

FEATURES OF THE MIDSUMMER REAL ESTATE MARKET

MAINTAINS MILLIONS FOR REAL ESTATE INVESTMENT; BROKERS LOOK FOR OLD TIME MARKET ACTIVITY

HOW NEW YORK CITY MAKES ITS BUDGET

Investors Have Made This Summer One of Notable Trading--Low Prices, High Rentals and Easy Money Rates--Conditions Right for Revival in All Sections

EVERY indication points to a revival in interest in real estate on a scale that means a return of such conditions as prevailed before the panic of 1907, when everybody wanted to own it, and those who bought made money. From all quarters brokers report higher rentals, higher values, a better demand for property and more and larger amounts seeking investment in real estate, either directly or through mortgage loans. They report a more healthy condition in the renting field than the city has known for years. They say that the city by adopting the zoning plan has insured a continued rise in value, and that the near completion of the great dual subway system is beginning to be felt in demand at satisfactory prices for property for investment and improvement.

Real estate brokers always were optimistic, but their optimism in this instance has some reason, for real estate trading during the summer months has demonstrated that there is a big market. Many of the most careful investors and builders have bought large, well located real estate recently, believing that the prices quoted are the lowest at which those properties ever will be offered. Investing buyers for income have taken many properties of extraordinary attraction. Builders have bought well located sites not because they wish to improve at once, but because they think the properties cheaper now than they will be later on. Some builders even think that at the present high cost of materials they can reimprove old properties and build cheaper buildings than those they waited for a year to buy their land.

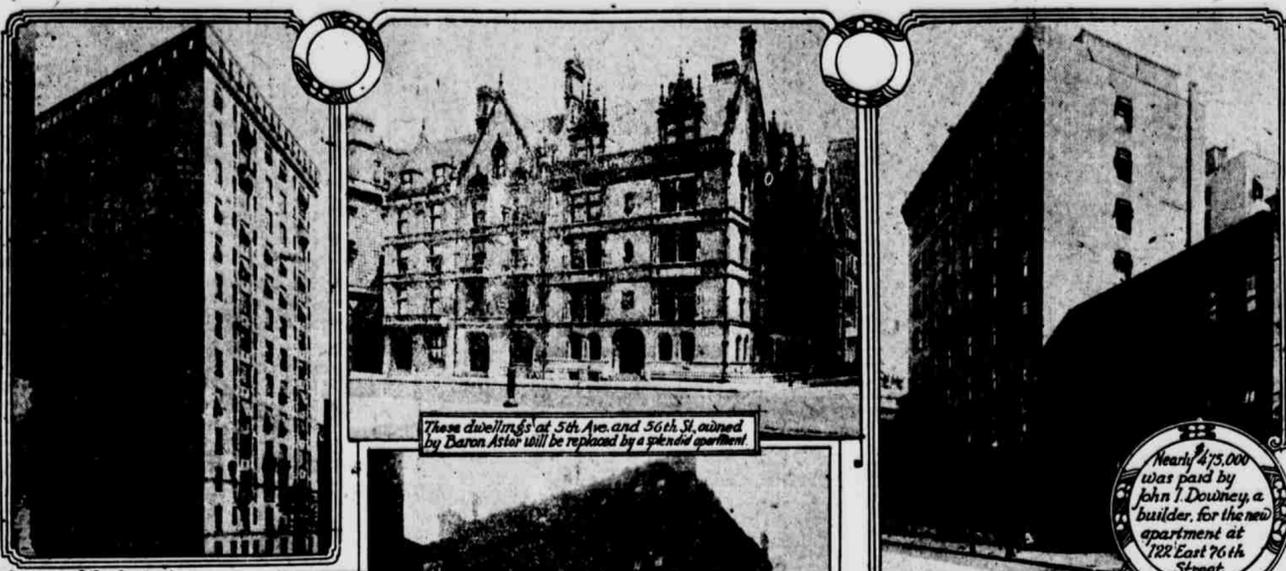
Summertime generally is the dull period in the real estate world, but this year no dullness has appeared. In fact business has been more lively since the beginning of June than it was prior to that time. Buying by small investors who trade in dwellings, small apartment houses and store properties has continued active throughout the summer; more active than it has been since 1911, when the best activity of recent years was seen. But the feature of the last few months is the interest in real estate indicated by the purchases of men who spend a million dollars or thereabouts in a single deal. It is the great number of such deals that has attracted attention this summer that points to a revival in real estate and a big fall market.

The largest investment deals of the summer have been in high class apartment properties and have helped to bring to notice the desirability of such houses as permanent investments. On present day valuations the most desirable are most attractive, for they are fully rented in most cases, which means that purchasers are assured full income from the start. This year there is a decided shortage of rentable sites, for building has been inactive, and there is little prospect, in view of high building costs, of much apartment construction during the next year. That means that apartment rentals will be advanced generally, and what is now a good investment will be made a better one. Brokers and investors believe that the market is established at higher levels they never again will be reduced.

Among purchasers of such properties this summer is the Donovon estate, William J. Stitt, Harry Raymond, R. G. Leeds and John I. Downey. The Donovon estate bought the Wendolyn, at Riverside Drive and Jones street, in the Riverside section. It was held at \$1,250,000 and its sale was one of the big features of the summer real estate market. The other big apartment house at the southeast corner of West End avenue and Ninety-eighth street appeared so strongly to Rudolph G. Leeds, a Western capitalist, that he took it at a valuation of \$750,000. On that basis Mr. Leeds has a splendid investment, for the house is fully tenanted and is paying in rents a large percentage of the value. Mr. Downey, who has built extensively in this city himself and knows values well, gave new apartments a great boost as an investment, when he purchased the nine-story house at 122 East Seventy-sixth street, for which the builders asked \$475,000.

While builders generally have not been even moderately active, one of the features of the spring market has been the buying of prominent sites for special types of buildings. That Henry Ford arranged for one of the largest deals of the year when he bought the north-east corner of Broadway and Fifty-fourth street, lying between the Hotels Woodward and Albemarle. A headquarters building for the Ford Motor Company will be erected, the transaction involving about \$2,000,000. Two of the largest lot deals in many years on Manhattan Island were closed in recent weeks, one of them involving the old American League baseball club property on Broadway and Fort Washington avenue from 165th to 168th street, valued at \$2,000,000, and the other affecting fifty-seven lots in the Dyckman section, which will be improved with flats. What is to be done with the ball club property or who is the buyer are secrets which nobody has been able to solve yet.

Sale of the old Bowery landmarks, the Atlantic Gardens and the Thalia Theatre, just south of Canal street, is a first step toward the improvement of that property with modern buildings. Valued at \$500,000, real estate operators have had the old buildings, and will build them only long enough to find a builder who will replace them with commercial structures for the busy district near the Manhattan Bridge approach. The other extreme property dealing is the leasing of the Baron Astor property at Fifth avenue and Fifty-sixth street as a site for one of the great apartment hotels ever planned. Herbert Leeds is head of the leasing company. Another big summer deal along the same lines was the



These dwellings at 5th Ave. and 56th St. owned by Baron Astor will be replaced by a splendid apartment.

In one of the largest summer deals, R. G. Leeds, Western capitalist, paid \$700,000 for the corner of West End Ave. and 93rd St.

This pioneer, The Inverness, at 7th Ave. and 37th St. bought by Lawrence, Parker and Mrs. John A. Fry will be replaced by 14 story studios.

purchase by Harry Fischel of the A. D. Pell house at the corner of Fifth avenue and Seventy-fourth street, where he will erect an apartment that will compare favorably with the splendid monuments already erected in the fashionable section.

Then the firm of Stelway & Sons have purchased a large site on Fifty-seventh street near Sixth avenue, on which they will erect a new Steinway Hall. The Western Union Telegraph Company bought most of the block on Broadway from Dey to Fulton street, over which to extend its great office building. Henry P. Davison of the firm of J. P. Morgan & Co. bought the southwest corner of Park avenue and Sixty-ninth street for the site of his new dwelling, a structure which when completed, it is said, will cost more than \$1,000,000.

There are a few of the big realty deals of the last two or three months. There were many more, but these are cited merely as illustrations of the kind of business now being done in New York real estate at a season when all business is supposed to be quiet. Taken together these deals represent a quantity and quality of buying such as has not been done in this city during any summer in the last decade. From it but one conclusion can be drawn and that is that real estate is again on a basis of cost and income that makes it attractive to the investment buyer. Prices are low, rentals are high; practically all of the agitation has disappeared against certain abuses which have been said to be ruining real estate as an investment, indicating that those abuses exist no longer.

Under such conditions the buying of the last few months may be regarded merely as the beginning of a strong campaign. All real estate brokers and operators agree that this fall will be the best period of the real estate market will have seen in many years. Many of them are so busy now that they are not thinking of vacations. Trading will be helped by a general supply of high class investment properties with which the market is stocked. Builders have been fairly active during the last few years, but there has been no equal activity among investors.

There is enough good investment property awaiting buyers to keep brokers busy during the next year. Its sale at current prices will have value in sections where there have been recessions. That will permit operators and speculators to turn over to builders properties for which there has been no market, and the leaders in the city's development will be enabled to resume the activity they were forced to abandon when the recent recession caught them with their funds tied up.

This is the most optimistic view of the situation, but one justified by the interest which big investors, the backbone of the local realty market, have taken during the last three months.

Patrick Noonan, conductor on one of the cars now in operation, worked on the construction of the road and had charge of the first car that was sent over the Marine Railway from Austin Corwin's sand dunes, now Manhattan Beach, to Pine Beach.

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HISTORY OF MARINE RAILWAY.

Old Manhattan Beach Line Was Once a Real Sea Railroad.

Marine Railway may now be considered a "minor" for one small stretch of railroad at Manhattan Beach which bears that name is not near the water. Forty years ago, however, the name was appropriate. When built in 1877 most of the road was really in the water. It connected Manhattan Beach with the Sheepshead section at Five Beach, traveling most of the distance across a body of water which has since been filled in.

Patrick Noonan, conductor on one of the cars now in operation, worked on the construction of the road and had charge of the first car that was sent over the Marine Railway from Austin Corwin's sand dunes, now Manhattan Beach, to Pine Beach.

Noonan had a hand in the development of Manhattan Beach from the very start.



Herbert Parsons bought the dwelling at 7 East 76th St. at a price of \$140,000.

SKYSCRAPERS NEVER WILL BE BUILT

TALL LEXINGTON AVENUE FLAT.

Eleven Story House Planned for Fifth Street Corner.

G. Ajello is preparing plans for an eleven story apartment with stores on the northeast corner of Lexington avenue and Fifth street, by the Kalfa Realty Corporation, Harry Park project. The cost is estimated at \$250,000.

HUNTINGTON BUNGALOW SITE.

Theodore S. Hall has sold for the Huntington Estates a large building plot to R. W. Lindsay of Huntington, L. I. It is the intention of the purchaser to erect a high class California bungalow.

MANHASSET OUT OF HOLLOW.

Town Expands to Top of Hill--Where Dwellings Are Planned.

The North Shore Building Company has given to the Habler Construction Company a contract for the erection of three two story stores, office and apartment buildings at Manhasset, L. I. opposite the railroad station and adjoining the Town Hall. This is the first unit of fifteen similar buildings the North Shore Building Company is to erect at Manhasset in the near future.

Comptroller Tells of Steps Taken--Where Money Comes From--New Budget Now Being Made

Preparation of the annual city budget for the coming year, 1917, is being made. The charter specifies that it shall be approved or reduced by the Board of Estimate and the Board of Aldermen and that preliminary public hearings shall be held at which taxpayers shall have opportunity to express their views as to the proposed expenditures. Comptroller Fremont has extended an invitation to the Advisory Council of Real Estate Interests and other bodies to attend these hearings. The Advisory Council will make a most careful study of the proposed estimates from the various city departments with the purpose of suggesting reductions.

For several years past, Comptroller Fremont has published a series of budget news bulletins. Within the next few days bulletin No. 1 of the series of 1916 will be issued, wherein will be set forth clearly the methods pursued in the preparation and adoption of the tax budget. The Comptroller has written a brief account of budget preparation. It is customary for the head of each city bureau of departments to prepare estimates of its requirements for the ensuing year. These departmental estimates are examined and analyzed by the bureau of standards with regard to personal services, by the bureau of contract supervision with regard to matters other than personal service and by the committee on education of the Board of Estimate and Apportionment with regard to educational matters. The various estimates are assisted by the Commissioner of Accounts and the bureau of municipal investigation and statistics.

After the estimates are compiled, dates are fixed and advertised in the City Record for preliminary hearings before the sub-committee on tax budget, of which Robert B. McIntyre is chairman, when taxpayers have a direct opportunity to question the department heads themselves. Protests are referred to the main committee on tax budget, which consists of the Comptroller, chairman, the President of the Board of Aldermen and the Presidents of Brooklyn and The Bronx, who present a tentative budget for adoption by the full Board of Estimate and Apportionment. This tentative budget is printed for public distribution in the latter part of October and public hearings are held then by the full board. Action must be taken in twenty days, but all changes are subject to the veto of the Mayor, which can be overridden by a three-fourths vote. During the month of February following the budget is transmitted by the Comptroller to the Board of Aldermen. All property except special franchises taxable for local purposes is assessed in the meantime by the Department of Taxation and Assessment, and on March 1 of each year the assessment rolls of real and personal property for the calendar year are presented to the Board of Aldermen. The board of Aldermen determines the tax rates and on or before March 25, delivers the rolls to the Receiver of Taxes, directing the Receiver to collect the taxes.

The budget is financed principally by means of the taxation of real estate, real estate of corporations, special franchises and personal property. The tax levies, based upon the assessed valuation and the tax rates, as fixed, never amounts to the total budget. This is due to the fact that certain revenues collected by various city departments each year are credited to an account called the "general fund" of the city for the reduction of taxation. The chief items of this general fund are: Interest on tax and assessments, a loan money from the State of New York, land tax, liquor excise tax, surplus revenues of the sinking fund for the redemption of city debt, No. 1, and transfers of unexpended balances in appropriation and special revenue bond fund accounts of previous years. From May 15, 1916, and in subsequent years this fund will also receive 50 per cent. of motor vehicle fees.

JAMAICA HAY HOME PLOTS.

Smith & Richmond have sold at Howard Beach Estates a 20 acre bungalow plot on Hawthree Road to J. M. Smith and a lot on the north side of Grimm avenue, near Hawthree, to Mrs. Ellen Jennings. Mr. McCallister is to build a \$2,000 bungalow.

NEW REALTY COMPANIES.

ALBANY, N. Y., Aug. 18.--The following realty corporations were filed here at the McKean Construction Company, Manhattan, capital, \$100,000; directors, Samuel S. Smith, Charles R. McCallister and Isaac P. McKean.

COSTLY FLATS IN DEMAND.

Only 97 of 473 suites on East Side Seeking Tenants.

The apartment renting situation on the East Side was never better than at present. With the supply for greater than a year ago vacancies at this time are remarkably few. When the apartment season opened a few weeks ago

house makes a pleasing group. Arthur E. Whitney, captain of the Cherry Valley Club, has taken a new home at Garden City near the Park. Ralph B. Williams has rented, with the privilege of purchase, a house on Fourth street, in "Christie row," erected by A. W. Evans, president of the Garden City Company, and Charles S. Butler, secretary of the Garden City Company, will take another of these dwellings.

\$80,000 Dwelling of the Tudor Period for Bronxville Developer

Work is under way on one of the most pretentious residences at Bronxville, which, when completed, will be occupied by William V. Lawrence of the Lawrence Park Realty Company. The house is on Kimball avenue, Lawrence Park Wood, and on a site of eight acres. The building is in the Tudor style of architecture, built of fish-bone brick.



There will be five main rooms on the first floor as well as the service wing, kitchen and service dining room. A large loggia will front to the north on the first floor and a piazza on the west end. On the second floor will be four guests' rooms and baths, three masters' rooms and baths and five servants' bedrooms. On the third floor will be four guests' rooms and baths.

Since zoning will stabilize values and encourage comprehensive development, which will in turn minimize risks, the lending organizations will support it by refusing loans to builders of tall structures.

The house will cost \$80,000, according to Bates & How, architects.

R. A. Schlesing has sold for Otto Dohert the six family apartment at 673 McDonough street to George C. Schneider.

Ernie Stern has sold for Hiskin & Wollin 1410 Seventy-sixth street, a brick dwelling, to a client for occupancy.

Hy. Asar has sold the two story and basement brick dwelling on lot 20x100, at 440 Lexington avenue, near Sumner, to William M. Barry, who will renovate and occupy.

