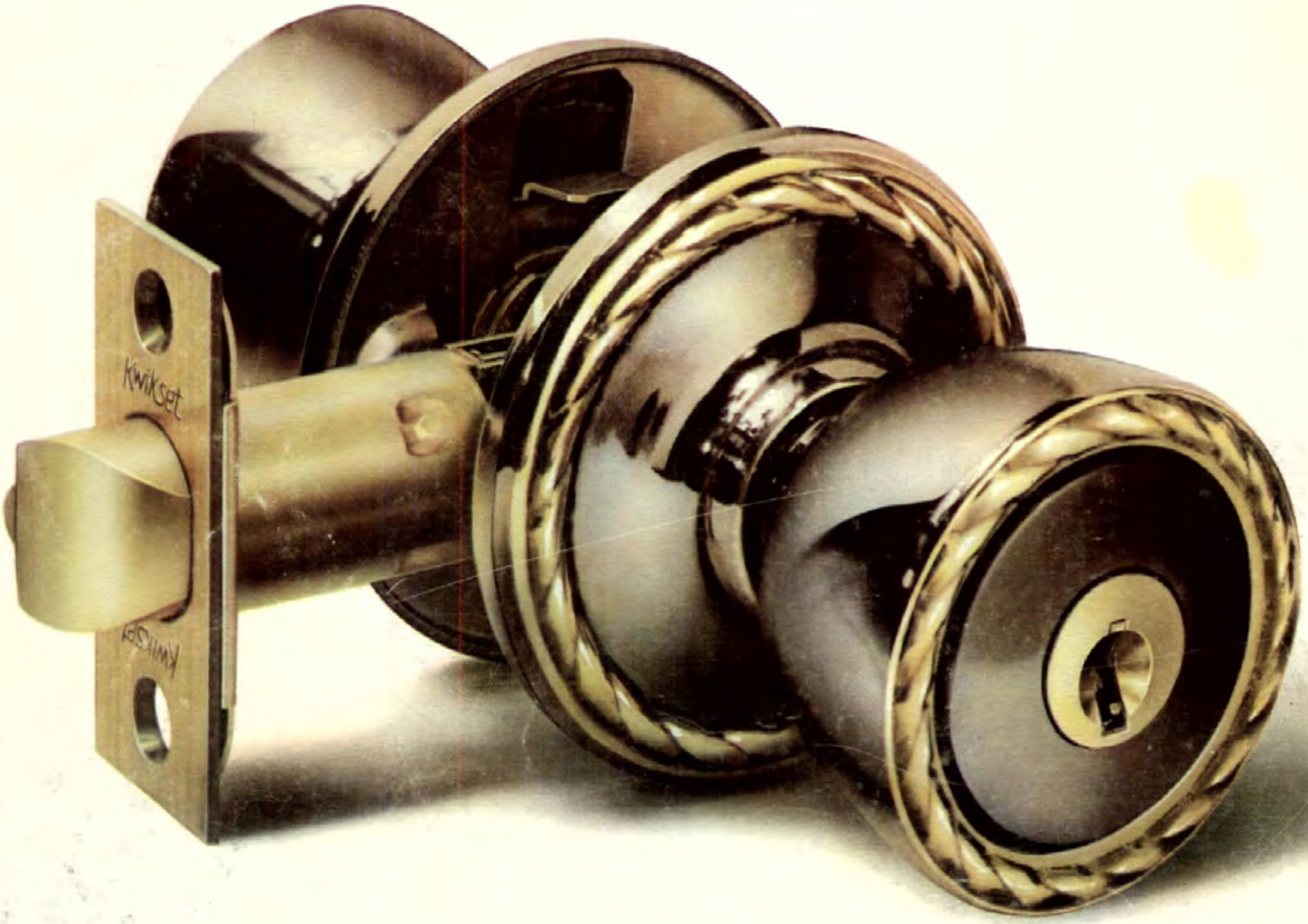

CIRCLE 108 ON READER SERVICE CARD