Building and Real Estate

LOAN TYPES EXPLAINED BY FHA LEADER

In response to a number of inquiries received at the Federal Housing Administration office at Portland, Jamieson Parker, state director, has issued the following statement, explaining the types of property improvement loans which are insurable under the FHA's amended Title 1 program.

These loans, of course, are made by private banking and lending agencies and are available to borrowers of steady income, good credit standing and reasonable ability to pay. Mr. Parker said:

"Property improved loans are divided into three classes. Class 1 loans are for alterations, repairs or improvements upon or in connection with existing structures. Such existing structures include homes, apartment houses, multiple-family houses, hotels, office and commercial buildings, institutional and manufacturing and industrial plants. Eligible loans include those for structural repairs, additions to the structure itself, installation of plumbing, heating and firing systems.

"Class 2 loans are for building new structures exclusive of those used wholly or in part for residential purposes. These include barns, garages, service buildings, silos, wayside stands, gasoline stations, tourist cabins and small industrial or commercial buildings.

"Class 3 loans are for building new structures used wholly or in part for residential purposes. These include structures for residential or business and residential use.

"Loans for all three classes must not exceed $2500. Class 1 loans must mature within three years and 32 days. Class 2 loans must also mature in three years and 32 days except those loans to finance the erection of new structures used wholly or in part for agricultural purposes, such as barns, silos, grain storage bins, etc., which may mature in 10 years and 32 days. Class 3 loans may mature in 10 years and 32 days.

"In the case of loans under classes 2 and 3 no portion of proceeds may be used in purchasing or installing equipment or furnishings. Items such as plumbing and heating systems are, however, considered integral parts of the structures. A loan to purchase an existing dwelling is not eligible. The proceeds of a class 3 loan to be eligible must be expended to erect a home that will be structurally sound and ready for occupancy. No more than $2500 may be expended on a single piece of property. No portion of a class 3 loan may be expended for demolishing an old structure. A loan to finance the cost of completing a structure that is partially built is not eligible.

"In the case of class 3 loans the FHA has established some minimum construction requirements. In addition the borrower must be able to assure the lending agency that the dwelling meets local building requirements, zoning ordinances and health regulations.

"The local FHA office will continue to provide information on all classes of loans. At some future time it expects to have new literature which will fully explain the steps one takes in getting a Title 1 loan."

GENERAL REPAIRS UNDERTAKEN HERE

Building permits for general repairs and small structures were issued during the past week by Henry Schortgen, building inspector.

Following are the permits:

Mrs. Fred Tilson, 900 Owens street, 4-car garage, $150.

George Blehn, 831 Klamath avenue, remodel front of building, $150.

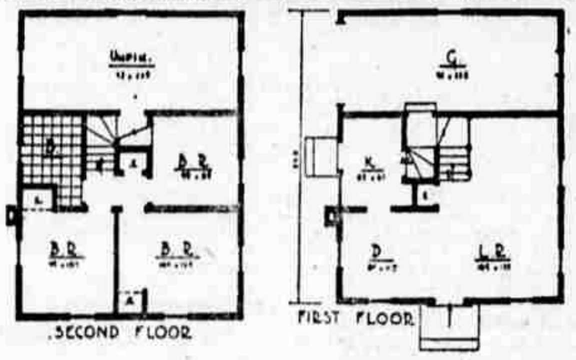
M. E. Doty, 526 Main street, composition roof, $300.

H. E. Roskamp, lot 6, block 38, Hot Springs addition, new 5-room house, one story, $5000.

L. A. Moss, 2325 California avenue, general repairs to house, $150.

R. H. Dunbar, 300 South Riverside street, general repairs to house, $250.

Low-cost Living in Low-cost Homes



Case-history studies of the original small houses built during 1938, in the National Small Homes Demonstration's "laboratory community" at Fairway Hills, Maryland, have just been completed and their results made available to the public, according to W. C. Bell, chairman of Western Homes Foundation.

These studies were confined to the homes in Fairway Hills which had experienced a completed cycle of seasons, and afford striking proof that the modern low-cost home developed by the building industry is a means not only to lower living costs but to higher living standards for the average renting family. The home illustrated is NSHD House No. 7, one year after.

"Sixteen months ago the site of Fairway Hills was a jungle of berry bushes, scrub pine, rocks and ravines, along a road near Washington, D. C.," states Mr. Bell. "Then the National Small Homes Demonstration broke ground for its laboratory community of eight strictly modern low-cost homes. Today there are 29 additional occupied homes in the same cost class in this up-and-coming community. Eight more are being erected. And 150 more are projected for early construction!

"And what is even more interesting to the income groups that take in more than 80 per cent of all American families — prospective home owners whose incomes are less than $2500 a year — the values discovered by the original eight families of the building industry's laboratory community are the source of all the subsequent construction at Fairway Hills.

"The Fairway Hills figures are of unique value because they are the results of a laboratory experiment in low-cost housing by the building industry. They are a triumphant climax to an organized effort begun in 1933 by Western forest products manufacturers and building material dealers; to provide modern housing that the mass of American families could afford—the 80 per cent with incomes of $2500 or less.

"The results of the studies at Fairway Hills demonstrate: comfortable, convenient, and healthful housing at small first cost and at a monthly cost far less than rent; a release of part of the family income, formerly spent as rent, for other elements in better living; an increase in family savings despite the improved standard of living. The year-old laboratory community at Fairway Hills, Maryland, is today not only an outstanding success as an experiment in low-cost housing; it is an equally outstanding demonstration of the vitality of the modern small home as a creator of business and pay rolls. 45 homes built and building 150 more on the way!"

Full working plans and specifications for House No. 7 or any of the other laboratory community homes built in Fairway Hills are available to any prospective home builder at cost, through retail lumber dealers or from Western Home Foundation, 364 Stuart Building, Seattle, Washington.

CHICAGO POTATOES

CHICAGO, Aug. 26 (AP-USDA) Potatoes 64, on track 134, total U. S. shipments 244; Idahos, demand moderate, market firm; Bliss Triumphs steady; cobblers slightly weaker; sacked per cwt.; Nebraska cobblers 85-90 per cent, U. S. No. 1 washed, few sales, $1.27½; Idaho Russet Burbanks U. S. No. 1 under ice $1.90-95; mostly $1.90; Idaho Bliss Triumphs, U. S. No. 1, car under ventilation, $1.80.

SUNDAY GAME

Weyerhaeuser's Wooden Box team will play the Lakeview Wooden Box team Sunday afternoon at 2:30. The game will be a benefit for the Wooden Box association.

War, invasion, terror, bloodshed — those were the good old days. Now a dictator is coercing his subjects by denying them whipped cream.

POWER LINES REPAIRED AT PINE RIDGE

Work of clearing up the damaged Copco property at the site of the burned Forest Lumber company mill at Pine Ridge has been completed and crews have installed new power lines to serve the few buildings which were left standing after the fire, it was announced Saturday at the Copco offices.

Approximately $1500 is being spent to reinstall poles and lines, according to Copco officials. Total loss to Copco was estimated at about $10,000, the complete planer and box factory sub-station and incidental lines having been destroyed in the disastrous conflagration.

An extension three miles in length is being constructed along The Dalles-California highway in a new project recently started by Copco crews. The line will serve 20 residences along the shore of Agency lake near Agency landing, and will also replace lines which were destroyed by the forest fire which resulted from the Pine Ridge blaze. The extension, extending north from the junction of the highway and the south Chiloquin market road, will also supply power for a motor on a log unloader belonging to the Algoma Lumber company at Agency landing.

Another project underway by Copco crews is the installation of a bank of transformers to supply power for a 25 horsepower motor at the recently constructed seed mill at Merrill.

CONSTRUCTION OF BIG MILL STARTS

One of the most important new construction jobs in the Northwest's vast lumber industry in the last decade got under way this week with the awarding of contracts for a new large lumber mill at Springfield, Oregon.

Allis-Chalmers Manufacturing company of Milwaukee designed the new plant and received the order for all saw mill machinery and plant equipment for the new production unit, which will be the most modern lumber mill in the world. It is being constructed by the Rosboro Lumber company of Springfield, Oregon.

The elaborate improvement plan undertaken by this company marks the beginning of the long-delayed modernization program of the northwest's lumber industry, involving vast expenditures when it gets under way, according to F. L. Schlitz, sales engineer of the saw mill division of the Allis-Chalmers Mfg. company.

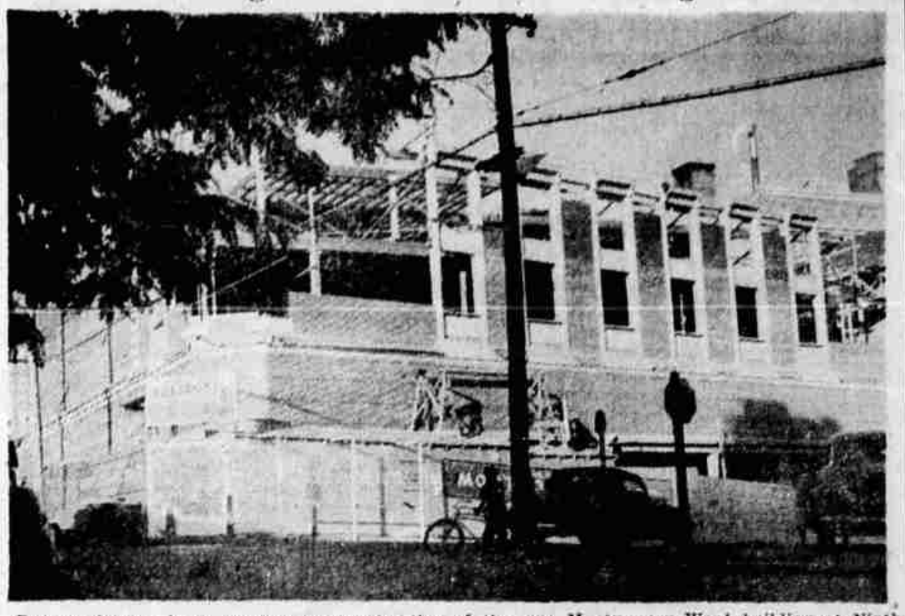
"The Springfield unit," Schlitz says, "is practically the only new lumber mill built in the northwest in the last 10 years, which indicates the accumulated need for more modern equipment and buildings in this important area."

Under construction now in the Allis-Chalmers shops is the latest type saw-mill and power machinery, soon to be shipped to the new mill. When installed the machines will produce 150,000 feet of lumber per day.

Timber for the new mill will come from the Rosboro Lumber company's 750,000,000 foot supply, which is considered one of the finest stands of yellow fir in the world and is located on the company's vast tract of land about 30 miles from Springfield. Logs will be trucked from here to the mill, where they will be broken down and worked through the remanufacturing plant.

The new mill will be located on a part of the Springfield airport, a site considered ideal by experts in the industry and should be in operation in March, 1940.

Progress Noted on M-W Building



Recent picture shows progress on construction of the new Montgomery Ward building at Ninth and Pine streets.

Building Dollar Goes Farther Today, Asserts Dealer Here

The person who builds or remodels a house today gets more value than ever before and his building dollar goes considerably farther than it did a few years ago, Ralph Howard of the Big Basin Lumber company said here Saturday in commenting on what he terms "unfounded and misleading statements" on construction costs.

The impression that building material costs are too high is a mistaken one, Howard declared. He cited a recent survey by Johns-Manville, leading building materials manufacturer, which showed that the price of building materials, fixtures and equipment averages 3.8 per cent less than in 1926 and many of the most important materials going into a new house or modernization job are from 20 to 25 per cent less, despite great improvement in quality in the last 12 years.

He explained that 1926 is the year selected by the government as a goal since it best represents the normal, American standard of living.

Among the materials he listed as costing less today in this community are: fir lumber, lath, Portland cement, window glass, asbestos roofing shingles, asphalt roofing, lime for plaster and mortar, brick, insulating board and hollow tile.

Another important factor is that financing costs, under the FHA type of amortized, single mortgage, are as much as 85 per cent less than during the boom days of 1925-29, he stated.

In reviewing the typical house of 1926, Howard declared that generally it was poorly designed with as much as one-fifth of its space wasted, and it took more money to maintain. Heating was non-automatic and there was no insulation, thus running up fuel bills in winter and causing the rooms to be hot and uncomfortable during the summer.

Kitchens, he pointed out, had none of the labor saving devices of today, there was usually only one bath, and plumbing was comparatively crude. General construction was also poor, foundations were too light in many cases and plaster cracks and loose fitting windows were almost the rule. And, in addition to this, the owner struggled under an oppressive financing burden.

This picture is contrasted by Howard with the average house of today which is smaller because space is no longer wasted and every detail is scientifically planned. It is efficiently insulated and therefore no longer heats all outdoors and the owner no longer swelters on hot days and nights. Other common features are automatic heating, healthful air conditioning and concealed radiation.

Modern kitchens are scientifically designed to save steps and work and most new houses today have at least two baths. The structures are also better built, he pointed out, with durable, firesafe roofs and sidewalls, heavier building paper, tight factory-built windows and weatherstripping.

M. L. Johnson Moves Into Spacious New Quarters

This year M. L. Johnson has been using as his slogan "14 years at 406 Main street," but he is going to have to change it to something like "14 years in the same block." Because during the week he moved his offices two doors and held open house Saturday in spacious new quarters at 412 Main street.

Johnson started in the real estate and insurance business in 1925, when he opened offices on May 1 of that year in a corner of the Hall hotel building, after serving as deputy county assessor for five years. He has remained there for the last 14 years, until increased business, larger office force, and what he terms "the valued cooperation of our friends and business associates" necessitated much larger quarters.

When he opened his first offices he dealt mostly in timber, buying principally from the Walker-Hovey company. The growth of his real estate business was a natural result.

The new quarters, besides being spacious, are furnished in a way to give it the title of one of the most attractive offices in Klamath Falls. Knotty cedar paneling, plain walls, and colorful linoleum add their part to the general effect. The new offices are one-half the space formerly occupied by the Southern Oregon Hardware company.

Sharing offices with Johnson for the last two years is Walter B. Bowne, secretary-treasurer of the Klamath Falls group National Farm Loan association, who also moved with him to the new quarters.

Employes of Johnson include Margaret Vroman, bookkeeper, who has been with him for the last 13 years; Clara Ziegler, policy writer, who has worked for him three and a half years; Inez McCoy, stenographer; and Fred Schmidt, real estate salesman.

A new dance, which permits two girls to waltz with one man, is designed to give wallflowers a break. We'd say it's the lucky man who's getting the break.

Literary piracy has been sanctioned as a principle of international law. This should put American humorists at ease.

ADVERSE MARKET IN WOOD ANALYZED

EUGENE, Aug. 26—"The economic necessity for technical improvements is rooted in the adverse market situation of west coast lumber, shingles and other forest products of the region," W. G. Tilton, forest engineer of the West Coast Lumbermen's association and Pacific Northwest Loggers association, stated today in opening the Willamette valley logging conference at Eugene. Tilton is presiding officer of the congress. He listed the reasons for the adverse market situation of the industry as follows:

1. Lower production and shipping costs in competitive regions.
2. Loss of export trade through the reciprocal trade policy.
3. The system of taxation on industrial forest ownership.
4. The burden entailed by the tremendous fire hazard, increased by public use of forest land.

"These are all major factors of high cost to forest owners and operators of this region," concluded Mr. Tilton. "All contribute to cost increases, directly or indirectly. They are holding back the development of the forest industry in the Willamette valley."

Buffalos provide about 25 per cent of the milk supply in India.