

REALTY MARKET TOPS WITH HEALTHY TONE

DOWNTOWN LOTS BOUND UPWARD

Prices Advance Steadily and Show No Signs of Breaking.

"The Portland real estate market never looked better to me than it does today," is the terse summing up of the local condition by Dan S. Stearns, an old-time Portland realty dealer, who is selling property here when a prospective investor would gasp for breath if asked \$50,000 for the choicest corner on Washington street.

More inquiries have come in my office from investors of means who mean business in the past three weeks than in any like period since I have been in the business. The investing public is beginning to realize that Portland is a city of the first class and is destined to become the metropolitan center of the Pacific northwest. Two years ago capitalists looked askance at the prices asked for all classes of real estate here, but such is not the case now. Property that was considered high two years ago is readily snapped up now, notwithstanding the price has advanced as much as 50 per cent in some cases.

Prices Continually Rise.
One great trouble that all dealers are now having is the inability to hold owners of property to an agreed price. The disposition is to raise the figure with each offer to buy. Of course, this has a tendency to discourage brokers and disquiet would-be investors. A prominent dealer, who for many years has done one of the largest sales businesses in this city, says that he has now a smaller list of offerings for sale than he has had at any time for a number of years.

The same operator had a recent experience with an owner which correctly represents the optimistic feeling now pervading all classes of property owners. The owner of a north end lot was seen to sell his holding two months ago at a stated price, the broker found a purchaser and tendered the owner a check covering the price. The owner refused and the price promptly raised 10 per cent. Since then the price has been again advanced and a few days ago the property was withdrawn from the market, with the accompanying statement that it was increasing in value all together to find a seller.

One effect of the recent heavy purchases of inside property by local capitalists has been to stiffen prices throughout the entire business district. Owners were quick to conclude that if choice Washington and Stark street corners have doubled in value in the past three or four years, that the same is true throughout the retail district, and forthwith marked up their prices several notches.

River Frontage Attracts.
A class of property that has not heretofore attracted very general attention is river frontage for residence purposes. There are scores of acres of property set apart for this class of holdings, and very little of it to be had at any price within reason. Many of Portland's wealthy residents are turning their attention to acreage along the river bank between Portland and Oregon City with the idea of establishing summer homes. Prices of this character of property have increased enormously in a short time, with the prospect of yet greater advances.

As far back as 1890, when the first signs of the reaction which afterward set in, were noticed this department of the Journal reported that Portland real estate would never again be as cheap as it was then, and urged upon prospective investors that the time to buy was at hand. This has been so often in the past 10 or 12 months that perhaps some are weary of the repetition. Some have taken the position given and no doubt have profited by doing so. Among the dealers in residence property the same optimistic feeling is in evidence that has characterized the hold on operators in business property.

W. A. Spanton of the Spanton company, dealers in city and suburban residence sites, reports a large increase in sales and inquiries in his line. While discussing the local realty situation, Mr. Spanton had the following to say:

Future Is Assured.
"It seems that the people of Portland are beginning to realize the future of their city. They are making inquiries about all kind of property. Substantial business men who have been interested in mercantile and various other kinds of enterprises are dumbfounded at arriving in some of the suburbs which they thought in acreage. Instead they find it having been laid out into city lots and beautiful homes built on these places that were farm lands not many years ago.

"There are a great many new people arriving in the city every day and inquiry has never been heavier in Portland for residence properties. It is almost an impossibility to rent a desirable house. This makes it necessary for the people to buy homes. Building continues unabated and what does this mean to the city of Portland—it means that our city is steadily increasing in population and that it is bound to be the greatest city in the northwest. Undoubtedly, there will be a great move in the opening of the north bank road will surely have the desired effect of an increase in value on Portland real estate."

By way of illustrating the immense increase in realty values that take place in a city after it reaches a position of great commercial importance, Mr. Spanton called attention to the Franklin National bank property at the corner of Broad and Chestnut streets, Philadelphia.

Residence of Andrew Higgins, Elmhurst.

This property formerly belonged to the Girard Trust company, and was recently purchased by the Franklin National bank for \$2,500,000. In 1889 this property was purchased for \$259,000. The Girard Trust company improved it with a building valued at \$715,000. By the recent sale the Girard Trust company cleared up a profit of \$1,536,000, or 530 per cent. This sounds almost unbelievable," said Mr. Spanton. "But in a few years Portland's best business property will be yielding just such profits, in fact he believes that it can be shown that in the past 19 years real estate in this city has made advances equal to phenomenal."

Residence Property Sold.
One of the largest transactions reported last week was the sale of the John Klernan residence property, at the northwest corner of Sixteenth and Morrison streets, to a local investor for \$23,500. The property is a quarter block and was formerly owned by W. W. Taylor. It was purchased as an investment, the name of the buyer being withheld for the present.

M. J. Holbrook closed a deal in the early part of this week with the city of St. Johns for the sale of four waterfront lots in St. Johns for \$22,500. The property has a river frontage of 400 feet and on it will be built the public docks which were ordered built by the St. Johns voters at the last city election. The sale of the quarter block at Everett and Sixth streets by Dr. A. C. Smith to John B. Yason for \$65,000 was closed up last week. This was one of the largest transactions in north and reality that has been made in several months.

Dan J. Malarky sold to the Security Savings & Trust company his residence property on Marshall street, between Twenty-second and Twenty-third street for \$8,000. The bank's lot title to this property was purchased by the real purchaser, being Major Canby, paymaster in the United States army.

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Other Residence Sales.
S. M. Beard, former Vancouver, Wash. banker, has purchased from L. C. Wightman a house and lot on Broadway, between East Nineteenth and East Twenty-first streets, consideration, \$6,000.

W. J. Clemen has sold F. N. Gilbert a block of five lots on Heights overlooking the Willamette River for \$5,000. The property is at the corner of East Sixth and Everett streets and is occupied by a two-story frame residence. Emil R. Pitakauk has purchased from Robert Gardner a 50-foot lot at the southwest corner of Overton and Twenty-fifth streets; consideration, \$5,150.

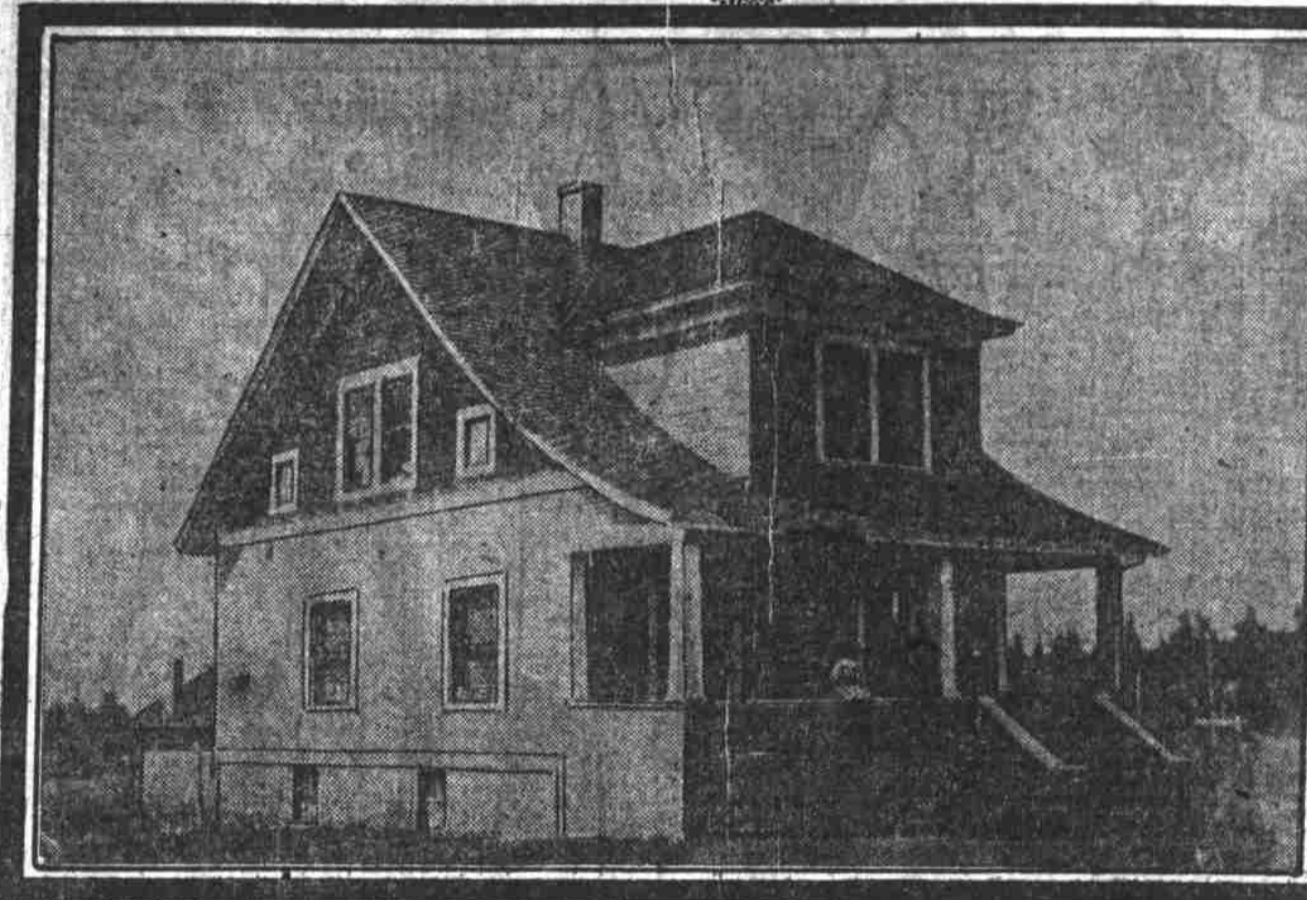
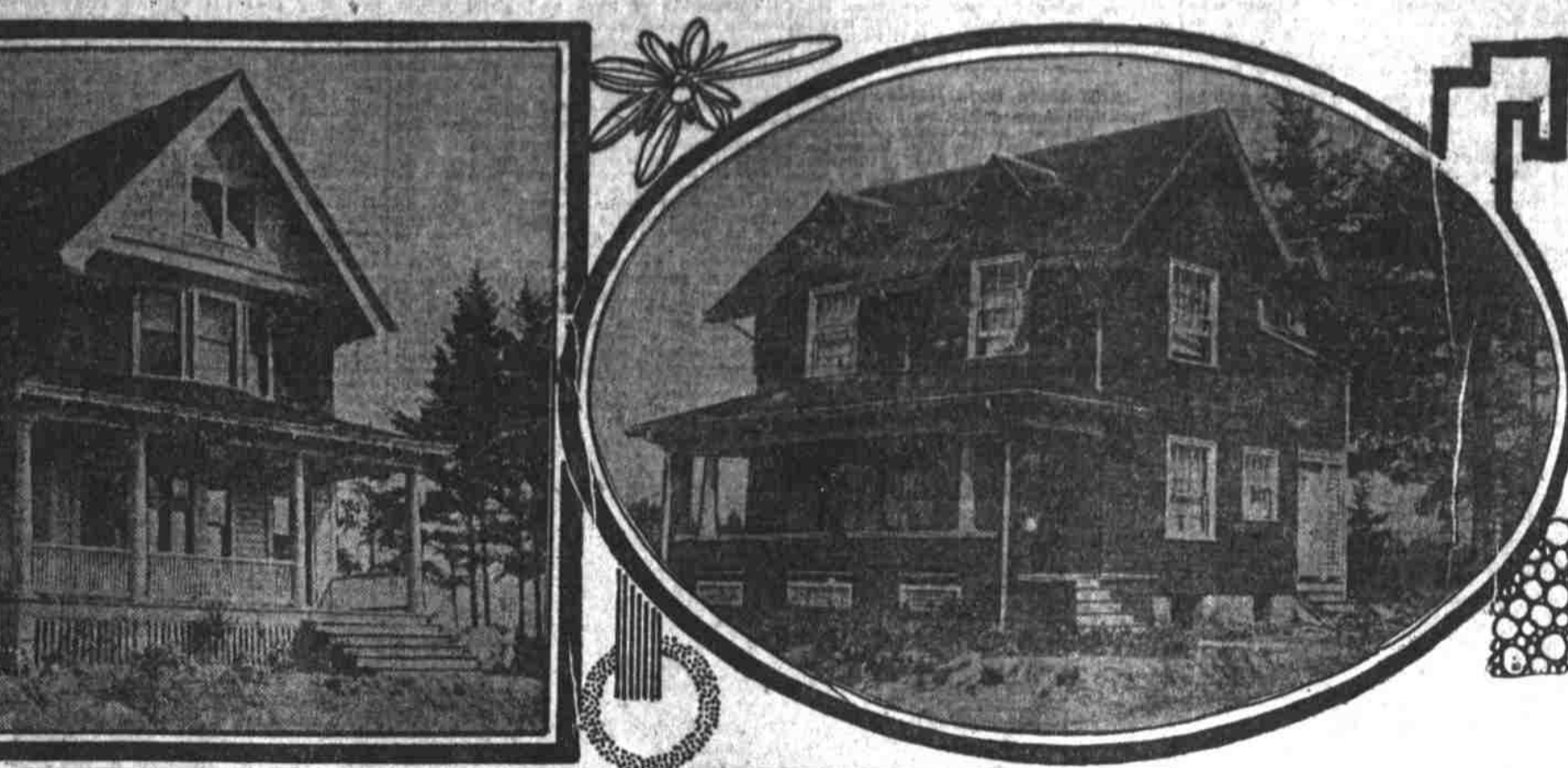
H. A. Stowe has sold to Adolf Grass an improved quarter block in Highland Park, for \$4,500. The property is located at the corner of East Eleventh and Howe streets.

The number of residence lot sales valued at \$2,500 to \$3,000 was much larger than usual and covered a wider extent of territory.

LATE REALTY SALES OF RESIDENCE LOTS

Mall & Von Horstel report the following sales for the past week:
For the Oregon Savings & Trust Co., the northeast corner of East Twenty-sixth and Tillamook streets to F. R. Hanke. Mr. Hanke intends to improve the property.
From the Hawthorne estate to L. N. Huls, a lot on East Davis street between Thirtieth and Thirty-first streets. This property will also be improved immediately.

From the United States National bank to E. F. Failing, a lot on East Twenty-second street near Holladay avenue. Mr. Failing intends to build a home there.
From Rosa, sell Zelnick to Dr. P. P. Brower, a lot on East First street near Holladay avenue. Mr. Brower bought for speculation and has already been offered a higher figure for the lot.



Residence of Henry E. Hornsburch, Elmhurst.

QUESTION OF CONCRETE OR STEEL FOR BRIDGE

Spokane municipal authorities are in the midst of a warm discussion over the relative merits of steel and concrete as the material for the construction of several new bridges which the city is about to build. Partisans of both materials have produced figures and authorities which go to prove the superiority of each. The city is about ready to proceed with the erection of bridges that will involve an outlay of close to \$1,000,000.

One of the city commissioners discussing the relative merits of the two materials gave out the following figures:
"Bridge authorities claim that the average yearly maintenance cost of a steel bridge is 7 per cent, and at this rate a steel bridge costing \$300,000 and lasting 50 years would require \$1,050,000 for maintenance and there would be no bridge at the end of that time. On a concrete bridge it is admitted that the maintenance cost is practically nothing and it will last forever."

"If we go the proposition of maintenance cost one better and say it is 5 per cent per year, the cost of maintaining the steel bridge for one year at 5 per cent would be \$15,000 or for the 50 years of life would be \$750,000 and the end of that time the bridge would be out of commission.
"If we go the maintenance rate still one better and say it will be but 2 1/2 per cent per annum, the annual maintenance cost would be \$7,500 or \$375,000 in the 50 years of the life of the bridge and there would be no bridge at the end of that time.

"On the bonds on a \$200,000 steel bridge at 5 per cent the annual interest would be \$10,000 or \$500,000 in the 50 years of the life of the structure were the bonded indebtedness not reduced, and this with the maintenance

would represent a total of \$1,050,000 for interest and maintenance during the 50 years' life of the bridge; and this plus the original investment of \$300,000 would make a total expenditure of \$1,350,000 at the end of the 50 years and there would be no bridge at the end of that time.

Concrete Lasts Forever.
"Were a concrete bridge built the only expense to the city would be the interest on the bonds and the bridge would last forever."
The chief trouble seems to be the great difference in the cost of bridges constructed from the two materials. The city engineer has estimated that one of the longest of the proposed viaducts will cost, if built of cement, about \$300,000, while the same structure built of steel will cost not far in excess of \$200,000. As a result many of the taxpayers are up in arms against the concrete proposition, and are bombarding the council with petitions and eloquence in favor of a steel bridge.

William E. Roy, ex-president of the Spokane board of public works, in a report to the council covering the cost of maintaining one of the city's steel bridges, has the following to say:
"It cost more than \$2,000 to paint these bridges, and we are told that a steel bridge to be kept in proper condition should be painted every two years.

"The last time the flooring of the Monroe street bridge was repaired only the upper layer of planking was repaired and the expense was more than \$4,000. Were the entire flooring repaired the cost would have been more than \$5,000.

Object to Flooring.
"Flooring on a bridge like that at Monroe street deteriorates rapidly, being damp underneath from the spray of the river and scorched on top by the sun. Such flooring should be replaced at least once every two years. We should also recall that in the lifetime of the Monroe street bridge it was often closed to all forms of traffic, has been closed to streetcar traffic during a large part of the time.

"The expenses of reflooring and repainting are not to be considered the general expense. The bridge must be frequently gone over by experts. Bolts must be tightened and the bridge must be kept in proper alignment and this work should be done by an expert if a number were tightened too much the entire bridge might be injured by being thrown out of proportion. Experience has demonstrated that there is a constant expense of one kind or another on steel bridges."

GRADE CONTRACT LET FOR ELMHURST STREETS

The contract was let yesterday for the grading of the streets in Elmhurst addition. Under the contract Tillamook street is to be completed by September 23, to be ready for the opening, September 21, of the Country club. Tillamook street has already been opened and graded through all the additions west of Rose City Park, and when the work through Elmhurst is completed it will be a continuous thoroughfare from the Willamette river to the Country Club and Lion Stock associations' grounds. Giesbach & Joplin have the street grading contract in Elmhurst and are to start work on the street in a few days of earth a month until the work is finished.

A patent has been granted to an attachment to a rocking chair in operation by an iron occupant while swaying to and fro.

NEW RECORD MADE FOR SEPTEMBER

Building Permits for Class A Structures Reach \$1,500,000.

From the standpoint of value September's building permits will in all probability establish a new high record. Conservative estimates by well informed architects and builders place the value of the half dozen class A buildings, work on which is expected to commence this month at close to \$1,500,000, while the same number of business houses of the mill construction type, which are about ready for the contractor's figures will add another million to this huge sum, most of which will appear in the September totals. The building program in the building line is not alone applicable to Portland, but applies to all Pacific coast cities. Seattle and Spokane on the north and Los Angeles on the south all report a remarkable revival in the construction of business houses of the best type. The building program of each other, there are five buildings, work on which is just getting started, that will involve an outlay of close to \$1,000,000.

Excavations for Foundations.
Excavations for the foundations of the Meier & Frank structure, at Sixth and Alder streets, the Charles K. Henry building, at Fourth and Oak, and the Lombard office structure at Fifth and Stark streets have just been finished, and a crew of workmen are tearing out the frame shacks on the Wilcox lot at Seventh and Stark streets getting ready for the steam excavator which will be moved up there early this week from the Henry corner. The concrete foundation for the first story of the superstructure of the Y. M. C. A. building at Sixth and Taylor streets was completed last week, and workmen began making the forms for the first story of the superstructure. As was said above close to \$1,000,000 will be invested in these five buildings.

The cement block houses will continue to be erected immediately for the Meier & Frank structure will probably cost \$1,500,000, while the Lombard building will cost \$1,000,000, and the other \$1,000,000 outlay. Add to these figures \$200,000 for the Y. M. C. A. building, which is probably under way, and it will cost, and the total is within \$50,000 of the million dollar estimate.

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W. P. Fuller company in the north Portland warehouse district will call for the expenditure of \$200,000, while a secondary building to be erected by the Pacific Paper company at Fourth and Burnside streets will cost about \$100,000. In the north Portland warehouse district are a number of warehouse buildings which have not progressed beyond the excavating stage, but on which actual construction will begin before October 1.

Eight-story office building.
There is a reasonable certainty that Theodore B. Wilcox will make such arrangements with the present tenants of the buildings on the Labbe property at Sixth and Washington recently purchased by Mr. Wilcox as will permit him to put up an eight-story office building, there, Mr. Wilcox is known to be anxious to proceed with this improvement and the only thing that will prevent his starting the work this fall will be his inability to come to an agreement with the present tenants.

Another eight-story building project on which work is more than likely to begin this fall is a new commercial hotel on the quarter block at the northwest corner of Fourth and Alder streets.

E. D. Crawford, a Vancouver, Wash. banker, who recently purchased the southeast corner of Fourth and Anthony streets, is getting figures on a wholesale business house for that corner. It will cost in the neighborhood of \$70,000.

The corner just east of and adjoining the Crawford property was recently purchased by a syndicate of local capitalists, who have announced that the property will be at once suitably improved. It has since been announced that a \$70,000 brick building will go up on this site this fall.

This immense volume of new construction means work for many hundreds of men, members of the various building trades throughout the fall and winter, and well into next year, and will of itself go a long way toward reestablishing the prosperous conditions that obtained in Portland up to 14 months ago.

PARK STREET REALTY SELLS FOR \$25,000

Emil Pittelkan, owner of the Portland restaurant on Washington street, has sold to a gentleman from Olympia, Wash., whose name is withheld for the present, the lot covered by a new one-story brick building, located on North Park street, between Davis and Everett streets, and occupied under lease by Graves & Co. as a storage warehouse for music and musical instruments. The consideration for the sale was \$25,000 and is the first transfer that has been consummated in this neighborhood for some time.

Considering the class of improvements covering the lot the price is considered to be a very reasonable one. Whiting & Rountree made the sale.

Liverpool makes nearly \$500,000 a year by municipal trading.

\$200,000 IN NEW KENWOOD HOMES

Dozens of Houses to Be Erected on Site Adjoining Swift Plant.

Something near \$200,000 will be expended in the next few months in the erection of stone and frame dwellings at Kenwood, adjoining the Swift packing house site on the peninsula. The buildings are to be used as residences by the officers and employees of the packing plant and will all be completed in advance of the completion of the big packing establishment.

Mr. Stephenson, superintendent of construction in the employ of the Swifts people, arrived in Portland last Wednesday and will proceed with the work of building up and developing Kenwood. For the present the building operations will be confined to the erection of about 20 two-story cement brick houses, the cement blocks to be manufactured on the Kenwood tract. Following this preparatory work, the company will proceed with the erection of about 300 frame cottages. The cement block houses will contain seven rooms and will cost about \$2,500 each and the frame cottages will be five-room structures and will cost about \$1,500 each. When completed these dwellings will be offered to employees of the packing plant, although other tenants will not be barred from renting them.

The management of the Kenwood Land company—the holding company for all the peninsula realty owned by the Swift interests—contemplates the establishment at Kenwood of a new type of house town, such as is found in the vicinity of the big packing establishments at Denver, Kansas City and Omaha. An ample sewerage system will be constructed, cement sidewalks and macadam streets laid and electric wires strung throughout the townsite.

Mr. Stephenson has not as yet decided whether the houses will be erected under the contract system or under his personal supervision or day labor. However the work will begin as soon as the material can be assembled in the neighborhood before winter sets in.

OREGON ELECTRIC LINE HEARTY STIMULUS TO BUILDING IN TIGARDVILLE.

Building in progress and contemplated shows a steady growth at Tigardville, the enterprising town on the Salem line of the Oregon Electric railway. Materials for a new station and express office for the Oregon Electric company were recently delivered on the ground and construction work will begin in a short time.

Extensive additions are being made to the new town, among them many new dwellings by recent purchasers of acreage. The new hotel recently completed will have an addition of 40 feet at the rear, to provide a public hall and additional rooms. The building is a three-story structure, the lower floor being occupied by stores. The main building required 45,000 feet of lumber.

J. F. Coon has established a small planing mill in response to a demand for dressed lumber and moulding. The machinery has been installed and the plant is ready for operation.

A parsonage is being built for the German Evangelical Lutheran church, to contain six rooms.

Dr. MacCreedy will build an eight-room house on the four-acre piece recently bought by him.

Samuel Behnke, meat dealer, is building a five-room cottage.

Dr. Laidlaw is building a seven-room dwelling on his three-acre property recently purchased.

D. Root is building a five-room dwelling and barn.

The investment company is constructing two cottages on its Tigardville

FINE NEW HOME TO GRACE PIEDMONT

Another of the recent newcomers to Portland, W. E. Smith, formerly of South Dakota, is preparing to erect a beautiful residence at Piedmont. Mr. Smith has purchased a quarter block in that district and has commissioned Architect Kroner to get up the design of a modern two-story home, which he will build there. The building will cost about \$5,000, and will be an attractive addition to a section that already boasts many handsome private homes.

lands, which are to be completed before October 1.

E. C. Davis, with the Butler-Schutze Co., Portland, will build a house of six rooms on his three-acre holding at Tigardville.

Two other houses are under construction by recent settlers in this part of the Tualatin valley.

Tigardville has a four-room graded school, churches, stores, repair and blacksmith shops, and other advantages that go to make a town. It is the locality where the two lines, steam and electric meet and where both have stations, and in this particular has an advantage not enjoyed by towns on either line. Tigardville is developing some boosters. A contribution of \$100 toward the fund for a booklet descriptive of Washington county was recently made.



Cement Block Residence of A. S. Thompson, Piedmont.

New Home at 1115 Cleveland Avenue, Piedmont.