

MANY BUILDINGS ARE TO RISE IN NEXT FEW WEEKS

Permits Taken Out During the Past Week Include Number of Manufacturing Plants as Well as Residences.

The Ford Motor Car company has begun the erection of an assembling auto plant on the block at East Division street, between East Tenth and East Eleventh streets. It is to be a three-story fireproof structure of reinforced concrete, covering half a block, and will cost \$150,000.

The Portland Bronze & Crucible company has plans for a new building to be erected at the corner of Twenty-second and York street, North Portland. As designed, the structure will be fireproof, and will have ground dimensions of 64x 80 feet, and will cost approximately \$10,000. The plans and specifications have been filed with the building inspection bureau and a permit issued.

A permit was taken out last Tuesday by the Investors' Building & Trust company for a 2 1/2-story residence to be built on the Alameda, near Wisteria avenue, in Beaumont, at a cost of \$700.

On the same date Miss Edith Valk took a permit for a \$4000 two-story frame dwelling, to be erected on East Thirty-third street, between Shaver and Failing.

Permits were issued last week to builders of dwellings to cost \$3000 or less as follows:

- E. W. Reader, 1 1/2-story cottage, East Forty-fourth street, between Clay and Harrison, \$2500.
- F. W. Peterson, 1 1/2-story, cottage, Colonial street, between Mason and Skidmore, \$2600.
- Mike Steren, one-story cottage, Buffalo street, near East Sixth, \$1250.
- Mrs. N. Girard, one-story bungalow, East Sixty-second street, near the Alameda, \$1600.
- Mrs. Maude M. Gorman, one-story cottage, East Sixty-second street South-east, near Fifty-fifth avenue, \$1500.
- C. W. Davis, 1 1/2-story cottage, East Eighty-third street, near East Glisan, \$2000.
- A. C. Curnow, one-story cottage, Forty-eighth avenue Southeast, near East Fifty-second street, \$1500.
- J. M. Fletcher, 1 1/2-story bungalow, East Forty-sixth street, near Hawthorne avenue, \$1500.
- Mrs. Alice Rahenson, 1 1/2-story dwelling, East Seventy-first street Southeast, near Fifty-fifth avenue, \$2000.
- E. F. Smith, one-story cottage, East Forty-sixth street, near Kilkittat, \$2000.
- Joseph Campbell, one-story cottage, East Eighty-third street, between Oregon and Holladay, \$1000.
- H. Beach, one-story cottage, Gay street, between Alinworth and Holman, \$1250.
- Albert Dobner, one-story cottage, East Twenty-eighth street, between Wygant and Going, \$1500.
- Eugene F. Cucu, one-story cottage, Russel street, near Delaware avenue, \$1500.
- C. F. Nash, 1 1/2-story cottage, East Salmon street, near East Fifty-fifth, \$2000.
- J. R. Wood, two-story residence, East Davis, near East Sixty-eighth, \$2000.
- Mrs. E. L. Meyers, one-story cottage, East Twenty-third street, between Going and Prescott, \$2000.
- E. Carson, 1 1/2-story cottage, Boise street, near East Thirty-ninth, \$1200.
- Mrs. Bessie Long, one-story cottage, Vincent street, near Morgan, \$1100.
- M. E. Williams, 1 1/2-story bungalow, East Sixty-ninth street, near Fifty-fifth avenue Southeast, \$2000.
- J. A. Vonado, one-story bungalow, East Ninth street, between Holman and Highland, \$1000.
- J. K. Elmer, one-story cottage, East Fourteenth street, between Henry and Duke, \$1500.
- A. A. Young, one-story frame laundry building, Denver avenue, near Alinworth street, \$1500.

NEW SALES REPORTED BY REALTY COMPANY

The Smith-Wagoner Realty company reports the following property sales for the week:

To W. H. Bressel, of Pocatello, Idaho, residence at 1224 East Madison street, \$2500.

To Mrs. Edith Taylor, for F. S. Hallock, a residence located at Flinard for \$1050, and one located in same addition to C. A. Parkins for \$1000. Also two lots, located in Lents, belonging to N. W. Leadbetter, to Oscar Reynolds, of Fairbanks, Alaska, for \$1000.

This firm has recently removed its offices to the new Stock Exchange building, Third and Yamhill streets.

A \$500,000 office building will be erected in the downtown district of St. Louis by the Order of Railroad Telegraphers to take the place of their present inadequate quarters. The plans for the building have already been approved.

POINTS OUT TAX REMEDY



W. A. Somers, who invented Somers' unit system of realty valuation.

(This is the first of a series of articles by Walter W. Pollock of Cleveland, Ohio, describing the faults in present methods of appraising real estate for purposes of taxation and pointing out the remedy. This article tells how W. A. Somers discovered and first applied in St. Paul his scientific system for measuring land values. Future articles will show how it is possible for any community to be equitably assessed by ascertaining community judgment and applying such judgment mathematically to each ownership of real estate.)

The American people have been long suffering in the matter of the appraisal of their real property for tax purposes. The function of governmental activity that is called the assessment has always called forth the bitter criticisms and often the vituperation of the people. The people have been helpless before a complete lack of system and consequent lack of equity between the taxpayers.

And notwithstanding all these assessments of real property in nearly every city in the United States and in every village and country district are being made today in the manner they were made 50 years ago. Only one man in all that time has developed the inventive genius, together with the inclination and opportunity for its use, to bring into existence a system by which the bitter criticisms and the vituperations of the people would be made superfluous and without meaning.

That man is W. A. Somers, formerly of St. Paul, Minn., and now of New York city.

Makes Close Study.

In the early '80's Mr. Somers was city engineer of the city of St. Paul. For more than 10 years he had been connected with the engineer's department of that city, first as assistant engineer and then as chief engineer. Before that he had been in the real estate business, and during his office-holding years he kept in close touch with the real estate activities of the city. His special work in the engineer's department was consideration of special assessments for local improvements, which caused him to study, in a crude way as compared with his later investigations, the effect of improvements and the extent of their financial effect upon land area.

While chief engineer of St. Paul, a lawyer friend of Mr. Somers accepted the post of assessor of real property on the condition imposed by the assessor that he would turn the job over to Engineer Somers.

St. Paul at that time was recovering from a recent land boom. Prices as compared with values had been very much inflated. The reaction had set in and prices were very much lower than the assessment figures. While inequalities existed as between property values, the assessment as a whole was too high, which added to the general confusion that always exists in assessments made without rhyme or reason, produced an intolerable situation. It was this situation that led to the selection of the lawyer to be assessor; and it was his own firm belief that he was not equal to the task that led him, by permission to turn the whole work over to Mr. Somers.

Old Figures Investigated.

When Mr. Somers took hold of the assessment work of St. Paul he directed his attention first to the old assessment figures. An examination of those figures disclosed a woeful lack of uniformity of judgment of value, not only as between properties on different streets, but also on properties upon the same street and close together. There was every evidence of the lack of any systematic method of obtaining opinions of value or of using opinions that were obtained or arbitrarily arrived at.

Being of a mathematical turn of mind, and his whole habit of thought and action running in the direction of systematic methods, Mr. Somers first began to analyze. It occurred to him that it would be well to learn the difference in opinions of value between lots at corners and inside lots. He made some diagrams illustrating corner and inside lots and sent them out to the real estate operators of the city. Fortunately for this sort of an investigation, which was at best a "fishing excursion," as the lawyers might term it, the lots of St. Paul were for the most part of a uniform depth of 100 feet and there were many corner lots 50 by 100 in size.

The big thing that this request for help upon a methodical basis resulted in, was to make it clear to Mr. Somers' mind that there was in the minds of the citizens a tremendous amount of information and opinion about the use of the streets of the city of St. Paul.

"Community Opinion" Sought.

It developed that many people, real estate men and others as well, knew a great deal about the relative usefulness of the streets of that city. It was to use this information to develop what he called "community opinion" that Mr. Somers bent his energies. The discussion concerning the relative values of corner and inside property, the differences in the values of the front half and the rear half of a 100 foot lot, was tabulated and analyzed and applied.

Mr. Somers undertook to reduce the method of comparing the values of corner and near-corner lots with inside lots to a mathematical basis. He understood, though at that time this idea had not been expressed in words, that there was a mathematical relation between the values of any two lots affected by the same street influences, and he proceeded to place upon paper some quick method that would result in uniformity of expression as to just what that relation was. He finally produced what he termed his "scales," which consisted of diagrams, from which the relative values of regular 50x100 foot lots, second lots and inside lots could be compared. While these scales were clumsy in their operation, they were found to analyze accurately and mathematically the differences in most of the regular sizes and shapes of lots found in St. Paul that year. So accurate have these scales been found to "weigh" these differences, that they have never had to be changed, and the Somers System of Realty Valuation as used today for assessing land values in a dozen or more cities is built upon those scales.

Found Too Clumsy.

After St. Paul was reassessed by Mr. Somers by the use of his scales, he removed to Chicago, and was connected with the assessing department of that city. It was there that Mr. Somers found that the scales were too clumsy to use for practical work, and he began turning the scales, or rather what they stood for, into mathematical tables. This was the work of several years. After a year in Chi-

LARGE BUILDING SITE ON EAST SIDE BOUGHT

O. F. Darling, president of the Investors' Building & Trust Co. has purchased a large building site at the intersection of East Sixty-first street, Wisteria avenue and the Alameda, in Rose City Park, which he plans to improve at once with a \$10,000 expenditure.

Rev. W. W. Younger, of the Rose City Park Methodist church, is preparing to build a new home on East Sixty-first street, near Sandy boulevard.

By way of preparation for a large amount of hard preparing, the streets of Rose City Park are badly torn up by contractors, who are building sewers and putting down gas and water mains. It is expected that within a year every street in the addition will have a brand new coat of pavement.

Chicago, during which time the Chicago assessing department did not have foresight enough to understand the practical value of Mr. Somers' work, he removed to New York, where for over three years he was connected with the department of taxes of that city. He was a special expert, but at no time was his system used in that city for assessment purposes. His special function at that time was to investigate complaints of assessments, and make special reports to the president of the board, upon which the department could decide as to the validity of such complaints.

It was while connected with the New York department that Mr. Somers was invited to Cleveland by the late Tom Johnson, who was at that time finishing his career as mayor. It was just at that time that Mr. Somers had completed his mathematical tables for the quick computation of corner and near-corner lots. These tables were used in Cleveland and in Columbus, Ohio, for the first time for tax assessment purposes.

Example Is Followed.

These two cities had not been assessed for ten years previous to 1910. While for that reason the assessments were very low as compared with present opinions of true values, the inequalities as between individual property owners were no more apparent nor no more numerous than in the assessments of other cities, including Chicago and New York, where Mr. Somers had had experience in a limited way. Now, three years after the assessment in these two Ohio cities, real estate prices have been so standardized that no loan or sale is completed without first securing reference to, and knowledge of, the assessment of that property, which had never before happened in either city.

Since that time the Somers system as invented in St. Paul and perfected in Chicago and Cleveland, has been used for assessment purposes in Springfield, East St. Louis and Joliet, Ill.; Denver, Colo.; Lancaster, Wis.; Houston, Beaumont, Waco and Galveston, Texas; Augusta, Ga.; Des Moines, Iowa, and Weston, Canada. No assessment made in any one of these cities has ever been overturned by court procedure. Indeed, none has ever been disputed in a legal action. More than a billion, one hundred millions worth of land and buildings has been assessed for tax purposes under the Somers system in, or over half of which is land value.

All of which came about because a lawyer was elected assessor of St. Paul a number of years ago, who knew that he did not know how to perform the task of assessing.

No other system or method—except the rule-of-thumb method—has ever been used anywhere in America for the actual assessment of so many pieces of property nor property of so much gross value, as has the system devised by Mr. Somers. One of the reasons for the general satisfaction of these communities arising out of the use of the Somers system is that it is the first real effort ever made in any of the cities where it has been installed to supplant the chaotic lack of method with system. No small part of the satisfaction is due

to the fact that the people have the opportunity to participate in the actual work of assessment—to tell what they know of land values in public, and to learn the opinions of their neighbors in public. One of the faults of previous assessment methods has been the futile effort to equalize the inaccuracies and inconsistencies of the assessor's valuations by boards of equalization. Under Somers' methods it is possible to equalize the valuations before they are made. The next article will discuss the

fundamental basis for site valuation in land, and will show how it is possible for the people to use for tax assessment purposes their own knowledge of the usefulness of their own streets.

Coal miners are already preparing for the joint conference next year to make a new wage scale for the competitive states. Ohio miners have declared for payment on the mine-run system, for a six-hour day and a working week of five days.

REVISED ASSESSMENT METHODS NEEDED

