

Real Estate Values Increase Faster in Outlying Sections than in Loop District

BIGGEST GAINS MADE BEYOND OBSOLETE AREAS

Survey Covers the Period from 1900 to Date.

BY AL CHASE. (Real Estate Editor.)

Real estate values in Chicago during the last forty years have been increasing faster in the outlying sections than in the downtown area. A study of prominent corners on four main thoroughfares leading from the loop north, northwest, west, and south to the city limits, from 1900 to date, discloses the corner lot is only one of these figures, obtained from the county records, are the approximate values of land only (improvements not considered) as estimated by the board of assessors. They are not necessarily the prices owners would ask or could get for their land.

In the present inactive real estate market the only way to make a study of comparative values over a period of years is to use the "full value" of properties as estimated by the assessors.

Only the corner lots were used in making comparisons, even though in many cases the corner lot is only one of several lots under one large building.

Use Different Factors. Taxes on these estimated "full values" are based on "assessed values" which are secured by using the factor of 37 per cent. That is, 37 per cent of the "full value" is the "assessed value." This factor has varied considerably since 1818.

From that date to 1909 the factor was 20 per cent. From 1909 to 1919 it was 33 1/2 per cent. From 1919 to 1926 the factor was 50 per cent. During 1927 it was 100 per cent—that is, the "full value" and the "assessed value" were the same. From 1928 to date it has been 37 per cent.

Chicago's great central business and shopping center, although still probably the world's most compact area of its kind, has been surpassed during the last four decades in spectacular skyrocketing of realty values on all of the four streets covered.

A Gigantic "H." For example, if the northwest corner of State and Madison streets today had increased in value since 1900 at the same rate as the southwest corner of Milwaukee and Bryn Mawr avenues, it would be worth today approximately \$96,600,000 instead of \$1,282,000.

If this same loop corner had advanced in value at the same rate as the northwest corner of Madison and Austin, seven and a half miles west, it would be valued at \$56,350,000. Making a similar comparison with the rise in values to the south, the State and Madison corner would have a value of \$20,930,000 if it had registered the same ratio of gain shown by the southeast corner at State and 103rd, twelve miles south.

Loop Corner Gains Moderately. Instead of following these spectacular examples of what real estate can do, the northwest corner of State and Madison increased in value during these forty years from \$805,000 in 1900 to \$1,282,000 in 1937. This is a comparatively modest gain—only about a 60 per cent increase.

On the other hand, these outlying corners used as comparisons made the following gains: The Milwaukee-Bryn Mawr property was valued at \$50 in 1900. In 1937 it had increased in value to \$6,000, which is 120 times the first figure. The Madison-Austin corner advanced from \$400 to \$28,000, becoming seventy times more valuable today than in 1900.

The State-103rd corner increased in value from \$190 in 1900 to \$5,000 in 1937, a gain of 2,600 per cent.

Loop Values Once Soared. Of course, this is not exactly a fair comparison, for the downtown district, if one looks back of 1900, was the scene of sensational realty advances. Values soared to heights which startled the rest of the realty world by both the speed of advance and altitude.

Development of Chicago along the main thoroughfares radiating from the loop has consistently followed extension of transportation facilities. Values, however, have shown the biggest advance in areas beyond the belt of depreciated or obsolete land surrounding the downtown district on these sites and through which these thoroughfares must go.

Getting beyond this great belt of decreasing values one finds the most expensive real estate outside the loop.

Value of Madison Corners. For example, going west on Madison the three corners with the highest values are the intersections of Kedzie, Pulaski, and Cicero, four, five, and six miles west of State and Madison.

To the north one finds the high point in section line corners on North Clark street at Belmont avenue, four miles from downtown.

South from the loop a study of values on State street shows a stretch of more than five miles, through the colored district, where property has steadily depreciated at section line corners. Beginning at Harrison street (considerably north of the actual Negro area) and looking at Roosevelt, 31st street, and Pershing road, one finds values are lower than they were forty years ago. The highest is reached six miles out, at 55th street.

Predict Higher Levels. With a few scattered exceptions a value four of the four thoroughfares mentioned—State, Madison, Milwaukee, and Clark—discloses steadily advancing real estate prices at section line corners.

The nearby table of value at ten year intervals shows in practically all instances that the record high was reached in 1930. Real estate men, however, believe that Chicago realty again is headed for a still higher level during the next few years.

How Real Estate Changes

Table showing real estate values for S. E. corners of State and Madison from 1900 to 1937. Columns include year and value in dollars.

Table showing real estate values for N. E. corners of Milwaukee and Grand from 1900 to 1937. Columns include year and value in dollars.

Table showing real estate values for N. W. corners of Madison and Wacker from 1900 to 1937. Columns include year and value in dollars.

Table showing real estate values for N. W. corners of Clark and Fullerton from 1900 to 1937. Columns include year and value in dollars.

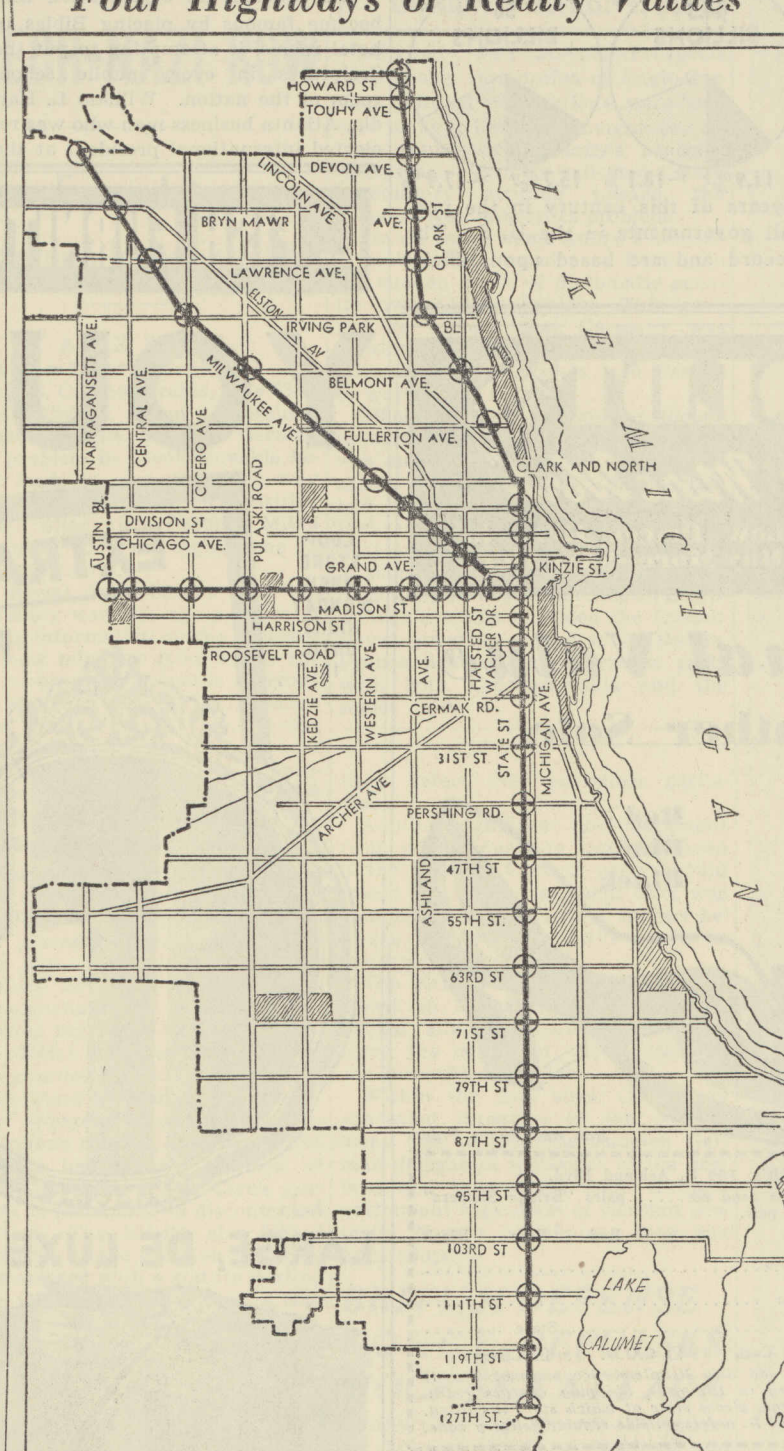
Table showing figures for the week, including transfers, trust deeds, mortgages, and building permits.

MT. PROSPECT ADOPTS A NEW BUILDING CODE. The village board of Mount Prospect has adopted a new building code. Several months ago President I. E. Bender and the village board of trustees decided it was necessary to bring the code up to date if the town wanted to get its share of new building and to maintain the standard of homes already set. A committee consisting of Trustees S. W. Harrington, chairman, Charles Hennix, and Elmer Wille was appointed to draw up an ordinance. Architect Paul F. Olsen was retained as consulting expert. The new ordinance has been signed by the president.

At the Realty Boards. The West Side Real Estate board will hold an informal luncheon to morrow noon at the Greanere hotel. Real estate matters will be discussed. The Allied Real Estate Brokers, Inc., will hold a golf tournament and dinner at the Briargate Country club next Tuesday. It will celebrate the tenth anniversary of the organization of the association. Hugo W. Mortenson and Louis C. Burgener are in charge of the outing. Active members of the Chicago Real Estate board will vote on amendments to the by-laws at a special meeting next Wednesday at 2:30 p. m.

Low Cost Construction advertisement for general remodeling, garages, and new homes built to suit.

Four Highways of Realty Values



This map shows the four thoroughfares radiating from the loop to the city limits and the corner intersections named in the adjacent story of real estate values.

Use Blueprints to Rent Third of Garden Flats

Sixty-four of the 196 suites in the million dollar Granville Garden apartments, being built at the northwest corner of Hoyne and Granville avenues, already have been rented. Draper & Kramer, rental agents, are using blueprints to close their deals. Dovenmuehle, Inc., mortgage bankers for the project, yesterday said that within the coming week two model apartments, to be completely decorated and furnished, will be open to the public. One will be a four room unit in the modern Swedish style and the other will be a five room suite furnished in the 18th century English mode.

Based on leases made we find that the bulk of tenants in the finished buildings will be men and women engaged principally in the professions, or as junior executives in business enterprises," said Ferd Kramer, vice president of Draper & Kramer. "The group contains many doctors, lawyers, teachers, and departmental managers of business firms. Some are retired business men.

"The Greenway Construction company, which has carried on its work at record speed despite the heaviest spring and summer rains in years, now has 134 apartments completely plastered and has definitely stated that the plastering of the remaining sixty-two will be finished within two weeks," said George Dovenmuehle. Ground was broken for the big project on March 23, 1938.

Restaurant Firm Leases Space at 137 East 63rd. Alexander's Restaurants, Inc., leased the 38x60 space at 137-39 East 63rd street for a term of years on the Grey estate. Richard W. Gates of McKee & Poague was broker. The lessee is installing a new porcelain store front and modernizing the interior.

Abbott School of Dancing Rents New Loop Quarters. Miss Merriell Abbott has leased space in the 30 East Adams building and will move the Abbott School of Dancing there in the fall. Ralph C. Wilkins of Aldis & Co. was broker.

Great Lakes Mortgage Corporation advertisement for mortgage loans and insurance.

PLANS DRAWN FOR 50 HOMES; BUILD THIS FALL

Tackett's 1938 Program Has 82 Units.

Plans are now being drawn for fifty residences to be built this fall and winter by W. C. Tackett, Inc., for the spring demand. They will be erected in Mount Prospect, Arlington Heights, and La Grange. Construction already is under way on nineteen of the homes, most of them in Searsdale, Arlington Heights, for fall occupancy.

The Tackett building program for 1938 totals eighty-two new residences. In addition to the nineteen under construction and the contemplated fifty, Tackett said yesterday that his firm has contracted for thirteen additional residences to be built to order in various suburbs. A home is planned for Dr. Eugene G. Klein in Evanston, for one S. H. Zinn in Elmhurst, for Dr. Albert Mickow in Sauganash, G. Edward Sandmeyer in Beverly Hills, Paul C. Krouch in Wilmette, and Kurt Sommer, La Grange Park.

Recent sales reported by Tackett are homes at 724 North Seventh avenue, La Grange, to J. Frank Magorian, and at 709 North Seventh, to E. L. Estes.

PLAN 150 MORE HOMES SHORTLY AT ISLAND LAKE. One hundred homes have been built since the opening of Island Lake, near Wauconda, by the National Mortgage and Investment company a year ago. Yesterday it was announced that this summer's building program calls for 150 more.

The demand for home sites has been so great, it was said, that the company is rushing the construction of tracts through a new heavily wooded and unopened section, the last remaining division of Island Lake subdivision. Four miles of the shore has been improved for bathing, and five sand beaches provided. The Island Lake development has been approved for Federal Housing administration loans.

CLEARING FIRM PAYS \$225,000 FOR ITS PLANT. The Clearing Machine corporation yesterday purchased the plant at 6449 West 65th street, in the Clearing industrial district, which it had been occupying under lease. The price was \$225,000, according to H. Perry Phelps, vice president and general manager of the district. The company, which makes power presses for the metal stamping trades, began business in 1933. Since then it has expanded its plant three times. The building purchased has 65,000 square feet of floor space. R. W. Glanzer is president.

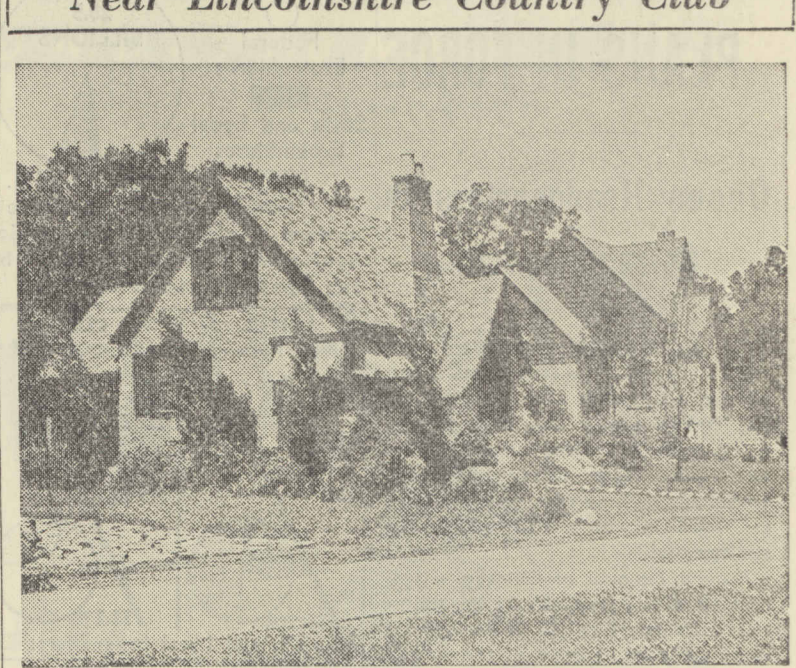
Wimpy Grills, Inc., Lease New Hyde Park Building. The trustees of the estate of Paul Cornell, owners of the southwest corner of Hyde Park boulevard and Harper avenue, will erect a building on that property for Wimpy Grills, Inc. The corporation has leased the property for ten years on a minimum guarantee and percentage basis. Draper & Kramer, represented the lessor, and Arthur Levy of Arthur Levy & Co., the lessee.

Mother and Son Buy Six Flat Building for \$18,000. Mrs. Agnes Leatherman and her son, Raymond Leatherman, purchased the six apartment building at 914-16 Belle Plaine avenue from Lulu H. Pierce, for an indicated \$18,000.

Best Built Building Specialist advertisement for homes, cottages, garages, and remodeling services.

Real Estate Loans advertisement for mutual securities company.

Near Lincolnshire Country Club



In the foreground is the residence of Francis M. Hynes and adjoining is the home of Norman P. Edgars, on Aberdeen drive, between Isley lane and Andrews drive, in the Arcadia Woodlands section of Lincolnshire estates. These are recent additions to a building program which calls for twenty more units. The Hynes house, designed by Elmer Carlson, cost a reported \$11,500 for building and lot. The Edgars home cost \$8,000. Charles Archer was the architect. Both have six rooms. Each occupies a lot 100 by 150. One of the proposed twenty new homes is now open for inspection, according to S. N. Homan, president of Lincolnshire Estates, Inc.

Home Building Throughout Nation Increases in June

Home building throughout the country during June was greater than in May and also than in June of last year. According to the United States department of labor, however, the value of residential building in cities reporting was 11 per cent less during the first six months of 1938 than in the same period last year.

The value of new home building for which permits were issued was 12 per cent higher in June than in May. The increase in non-residential construction was 45 per cent. Additions, alterations, and repairs showed a gain of 4 per cent in value. The ten leaders in the list of 124 big cities reporting, all showed less building during the first half of 1938 as compared with the same period last year, with the exception of three. New York City, Washington, and Houston had more construction than last year. Following are the ten cities where building was most active during the first part of this year and comparative figures for the first six months of 1937:

Table comparing home building values in ten cities for the first six months of 1937 and 1938.

22nd Anniversary Celebration advertisement for Siegel Lumber Co.

Advertisement for Siegel Lumber Co. listing various lumber products and prices.