

REALTY ARE SPURRED BY SALE

Westover Terraces Transaction Expected to Result in Numerous Others.

ANOTHER OPTION TAKEN

Site Being Sought for Assembly Plant of Tractor Manufacturing Concern and Apartment-House Is Among Projects.

No greater complicity has been paid Portland real estate in recent years than the announcement last week by the executive officials of the International Realty Associates that they had decided to purchase the entire unoccupied area of Westover Terraces, amounting to 308 lots, thereby investing many times more than they have invested in any of the other cities of the country during the two years of their existence.

Although title to Westover has not yet passed from the Lewis-Wiley Hydraulic Company to the associates, the deal is just as good as concluded, according to all who have had any part in the consummation of the transaction. F. N. Chapman, who engineered it from the first; Frederick H. Strong, of the Ladd Estate Company, selling agent; William H. Lewis, president of the Lewis-Wiley Hydraulic Company; F. E. Taylor, president of the Portland Realty Board, and Dean Vincent, ex-president of the same board, the latter two being the only Portland stockholders in the association which is purchasing the famous Portland residential property.

O. K. of Directors Asked. The three members of the International Realty Associates who came to Portland to investigate Westover Terraces, N. L. Upham, of Duluth, Minn., president, and C. L. Simpson, of Kansas City, and C. F. Harrison, of Omaha, were empowered to conclude the deal and each of them placed a most emphatic "O. K." on the property before leaving. In view of the magnitude of the deal, however, President Upham thought it would be well, as a matter of courtesy, to inform the 17 association directors before the option was concluded in this kind of a transaction. He admitted that the entire directorate has always accepted his recommendation in matters of this kind.

Accordingly Westover Terraces has been withdrawn from the market by the Ladd Estate Company and it will not be placed on the market until after the property is taken over a month or so hence by the purchasers, who are 1000 stockholders in the International Realty Associates, an inner organization of the National Association of Real Estate Exchanges. Upon his departure from Portland, Mr. Upham estimated that he would return to Portland in about 30 days to conclude the transfer and arrange for the handling of the property by the members of the Portland Realty Board, each of whom will be privileged to sell Westover Terraces.

Definite Price Not Known. The exact price that is being paid for Westover Terraces still remains a mystery, although it is understood generally and said upon authority of good authority, that the total consideration fixed upon amounts nearly to \$10,000,000, Portland's largest deal for many years.

When the announcement of the Westover Terraces sale was made originally in this city, it was a surprise to many men in all walks of life congratulated themselves as well as the participants in the deal, for they recognized at once that the property would mean more, perhaps, than any similar development for a long time.

In the announcement of the Westover Terraces sale, it was pointed out that the investment in making the property thoroughly from every possible business angle and they not only concluded that Portland was in for a very fundamental particular, but that it is bound to leap ahead at once with rapid strides. The investment in the shipbuilding industry and the timber trade will do wonders for Portland.

Project Is Unique. The Westover Terraces district was formed as a residential tract by a series of hydraulic processes which carved steps on the hillsides and transformed uneven slopes into beautiful sites for homes, with an unobstructed view of the city and harbor in the foreground. From an engineering standpoint alone this district has attracted favorable notice far and wide and the purchasers are expected to be famous all over the country as the most distinctive residential area in America.

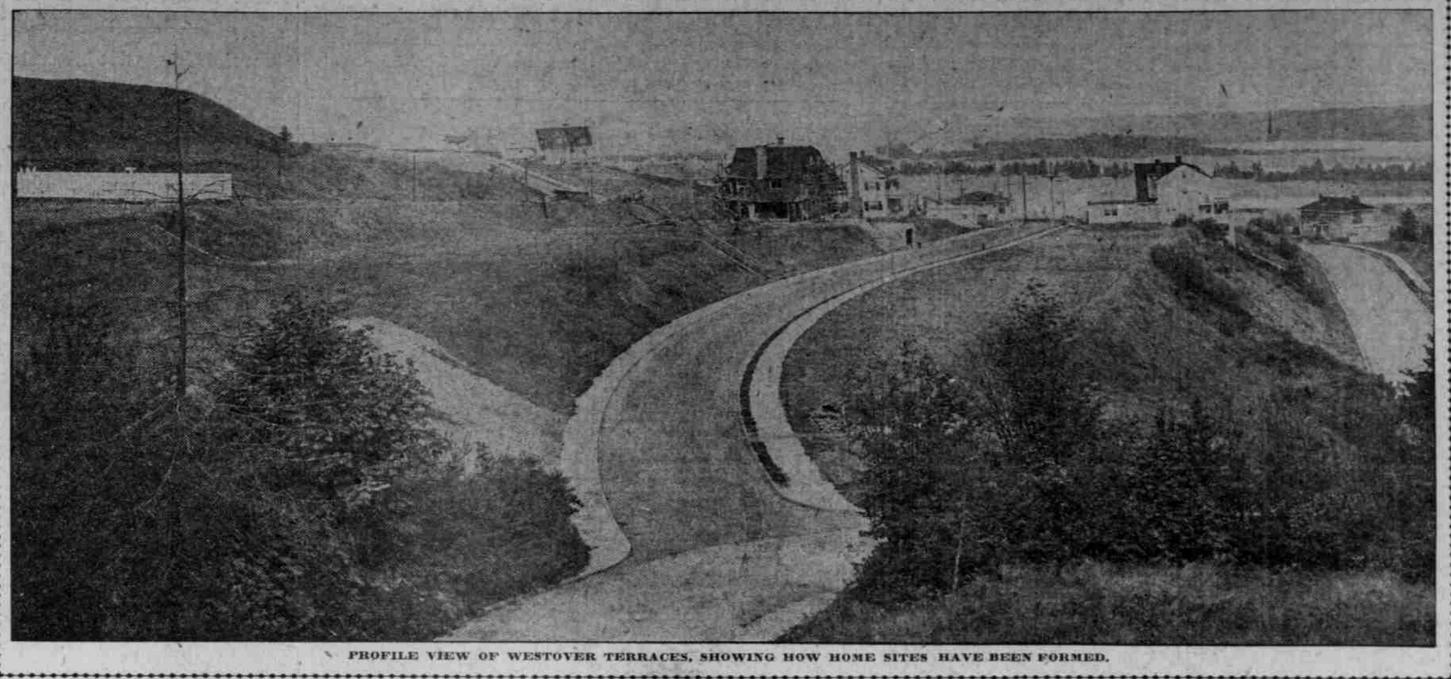
Several of the most prominent realty brokers of Portland marked last week that the Westover Terraces deal has done more to make investors and property owners in this city than any other deal that has transpired in five years. This deal, together with the sale of the Hotel Multnomah and several other large deals that are about to be announced, are interpreted as significant of still better things in the not far distant future.

Option Given on Euclid Heights. As a direct result of the Westover Terraces transfer H. G. Beckwith, of the Fred A. Jacobs Company, said last week there is good prospect that the entire residential tract known as Euclid Heights, located east of the north line of Laurelhurst, will be sold soon to a Minneapolis syndicate. At the time the officials of the International Realty Associates were in Portland Mr. Beckwith showed the Euclid tract to the representative of Minneapolis investors and he has recommended the purchase. It is said, Euclid Heights embrace 60 lots, improved with sewer connections and paved streets. It is understood the present option on the property is based on the improvements. The tract is bounded by East Forty-fifth, East Forty-seventh street and Barr road.

A deal is known to be pending for the purchase of a five-acre tract along the O. W. R. & N. tracks on the East Side that is wanted for the location of a proposed assembly plant ordered by Russell Bros., a wealthy Ohio firm which manufactures tractors and harvesters. Several concrete buildings are planned for the proposed plant, it is said.

Auto Building Announced. Arrangements were made last week for the construction of a three-story brick building on a 50 by 100-foot lot south of the Home Telephone Company building on Park street near its intersection with Ankeny. The structure is to be occupied by the Portland branch of the Gerlinger Motor Car Company.

PORTION OF DISTINCTIVE RESIDENTIAL TRACT WHICH IS ABOUT TO BE TRANSFERRED TO ASSOCIATION OF 1000 REALTY MEN IN BIG DEAL.



PROFILE VIEW OF WESTOVER TERRACES, SHOWING HOW HOME SITES HAVE BEEN FORMED.

during a tenure of five years at least, and will cost about \$25,000, according to the estimate of the architect, C. A. Duke. The proposed building is to be faced with buffed brick, with green marble trimmings, with heavy, fluted-tipped marble floors and the interior will be finished in white with indirect lighting.

E. B. Gerlinger announced last week that he has sold his motor truck manufacturing plant in Tacoma, Wash., to the Gorak Motor Truck Company, a Washington corporation, for a consideration of \$75,000. This sale included six lots, three factory buildings and valuable equipment.

Many Buildings Planned. Lewis Irvine Thompson, a Portland architect, announced last week that he is preparing plans and specifications for a number of buildings to be erected between this time and next Spring that are to cost about \$250,000 in the aggregate. Not all of the construction work to be done in Portland, Mr. Thompson reports. He is unable at this time to give details on any of the proposed new buildings.

Home Sale for \$7000. The handsome eight-room Colonial residence just completed by W. N. Everett, a builder, at 109 Royal court, near East 12th and Broadway streets, was sold last week to Mrs. Fred Kindorf for \$7000. This makes the 14th residence that Mr. Everett has built in Laurelhurst during the past few years.

Garage Building Planned. Plans are being prepared by Goodrich & Goodrich, Portland architects, for the construction of a one-story brick or garage building on a lot 50 by 125 feet in area on Twelfth street near Main street. The estimated cost of the building is \$18,000. The lot is owned by the Upton is the owner. The building is to have a plate glass front, and will be used for the occupancy of an automobile garage firm.

Apartment-House Planned. F. Manson White, a Portland architect, announced last week that he is preparing plans for a one-story apartment building to be erected on an East Side location yet to be announced. The proposed new building is to extend three stories above abatement 40 by 100 feet in area, and is to contain 24 two and three-room apartments.

Three Large Permits Issued. Building permits were issued at the City Hall last week authorizing the erection of the proposed new H. Liebes & Co. home on Broadway near Morrison street, for a \$25,000 residence proposed for erection by the Oregon Home Builders at 501 The Alameda, in Clatsop, about six miles northwest of Astoria, and a one-story building ordered by the Health Building Company on its property along Water and Front streets near Woods street. The permit authorizing the latter building cites \$10,000 as the probable cost.

REAL ESTATE DEALS CLOSED

Samuel Doak Negotiates Several Lot and Acreage Sales. Samuel Doak reports the following realty sales recently made through his office:

A. P. Malloy, of Seattle, bought 150 acres of land, including large body of timber, about six miles northwest of Dallas. Mr. Malloy made the purchase as an investment.

W. C. Menefee bought a two-story modern residence at East Fifteenth street North.

William Bremer, of Tigard, Or., bought seven and one-half acres, improved, located near Gilbert station on the Estacada carline.

M. C. Hatcher bought four lots located at the northeast corner of Woolsey and Kilpatrick streets.

SINGLE TAX IS DEALT BLOW

The property owners of Portland, as well as all interested in the reputation and welfare of the city, will be glad to learn that the Joseph Fels Fund Commission as well as the Joseph Fels Fund, which has been conducting several single tax campaigns in Oregon, will go out of existence on December 31, this year.

Every time the single tax issue has been presented in Oregon it has been greeted with a more and more decisive defeat, and the fact that the Joseph Fels Fund is to pass out of existence is expected to weaken the cause still further.

In 1904 single tax was defeated in Oregon by a majority of 24,000; in 1912 it was beaten by 30,500 and in 1914 by 65,000.

CONTRACT IS GIVEN

Dinwiddie Company Will Build New Liebes Building.

STORE WILL BE MODERN

Structure Under Way Is to Comprise Latest Features of Specialty Stores and Will Be Ready February 1.

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to be of cream matt-glazed terra cotta. The interior of the first floor is to be finished in cross-grained walnut and at least two of the upper floors in ivory and gold. The entire building is to be equipped with magnificent electric light fixtures, and all the furnishings will be most modern, making the new structure one of the most complete and up-to-date business establishments in Portland.

"It is our hope and intention to make the new store the leading specialty establishment for many years, and with its fur display and sales department will occupy the main floor, also the ladies' waist section. The entire second, third and fourth floors will be devoted to ladies' and misses' suit and dresses. This department has been a feature of the Liebes San Francisco establishment for many years, and with its co-operation and purchasing connections the Portland house will have many advantages to offer. The fifth floor will be devoted to the manufacturing of furs and fur garments which for over 50 years have held the highest merit throughout this country and Europe.

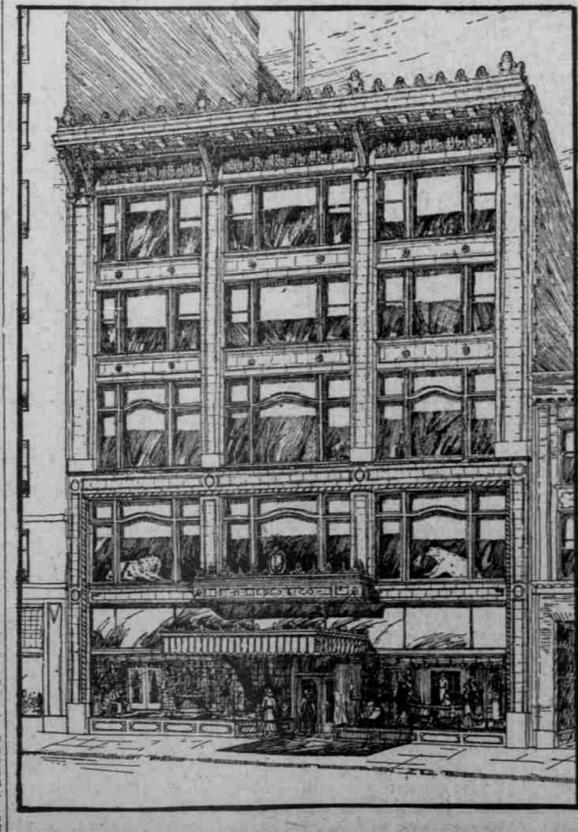
Cold Storage Important. "A most important item of the Liebes establishment is the refrigerated cold storage vault, conceded to be the largest for the exclusive care of patrons' furs, Turkish rugs, valuable draperies, tapestries, gowns, etc., which must, at certain seasons, be laid away from the danger of loss or damage by moths, fire or theft. A temperature of 20 degrees below freezing is always maintained.

The plans and specifications for this building were prepared by Architect John V. Benness. Many new engineering features are to be incorporated which are not to be found in any other Portland building, including the Kahn reinforced concrete and metal filler system, in which the massive terra cotta face of the structure is cantilevered, thus avoiding the obstruction of columns in the show windows, which will contain the largest plate glass of any window in the city, giving a clear and full view of display.

For the care and convenience of their employees there will be a dining-room provided, also recreation-room and roof garden.

A Jacksonville (Fla.) newspaper digs up the firm name of Steiner & Hare as suitable for a barber shop, and, in fact, used by one.

NEW SPECIALTY STORE ON BROADWAY, NEAR MORRISON, WILL BE EQUIPPED WITH MOST APPROVED APPLIANCES, INCLUDING REFRIGERATED COLD STORAGE VAULT.



Perspective of New Liebes Building, Which is About to Be Constructed at Estimated Cost of \$100,000, Including Furnishings.

LAND VALUES TOLD

Appraisal of City Properties Involves Complex Problems.

GOTHAM FIRST IN AMERICA

Utilities, Retailing, Manufacturing and Wholesaling and Residences and Apartment-Houses Are Factors in Fixing Value.

BY HENRY E. REED.

(Address on "Factors of Land Value," prepared especially for Reed College extension course lecture at Central Library, last Monday evening.)

Cities present the most complex problems pertaining to land values. In them, where population is massed, where all forms of commercial life hum and throb, where the fundamental factors of growth and development are constantly asserting themselves and creating new conditions, are to be found the highest values of land for specified areas.

London, the world's greatest center of population, finance and trade, leads all the cities in land values. Its figures cannot be computed with precision, as the public revenues, so far as derived from real estate, are collected upon the annual value, and not upon the capital value. They are estimated to be about \$1,500,000,000.

New York is the first American city in respect to land values. Its total valuation of real estate for the year 1915 is more than \$8,200,000,000, of which about \$5,000,000,000 is land alone. The London and New York totals which I quote are the cleared site values; that is, the land considered apart from the structures upon it.

The unimproved value, which frequently is referred to as the "raw" value with land, is the land divested of all improvements made in, on, or under the land. It would represent a total considerably less than the cleared site value.

Fundamental Difference in Factors.

- 1-Utilities fix values. 2-Retailing. 3-Manufacturing and wholesaling. 4-Residences and apartments.

Utilities Fix Values.

I have been requested to include in this paper a discussion of the fundamental difference in factors involved in the value of land for manufacturing, wholesaling, retailing, apartments, residences. Considering the question, as applied to cities, the fundamental difference between the several classes of property named consists wholly in the utilization of the land, and not in its value. It has been well said that the basis of the distribution of all business utilities is purely economic, lands going to the highest bidder and the highest bidder being the one who can make the land earn the highest amount. On the other hand, the basis of residence value is social, and not economic.

In American cities, with one exception, the most valuable land is that devoted to retail business. The exception to the rule is the City of New York, and more especially the part of it known as the Borough of Manhattan. Here, because of the city's domination as the money center of the world, and more especially because of the great banks, trust and insurance companies, sub-treasury and exchanges, financial institutions, and the like, the value is rated higher than the best retail locations on Fifth avenue, and sells for higher prices when sales are made.

Retailing.

Retail stores, especially those of high grade, congregate in the business center of the city, within easy reach of the greatest number of customers of the highest purchasing power. The retailer places his shop where the currents of traffic are greatest, so that he may make the best possible display of his wares and attract buyers. It is the buyer who seeks the seller, but the seller establishes himself at the point of most convenient access to the buyer. A large amount of traffic is the element mainly desired for retail business. The greater the crowd the greater the street-fronting a shop, the greater the retailer's business, or at least his chance of doing business. To the retailer frontage is everything.

Manufacturing and Wholesaling.

Manufacturing and wholesaling call for a use of the land differing from that of retailing. The vending of goods of light weight and high values usually brings these establishments relatively close to the retailer, but the vending of bulky goods of low value and the establishments away from the retail district. Values of manufacturing and wholesale property do not respond so quickly to a city's increase in population and business development as do the values of retail and residence land. Manufacturing and wholesale lines do not depend exclusively upon the home market, but seek trade in a wide range of territory in competition with other cities. They transact business

through traveling salesmen, who take orders and report them to the home office for filling. Factory locations are not much affected by city growth. Value of land for factory purposes is almost exclusively a problem of transportation, labor supply, raw material and distribution of products. In this scheme of things the population of the city is a minor factor, except in so far as it supplies the necessary labor and is part of the market for the manufactured goods. Frontage and pedestrian traffic, so vital to the retailer, are of small consequence to the manufacturer and the wholesaler.

For these last-named lines of business the frontage receives its principal purpose in giving access to the street for the receipt and shipment of goods and in providing light and air. The throngs of shoppers that delight the retailer would bring dismay to the soul of the wholesaler or manufacturer, for they would crowd the sidewalks and interfere with the regular movement of goods in and out of his establishment.

Residences and Apartments.

It has already been said that the basis of residence value is social. Man selects the business site for economic reasons, and man selects the home site for the social atmosphere. Residence land, like business land, goes to the highest bidder. In the case of business land the rule is that the more social advantages that attach to it, the more bidders there will be for it.

The highest type seek locations in the best residence districts or on traffic streets leading thereto, or facing public parks and other open spaces.

Apartment-houses are simply real-estate centers that are free from the class of property, as with business land, the basis of value is economic. At the same time, apartment-houses of the highest type seek locations in the best residence districts or on traffic streets leading thereto, or facing public parks and other open spaces.

SEVERAL LEASES REPORTED

Said to Be Seeking Quarters. Stanley S. Thompson & Co. report that during the past week they have closed leases for the following premises:

- Brick warehouse building (50x100), 233 East Eleventh street, leased to R. L. Short, practical automobile repair shop. Owners, MacNaughton & Raymond.
- Second floor of the building at 107 1/2 Sixth street, near Washington, leased to Messrs. Hochfeld and Solomon, to be used as billiard-rooms. Owner, S. J. John Reilly & Investment Company.
- Store room at 541 1/2 East Seventy-second street, in the Thompson block, leased to City Park Meat Market. Stanley S. Thompson Company, owners.
- Store room at 427 Washington street, leased to Won Lung for Chinese Chop Suey restaurant. Owner, S. Morton Cohn.
- Store room at 542 Washington street, leased to M. Feldman, hotel supplies. Owner, Cecil Bauer.
- Store room at 489 Washington street, to E. H. Reuppel for the Portland agency of the Wayne Gasoline Pump Company.
- Room at 473 Washington street, leased to I. Sutton for art china store. Owner, Edgar M. Lazarus.

MR. STRONG LECTURES MONDAY

"What Constitutes Commercial Value in Building." Topic. Under the auspices of the Reed College extension course Robert H. Strong, manager of the Corbett estate, will lecture in room H of the Central Library tomorrow evening on the topic "What Constitutes Commercial and Structural Value in Buildings."

He will discuss the relation of site to building, the commercial problem of buildings, depreciation, what a building can expect to earn, the risk of a "special purpose" building, and the costs of building, stated in general terms. Under the term buildings he will include warehouses, office and store buildings, apartments and residence property.

Architects Elect Officers. Joseph Jacobberger was elected president of the Oregon chapter of the American Institute of Architects at the annual meeting of that organization last week. J. Andre Fougiboux is the new vice-president; W. C. Knighton is secretary, and Ione Lewis and Morris Whitehouse are the trustees.

RENTALS SHOW GAIN

Demand for Homes Stronger, Report Agencies.

RENTALS ARE PROMPT

Situation Is Declared Better Than It Has Been for Three Years. Storekeepers Not Asking for Time as Formerly.

Opinion among dealers who have residences and small stores for rent seems unanimous in support of the prevalent idea that there is a stronger demand for homes now than there has been and that the general tone of the market for the property is better. Among those who expressed themselves on this point last week were Frank E. Watkins, of Parrish, Watkins & Co.; Henry W. Fries, of Wakefield, Fries & Co., and Donald G. Woodward, representing prominent firms that have been in the rental business in Portland for a great number of years. Each of them said the situation appeared to be improving, though all did not express the same tone of optimism. The officers of Smith-Wagoner Company report a tremendous demand for good houses.

"Our rental department in the last 30 days has had calls from 376 different people looking for houses to rent," says an officer of the last-named firm. "Nearly all of these people were looking for the better class of houses, hardly any number of which could be supplied."

"To me it seems the rental business is a great deal better than it has been for three years," said Mr. Woodward. "I have just checked over my records and find that we have rented twice as many places since September 15 as we did during a corresponding period last year."

Rentals Paid Promptly. "Furthermore rents are being paid on time this year, whereas last year tenants asked for favors in that respect. The proprietors of little stores do not have to beg for 30 days' time as they did a year ago. They seem to be busy."

I notice, too, that men are not around begging for jobs this Fall like they were last year. I am certain there are fewer vacant houses in Portland than there were a year ago and a noticeable increase in the number of inquiries indicates that outside people are coming in.

The whole situation is infinitely better and the growth in the number of applications for houses and flats indicates that there will be a market for vacant houses in Portland. There is an increased demand for locations," said Mr. Fries. "Renting is freer than it was a year ago, and I notice quite an improvement in the situation. I believe there are as many places vacant as there were a year ago, but more people seem to be coming in now and the tendency is stronger. Some outside places that have long been in the rental business are opening."

Demand Is Better. "The demand is better than it was last Spring, but the rents are no higher," said Frank Watkins. "On the whole the situation is better than it was a year ago, and the rental business is growing steadily. Rents are about the same as they were last Fall, which means they are low as they have been for some time."

The better demand indicates that new people are coming in. The condition is considerably better in the store game. Business men were worrying about the coming of prohibition a year ago. The rents are low as they are, but the situation is all right."

Directory of Prominent Life Insurance Agencies Members of Life Underwriters' Association of Oregon

Wm. Goldman, General Manager, NATIONAL LIFE OF VERMONT. H. G. Colton, Manager, MASSACHUSETTS MUTUAL LIFE, 204 Market Bldg., Portland, Or. E. J. Harmon, Manager, PENN MUTUAL LIFE, Northwest Bank Bldg. Herace Meeklen, Manager, NEW ENGLAND MUTUAL LIFE, 292 Stevens Bldg. G. M. Slocum, Mgr., RELIANCE LIFE INS. CO., Pittsburg, Pa. 204 Market Bldg., Portland, Or. & F. Lockwood, Vice-Pres. and Gen. Mgr., COLUMBIA LIFE & TRUST CO., 292 Stevens Bldg. Pettie-Grossmayer Co., General Agents, THE TRAVELERS' LIFE CO., 204 Market Bldg. E. W. Amesbury, Manager, NORTHWESTERN MUTUAL LIFE INS. CO., Northwest Bank Bldg. Judd Lowrey, Supt., AMERICAN LIFE INS. CO., 719 Dekum Bldg. John Fauer, Superintendent, THE FIDELITY AND GUARANTEE CO., 601 Northwestern Bank Bldg. T. H. McCallis, State Mgr., UNION MUTUAL LIFE CO., Board of Trade Bldg. Edgar W. Smith, Manager, EQUITABLE LIFE ASSOCIETY, 300 Oregon Bldg. D. C. Herrin, General Agt., COLUMBIAN NATL LIFE INS. CO., 505 Spalding Bldg.

State Members Portland Realty Board

The following real estate men are the accredited members in their respective cities of the Portland Realty Board. None of these sought membership, but were selected after a canvass of the available men in their line. If you have a real estate transaction in any of these cities or wish information, write them: Astoria—Astoria Harbor Imp. Co. Bend—J. A. Estes. Grants Pass—P. B. Herman. Heppner—Smead & Crawford. Roseburg—W. A. Bogard.

BUILDERS' SUPPLIES and HOME SUGGESTIONS

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There is a Good Paint House in Portland

TIMMS, CRESS & CO. 184 SECOND STREET.