

REVIEW OF REAL ESTATE MARKET

McGinn Lease Puts Backbone in Prices and Recent Sales Show Strength.

HOUSES IN GREAT DEMAND

Dealers Report Good Inquiry for Business Sites, From Both Local and Outside Buyers, With Several Deals in Sight.

The most important feature in the real estate market last week was the lease of the McGinn quarter block, at the southeast corner of Seventh and Washington streets for 25 years at a yearly rental of \$40,000. As announced in The Oregonian Tuesday morning, this lease was closed by Jennings & Co., who are under agreement to erect on the site a modern office building of not less than six stories in height, but which they say will more likely be of eight stories.

The closing of this lease places a new mark on lower Washington street realty, as figured on the income at 5 per cent, after the new building is completed, the valuation on the site will be \$800,000.

The effect on the market when the terms of this lease were announced was immediate. Owners of good sites and realty dealers hailed the deal as evidence of restored confidence in Portland property, and inquiries for sites for investment began to come in from various sources. Dealers who have had orders on their books for several months almost all advised their clients against further delay in securing investment sites, as the trend of values is unquestionably upward.

The report of a sale of Sixteenth-street property, referred to elsewhere, is another evidence of the rapidly advancing market. When a jump of \$2000 is made in a single day, the proof is undeniable that prices on Portland real estate have not been too high.

Building Permits Increase.

Another feature of the week was the gradual increase in permits. Nearly a quarter of a million is represented in the week's building permits and the monthly totals will come near doubling those of December. By far the majority have been for dwellings, the demand for residences showing no signs of being met despite the efforts of builders to catch up. Every firm in the house-renting branch of the business has the same report to make—that everything on their books is snapped up almost as soon as listed and most of them have waiting orders, especially for reasonably held houses.

The larger amount of building of residences in going on the East Side, and more particularly in the newly platted tracts. There is also quite a brisk building movement in the streets skirting the hills to the west of the old part of town. In the vicinity of Thirteenth and Columbia and for blocks contiguous to that locality, an excellent class of buildings are going up, and in the northwest district preparations are being made for numbers of high-class residences to be started within the next few weeks.

There is no diminution in the inflow of newcomers to Portland, and with new houses being occupied as soon as they are finished, and demand for stores and offices keeping pace, the casual observer even cannot help noticing a rapid gain in population.

Agents for the big office buildings nearing completion have closed leases for space to be taken by the new buildings are ready for occupancy. The renting by the Portland & Seattle Railroad Company of offices in the Commercial Club building, in view of the fact that building from the start, and many signs appearing on the windows of the Corbett big building indicate its early completion. The building room to be the future home of the Security Savings Bank in the Corbett block is having the fixtures put in, and the street in front of the building on Yamhill street are being made ready for tenants.

New Hotel Nearly Ready.

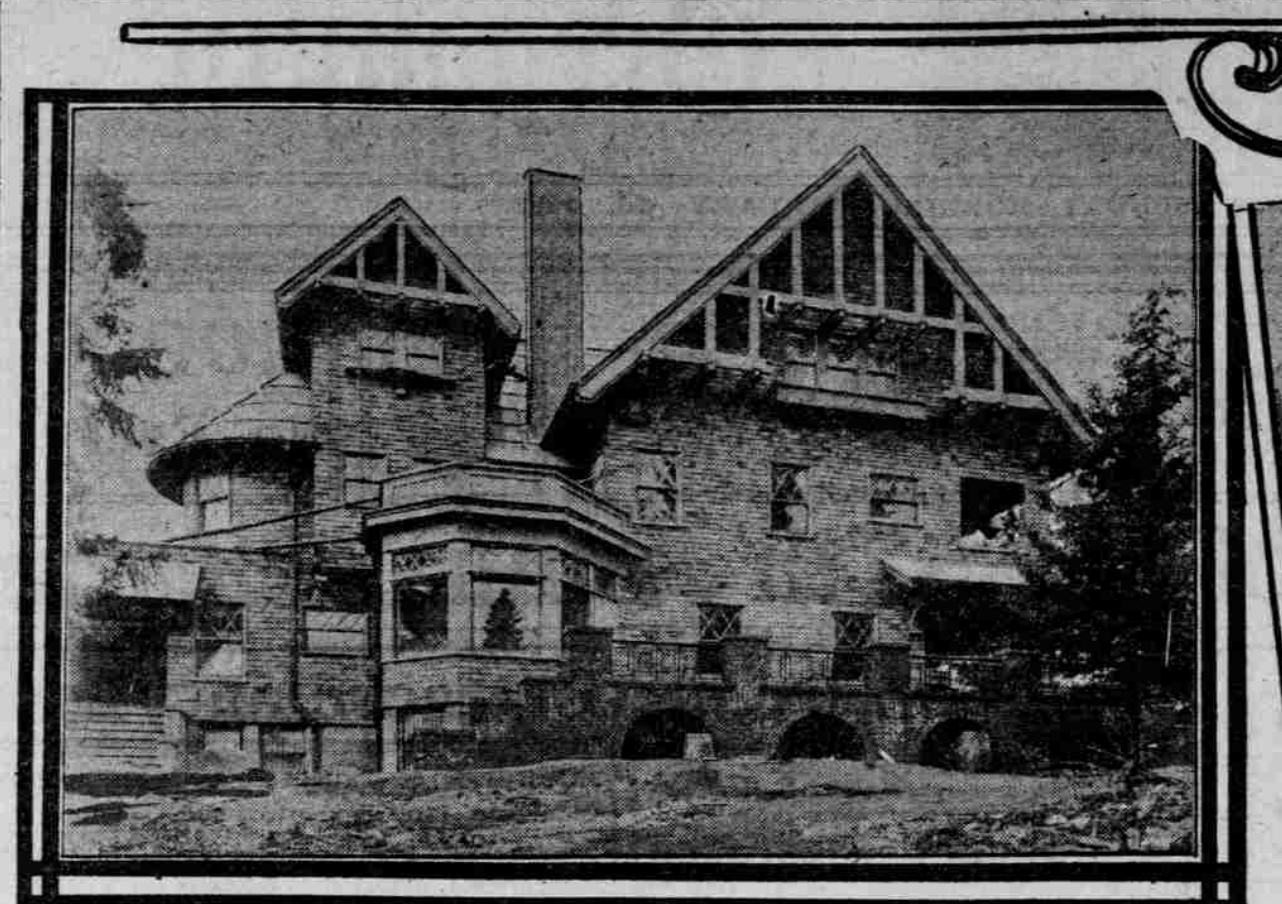
The Cornelia Hotel, at Alder and Park, is nearly ready to turn over to the lessee. Furnace, elevators and electric lights are in commission and decorators are busily engaged in putting on the finishing touches. The hotel office and first-floor hallways are done in bright red, making a rich, warm color scheme that is most attractive. The grill in the basement is ready for the installation of the ranges and serving room appliances, and when ready for opening will be one of the most attractive dining places in the city. Some rumors were current during the week that Mr. Harrison, the lessee of the hotel, had changed his mind regarding the lease, but he said last night that no such idea had entered his head and he could not understand how such a rumor gained circulation. He intimated that he might buy the property at the expiration of the bonded term. It is known that at least three men are ready to take up the matter of the lease in case the present lessee decides to give it up.

Farm lands are in good demand by Eastern buyers as well as investors nearer home. The early opening of the North Bank road has attracted attention from purchasers who keep an eye open for good bargains. All along the line there are "bubbles" reported and values are taking quite a spurt, especially for locations between Vancouver and, say, Collins Springs. There are some spots where apple orchards thrive, and these lands are being taken up in small tracts at a great rate. In the new plats of the East Side are moving at an unexpectedly rapid rate, considering the time of year. All the agencies express surprise that such a large sale should be recorded for winter, when real estate is generally dull.

Within the next few days there is every probability that two or three deals will be consummated of business property in the heart of the city. Corners are becoming scarce, there being but few in desirable locations that can be moved at any price whatever, as the lots are tied up in estates or are held by the present owners as a permanent investment. Two important corners, however, have been secured by one of the leading firms in the real estate business upon which the option will terminate in a few days, and the deals will be closed without much doubt before that takes place, as the price is below what could be signed up for now.

Brisk Movement at Albina.

Albina realty has taken on quite a brisk movement. In the district bounded by Knott, Commercial and the river transfers were reported every day of



MISSIE AINSWORTH
RAVENVIEW DRIVE, PORTLAND HEIGHTS.

the past week, at figures considerably above those quoted at this time last year. These lots are bought mostly by men whose work is in that part of the city and who will build their homes near where they are employed.

Taken as a whole, the real estate market is in excellent shape and nearly every man in the business expresses the opinion that the outlook could scarcely be improved upon. Many of the more optimistic are already predicting that the present year will be one of the best ever known in the handling of Portland realty, and that outside lands will be favorably affected by the movement in the city.

QUICK ADVANCE IN REALTY

OUT-OF-TOWN BUYERS ARE OFFERED \$2000 FOR BARGAIN.

North End Lot, 80 by 100, Sells for \$16,000 and \$18,000 Refused Next Day.

"Portland realty was never in better shape for investment than right now," said D. B. Mackin yesterday, "and to prove that money is to be made by buyers, a transaction I have just closed carries conviction."

"Two of my clients from Douglas County, W. W. Kent and E. R. Applegate, bought the property belonging to A. Wurtzburger, 80x100, on Sixteenth street, near Lovejoy, paying \$15,000 for the piece. The improvements consist of a two-story business house, a two-story dwelling and a barn. The feature of this deal is that before these two men owned the property a full day they were offered \$18,000 for it, which they declined to accept."

This sale, coming at a time when ordinarily real estate is dull, emphasizes the contention of most men in the business that property values are below standards set in other lines of business.

The sale referred to is one of several that will probably be closed for out-of-town buyers within the next few days, several local firms reporting orders on their books for Portland sites running up to big figures. Most of these are for income-producing property, though vacant lots are also included in some instances by buyers who intend to improve.

CITY HALL TO BE COMPLETED

Milwaukee Council Calls for Plans for Interior Work.

The Milwaukee Council has called for plans for the completion of the City Hall. The interior of the building is now to be finished, but the council chamber was completed when the contractor turned over the building. Completed, there will be a hall on the first floor, which will be used by the Volunteer Fire Department, and on the second floor there will be a large hall for public purposes, there being a stage in this room. It will cost about \$250,000 to finish the building. It is expected that the contract will be let some time next month. The Council has selected a site for the proposed freight and passenger depot of the electric railway, and the building will probably be built this spring. At Milwaukee the people are waiting the decision of the Railroad Commission as to whether they are to have 5-cent fares to and from Portland. It is the sentiment in Milwaukee that the future progress of the place depends on the uniform 5-cent rate.

The Rock Island Company, at Milwaukee, recently passed into the hands of a new company, which is preparing to make extensive improvements, including a pontoon bridge for automobiles to the island from the East Side of the river. Several prominent Portland men are interested in this river resort.

Some Transactions at St. John.

The St. John Gas Light & Heat Company has filed its bonds with the St. John Council for the performance of the terms of its franchise, and work will be started on the plant at once. The company purchased during the week a lot 50x100 from Ben Wise for \$3000.

Daily Abstract Adopts New Policy.

The Daily Abstract, devoted to the publication of legal, financial and building notices and which is the official newspaper of Portland, has begun a new method in the circulation of its paper, whereby all persons interested in any proposed street improvement or similar action of the Council and city departments will receive a copy of the paper. The publishers announce that a copy containing these notices is sent to every one interested without request, thus insuring them due notification.

Sues for Machinery Bill.

The Fairbanks-Morse Company brought a suit against the J. C. Lee Company in the State Circuit Court yesterday to collect \$1135.22. The amount is alleged to be due on mining machinery installed at the company's property in California.



SUPPLE RES.
6TH. BET. CLAY AND MARKET

EXPECTED SLUMP FAILS TO APPEAR

East Side Values Keep Up, Despite Predictions of Weak-Kneed Dealers.

TRANSFERS SHOW A GAIN

Permits for Residences Indicate Growth of Big District Which Claims for Better Streets and Many Other Improvements.

W. H. Mall, in speaking of real estate and financial conditions, said yesterday: "We were told that immediately following Christmas the big stores would have to close up, but such has not been the case at all, but there has been no decrease in sales in all lines. In the matter of realty, we find it getting more abundant. We loaned during the week \$15,000, \$2000 and smaller sums at reasonable rates of interest, 5 and 7 per cent. There will be plenty of money for investment from now on and for general improvements. We have an almost constant call for small houses. A great many people thought there would be a slump after the first of the year and that bargains could be picked up all through the winter, but there has been no decrease in East Side values as far as I can discover. We have had some rainy weather, and little can be done then, but through all we have had constant inquiry. We are looking for a good Spring demand for East Side property. Our people need to push things along. We want the East Twenty-eighth street bridge contract let at once and work started. I cannot see any necessity for delay in this needed bridge. This is an important improvement for the East Side. Then, we should get the new bridge over Sullivan's Gulch, on Union avenue, this year."

Otto Kleeman, a Portland architect and secretary of the Architects' Association, was some abatement of new work, but that old work kept them engaged. "But now there has come a change," says Mr. Kleeman, "and new work is being projected in all directions. There has been a considerable reduction in the cost of building material, so that the builder who did not let his contract a month or six weeks ago is a gainer by at least 15 per cent, and in some instances much more. From the present indications, and I keep in pretty close touch with building operations, I am confident Portland will have a good year, especially in the homebuilding line. Architects are beginning to get busy on much new work."

The building permit records for the past week indicate that Mr. Kleeman is right so far as new residences are concerned, but the number, taken from dry to dry, was at least 10 per cent over the former week. On Wednesday the building permits ran up to \$25,750, but \$100,000 was for a West Side building and the others were for East Side homes, costing from \$1000 to \$5000.

Would Improve Streets.

Councilman R. E. Menefee, supported by the North East Side Improvement Association, is looking into the matter of opening all the streets through the Montgomery tract between Larrabee street and Vancouver avenue. Most of this territory is cut up by gulches, but has become very valuable through the improvements that have been made

Concord street, near Willamette Boulevard, at a cost of \$4500. W. B. Wiggins has let the contract for a \$750 dwelling on Clackamas street, between Twenty-second and Twenty-fourth street. Architect Hefty has awarded the contract for this building, which will be a Swiss chalet to George West & Son. It is one of the best buildings projected for some time. C. T. Bates will put a two-story frame store building and dwelling costing \$25,000, in Albina avenue, between Bladen and Prescott streets. J. J. Richardson will put up a two-story dwelling, costing \$4500, on East Flanders, between East Twenty-ninth and Thirtieth streets. James A. Gray has taken out permits for five dwellings, each costing \$2000, all to be built at Sunnyside. James E. Tate will build on East Main, between Sixteenth and Seventeenth, at a cost of \$3000.

Architect E. Kroner is preparing plans for a new apartment-house for Mrs. Drews, to be erected on the corner of Northwick and Stanton streets. It will be of frame construction, 42x53, and will contain four apartments, each with five rooms each. The cost will be about \$7000.

On Friday last 29 building permits were issued, 13 of which were for the East Side, and the average cost of the residences is \$2000. In the residence line the day was a record breaker of several weeks.

Want Better Sewer System.

The people of the suburb of Sellwood, with their usual enterprise, are now pushing the matter of sewerage for that district. The local Board of Trade has employed Engineer Gilbert to prepare plans for a sanitary system embracing the territory between East Nineteenth street and the Willamette River, and he will have his report ready by Monday night. The engineer also was asked to estimate the cost of increasing the size of the pipes so they would carry off the storm water as well as the house sewage. The engineer estimated that the sanitary system would cost each lot \$50, which would make the entire cost about \$50,000. The combined system for storm water and sanitation would run up the cost to about \$60 or \$70 a lot, which includes the laterals. Some time ago the City Engineer prepared plans for a sewer system for Sellwood, which would cost about \$100 per lot, or a total of about \$125,000, but the Board of Trade was apprehensive that if that system were adopted it might retard the growth of that suburb, and the Board employed a private engineer to prepare plans on a more economical scale. If the plans when completed are acceptable to the people and the city authorities, petitions will follow and the sewer system be built. Sellwood is considered one of the most attractive suburbs of the city, but lacks sewerage facilities.

Property-owners on the East Side are interested in the proposition that the city own and operate rockcrushers and furnish material for paving streets. Miles of streets are held up for want of paving material. In Multnomah Addition and in Sellwood property-owners want to improve all the streets with crushed rock, but fear they cannot get paving material. There is a growing sentiment favorable to hard pavement instead of any sort of macadam. The North East Side Improvement Association has declared its favor of hard-surface pavement, and figures are given to show that the cost of such improvement is little more than crushed rock, but for back streets crushed rock and gravel will be used for some time to come.

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FRED KRIBBS.
25 TH. AND LOVEJOY.



B.B. ARBUCKLE, 14TH. AND MONTGOMERY STS

on all sides of the tract. It is really in a wild state, being covered with brush, and it is felt that the time has come when the tract should not be allowed to remain in its present condition.

C. A. Bigelow, president of the East Side Business Men's Club, announces that at the next meeting the club will take up the matter of preparing East Portland for the Rose Festival. A committee will be appointed at that time to confer with the managers of the festival as to what should be done. It will be insisted that Grand avenue be improved to Sullivan's gulch before the festival is held. If it is not paved the procession cannot come to the East Side. The Business Men's Club also has the matter of electric illuminations at the east end of the bridges in hand.

Work on the building which will be occupied by the East Portland Branch Library, on East Eleventh and Alder streets, is progressing rapidly, and it will be ready to be occupied within a month. The structure will not be expensive, but will be neat and artistic. It will be provided with plenty of light and ventilation. This branch library will be one of the most important institutions of the East Side.

East Side transfers during the week show a slight increase over the former week, and were widely scattered. A

house and lot on Broadway and East Water street was sold to William Webber by Edward J. Grahn for \$4300. A two-story frame residence on Rodney avenue, near Cook avenue, was sold by M. Ritter to Samuel McIlrann for \$3500. A house and lot in Vernon was sold by Olat Kiola to Ole J. Hatfield for \$2000. H. W. Hogue sold a residence site, 75x100, on Cook avenue, near Williams avenue, for \$1450.

In John Irving's first addition, Mary P. Felling sold to O. C. Hall lots 15 and 16, block 18, for \$2600. In Hawthorne's first addition, Mary J. Graham sold to Charles W. Stubbs lot 3, block 8, for \$2500.

The most important sale of city property was that of 12 acres at Midway, near Sellwood, which was purchased by Frank A. Sweeney from the Moore brothers. The tract will be sub-divided. W. H. Rose and W. E. Roberts sold 14½ acres on Millwaukie Heights for \$7250.

A considerable acreage transaction was the purchase of 12 acres by the Dammer Investment Company near Gresham from Mrs. E. A. Widener for \$3000. It is proposed to improve the land secured and cultivate walnuts on a large scale. Mr. Dammer is having plans drawn for a 10-room residence. The distance to the land is 12 miles.

Five acres east of Mount Tabor were sold the past week to Theodore Praun by Loyal D. Elliott for \$4500. George W.

Henkle sold five acres to Andrew Murphy in the donation land claim of Robert Gray for \$6000.

Works for a Free Ferry.

The St. John Commercial Club has a committee out circulating a petition to the Council asking that the question of issuing bonds for the purchase of the St. John ferry be submitted to the voters April 7. This petition will be presented to the Council for action next Tuesday night, January 25. The petition is being generally signed. The club desires the city to purchase the boat and have the county operate it free, as it does the Albina ferries.

Takes Option on Warehouse Site.

The St. John Council has secured an option on four lots at the foot of Philadelphia street, held at \$23,000. Holbrook & Bingham are the owners. The property is wanted for a city wharf. It is proposed to vote on issuing \$75,000 bonds for building a wharf and for buying ground for a park at the April election. The dock will cost \$50,000. A suitable park would probably cost \$10,000.

Tourist, the Winner, section 4, page 7.

ROSE CITY PARK

DISTANCE

To city dwellers, it is said, minutes count for more than miles. Admitting that this is true, it is also a fact that the less miles a man must travel to reach his home, the less minutes it requires to travel those miles. A careful examination of the accompanying map shows ROSE CITY PARK and its favorable location in distance from the other leading residence portions of the city. There are very few desirable residence sections to any city that lie as close to the activities of downtown as ROSE CITY PARK. At the same time there are very few such locations that are so absolutely free from the annoyances and inconveniences of city life. ROSE CITY PARK begins just two and a quarter miles from the Burnside Bridge. It extends two miles eastward. From the center of ROSE CITY PARK to downtown is a ride of 25 minutes. Upon the completion of the street railway down Sandy Road from East Twenty-eighth street, the ride to downtown will be about 15 minutes.

HARTMAN & THOMPSON CHAMBER OF COMMERCE