

## NEWS OF INTEREST IN REAL ESTATE AND BUILDING FIELDS

PADDED RENTS  
GIVEN A BLOWRealty Association Would  
Stop Practice

Holding that "padded" leases, in which a larger consideration is named as rental than is actually agreed upon between the owner and tenant, are becoming an increasing element of danger in the financing of construction, the Property Management Division of the National Association of Real Estate boards has taken a stand unequivocally condemning all such lease arrangements.

The action was taken at a meeting of the executive committee of the division just concluded at headquarters of the association, Chicago. "This division is opposed to the making of leases with concession, free rent or rebates unless such are clearly shown on the face of the lease," the resolution states.

## Space a Commodity

To insure sound financing of apartment buildings and office buildings, a careful analysis of the rental capacity and maintenance costs of every proposed building by an expert in property management to determine its earning power is as essential as an examination of the land title by a competent lawyer, or the drawing of its plans by an architect, or the examination of its accounting by an auditor, division officials point out. Whether the building will pay interest on the loan is bound to depend on there being a healthy relation between its rent rolls and such matters as construction costs, taxation, and extent of vacancy. Space is a commodity. The experienced property manager knows what it costs to sell a given type of space.

Analysis of office and apartment buildings to determine their net income value present or prospective will be an important topic to come before the division at its meeting in connection with the annual meeting of the National Association of Real Estate boards in Dallas, Texas, January 13-16, 1925. The division meeting, which will be an informal round table on the problems of property management, will be held on the opening day of the session, together with simultaneous round table meetings of the divisions of the Association specializing in industrial property, farm lands, one building and subdividing, real estate finance, general real estate brokerage, and real estate board organization.

National surveys will be undertaken by the National Association during the year through the Property Management Division to determine the amount of residential vacancy normal to American cities, the prices actually being paid for store rentals and office space in cities of more than 250,000 population and in cities under that population and the detail of cost of property management. The Association also will study the rise or fall in rents, the types of apartments most in demand, the effect of overbuilding on rentals, and the tendencies in types of apartment buildings now being erected.

NEWSPAPER ADVERTISING  
IS EDUCATIONAL MEDIUM

The increasing value of newspaper advertising as an educational medium and the necessity of its use by public utility companies, was recently discussed by the Connecticut Public Utilities commission, when the mayor of Stamford, Conn., protested to the commission that advertising was not a legitimate expense of the electric and gas utility serving that city. The commission, in its ruling, said: "The experience and observation of this commission has been that frequent complaints by patrons in matters relating to utilities are due to the omission of the utility to provide intelligent information."

"This commission has always advocated a proper amount of publicity on the part of utility companies in order that their patrons may be informed in a general way as to operating and financial conditions as affecting the rate payers."

"A fair and frank statement by a utility on controversial questions will assist in maintaining a relationship of good will and co-operation between the company and its patrons."

The commission found that there was no grounds for intervention and dismissed the petition of the mayor.

LEASEHOLD IS PROPERTY  
SAYS APPEALS BOARD

A leasehold is property, and its cost and increase in value are properly capital, according to a decision just made by the Board of Tax Appeals in relation to the Federal income tax.

The board, in regard to Decision No. 72, held:

1. That a leasehold is property and its cost and increase in value prior to March 1, 1913 are properly capital. The owner of the leasehold is entitled to take deduction for exhaustion of such leasehold in the same manner as he would with any other exhaustible property.

2. That where the March 1, 1913 value of a leasehold is determined, and that value is used as the basis for computing gain on the sale of a lease, the taxpayer is entitled to take deductions for exhaustion on the same basis.

This Realty Board Pays  
Up Dues for Year 1925

For the third successive year the Louisville, Ky., Real Estate board claims the honor of being the first member board of the National Association of Real Estate boards to pay its annual national dues.

A check for \$1,000 representing dues for 200 active members for the year 1925, has just been received at national headquarters from the Louisville board.

The board takes the occasion to extend to real estate boards throughout the national association the wish of the board to welcome them in the new board home, recently purchased and now being remodeled. The board expects to move into the new building within the year.

In making the purchase, at a cost of \$50,000, members of the board gave \$10,000 outright to raise cash for the first payment.

The board has made two increases in its initiation fee during the year, but the increases, making the fee now \$250, have not been found to interfere with an addition of 19% to the membership during the year. Nor has it made the board less disposed to scrutinize applicants for membership as to their fitness, Maurice Dunn, executive secretary, reports.

Suspend Realty Dealer  
For Untrue Statements

Recent action reported to the National Association of Real Estate boards by the Cedar Rapids, Iowa, Real Estate board illustrates the meaning of real estate board discipline. The Cedar Rapids board has just suspended a member indefinitely for making untrue statements to a client, concealing from her the fact that the property he had shown her was next to a property occupied by a colored family.

A second board member who in conversation acquiesced to the action of the first dealer was reprimanded by the board of governors of the real estate board.

Make Fare and a Half  
Rate to Realty Parley

A fare of one and one-half for the round trip has been granted all real estate people attending the annual meeting of the National Association of Real Estate boards in Dallas, Texas, January 13-16. The rates are given on the certificate plan.

Tickets at the regular one-way fare for the going journey must be purchased on January 9-15 inclusive.

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ILLINOIS ROADS  
NOW IN SHAPE

Main traveled highways in the northwest which last week were impassable, have been cleared of snow in Minnesota, Wisconsin and Iowa, according to the touring bureau of the Chicago Motor club.

Illinois roads are clear, but still slippery. The main highways are not materially affected by weather conditions. Scattered snows in northern part of state and rain in southern caused roads to freeze rough. Main highways are open and not materially affected by weather conditions.

Illinois highway 2 is scheduled to be completely open January 1, between Sublette and Mendota; and between El Paso and Bloomington.

Illinois highway 3, detour between Hillsdale and Carbon Bluff scheduled to be eliminated January 1.

Illinois highway 7, detour between Marseilles and Ottawa eliminated and road open.

Illinois highway 18, road between Mendota and Princeton scheduled to open January 1, 1925.

E. H. Calvert, who appears in Pola Negri's latest starring picture of Paramount, "East of Suez" was once a director for Essanay. He gave Gloria Swanson, Agnes Ayres and Rod La Rocque their first work before the motion picture camera.

## Plant Now

## Trees—Shrubs—Perennials

This is the right time to plant and buy trees, shrubs and perennials. Prices are lower now than in the spring.

## John Ostrowsky

1487 Asbury Avenue  
Hubbard Woods  
Phone Winnetka 546-J

Stults Realty Manager  
Succumbs to Poisoning

Funeral services for G. Wesley Betts, manager of the Stults Realty company offices on Central street, Evanston, for three years past, were held from Covenant church, Evanston, Monday, December 22.

The Rev. Almer M. Pennewell conducted the service, and interment was at Rose Hill cemetery. A trio composed of Mrs. Keith E. Kellenberger, Mrs. C. C. Wells and Mrs. William L. McKay, sang.

Mr. Betts was well known in north shore real estate circles and among the younger social set in this vicinity. His death was caused by blood poisoning.

Chicagoan Buys Valuable  
Corner Tract in Wilmette

Axel Lonnquist, real estate operator and Chicago and Florida subdivider, has bought the northwest corner of Michigan and Elmwood, Wilmette, 100x150, for a reported \$24,000, and intends erecting an expensive residence. George C. Kroll, president of Heinsen & Kroll, negotiated the deal.

## GET REAL ESTATE PINS

Gold enameled coat pins bearing the emblem of the National Association of Real Estate boards have just been presented to each member of the Red Bank, New Jersey, Real Estate board by the retiring president, Edward S. Allaire.

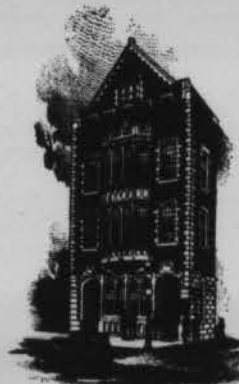
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## Just a Chat at Twilight

EVERY evening after 8:30, long distance telephone rates (for "station-to-station" calls) are about 50 per cent lower. At midnight a still further reduction becomes effective and until 4:30 A. M. night calls are completed at about one-fourth the day "station-to-station" rates.



To meet the demand for new telephones more plant must be built—at costs greater than the cost of the average of our present plant. To do this we must obtain capital and to attract this we must pay satisfactory returns. This we cannot do without adequate rates.



This service makes it possible to call distant friends or relatives or your home if you are out of town, at a very small cost.

Just give the long distance operator the number of the telephone wanted and say you will talk to anyone who answers.

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AND A HAPPY NEW YEAR

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